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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)

**(1) CONNECTED TRANSACTION IN RELATION TO  
THE PROPOSED SUBSCRIPTION OF NEW DOMESTIC SHARES UNDER  
THE SPECIFIC MANDATE;  
(2) APPLICATION FOR WHITEWASH WAIVER;  
AND  
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Independent Financial Adviser to the Takeovers Code Independent Board  
Committee, the Listing Rules Independent Board Committee and  
the Independent Shareholders**



**CONNECTED TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION OF  
NEW DOMESTIC SHARES UNDER THE SPECIFIC MANDATE**

On 22 August 2024 (after trading hours), the Company and SIAMC entered into the Share Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and SIAMC has conditionally agreed to subscribe for 40,000,000 new Domestic Shares at the Subscription Price of RMB2.54648 (equivalent to HK\$2.78) per Subscription Share for a total consideration of RMB101,859,200 (equivalent to approximately HK\$111,200,000) in cash.

40,000,000 new Domestic Shares will be issued at the Subscription Price per Subscription Share under the Share Subscription, which represents:

- (a) approximately 24.68% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 19.80% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares immediately after Completion of the Share Subscription.

The Subscription Shares shall be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM and the Class Meetings.

### **APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, SIAMC does not hold any Shares of the Company whereas the party acting in concert with it, China Changan, holds 41,225,600 Shares in the Company, representing approximately 25.44% of the issued share capital of the Company. Upon Completion of the Share Subscription and assuming there is no other change in the issued share capital of the Company prior to the Completion, the shareholding of SIAMC and the party acting in concert with it will increase to approximately 40.20% of the issued share capital of the Company.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to SIAMC will give rise to an obligation on the part of SIAMC to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by SIAMC and the party acting in concert with it) (as defined in Note 4 to Rule 22 of the Takeovers Code), unless the Whitewash Waiver is granted by the Executive.

SIAMC will submit an application to the Executive (on behalf of itself and the party acting in concert with it) for the Whitewash Waiver to waive the compliance with the obligation to make a mandatory general offer in respect of all Shares and other securities of the Company (other than those already owned or agreed to be acquired by SIAMC and the party acting in concert with it) (as defined in Note 4 to Rule 22 of the Takeovers Code) under Rule 26.1 of the Takeovers Code as a result of the allotment and issuance of the Subscription Shares to SIAMC. For this purpose, SIAMC will apply to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. According to requirements of the Takeovers Code, the Whitewash Waiver, if granted, will be subject to, among others, the approval by more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription and at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver, respectively, at the EGM.

The Executive may or may not grant the Whitewash Waiver. The Share Subscription Agreement will not take effect and the Share Subscription will not proceed if the Whitewash Waiver is not granted or approved.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, China Changan, which holds 41,225,600 Shares in the Company (representing approximately 25.44% of the total issued share capital), is a substantial Shareholder of the Company, whereas CSGC, which holds 100% of the shareholding in China Changan, is therefore an associate of the Company. SIAMC is a wholly-owned subsidiary of CSGC and is therefore also an associate of the Company. Accordingly, China Changan, CSGC and SIAMC are all connected persons of the Company as defined in the Chapter 14A of the Listing Rules, whereas the Share Subscription constitutes a connected transaction of the Company and will be subject to announcement, reporting and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **GENERAL**

### **ESTABLISHMENT OF TAKEOVERS CODE INDEPENDENT BOARD COMMITTEE, LISTING RULES INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Pursuant to Rule 2.8 of the Takeovers Code, the Takeovers Code Independent Board Committee (comprising all the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver, namely Mr. Che Dexi, Mr. Chen Wenbo, Ms. Jin Jie, Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing) has been formed to make recommendation to the Independent Shareholders on the terms of the Share Subscription and the Whitewash Waiver, and as to voting. Mr. Dong Shaojie, non-executive Director, is nominated by China Changan and is therefore not considered as independent for the purpose of giving advice or recommendations to the Independent Shareholders. Pursuant to the Listing Rules, the Listing Rules Independent Board Committee (comprising all the independent non-executive Directors who have no direct or indirect interest in the Share Subscription, namely Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing) has been formed to make recommendation to the Independent Shareholders on the terms of the Share Subscription and as to voting.

Quam Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed with the approval of the Takeovers Code Independent Board Committee to advise the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders on the Share Subscription and the Whitewash Waiver and to make recommendation as to voting.

### **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Board proposed to make amendments to certain clauses of the Articles of Association, to take effect subject to and upon Completion of the Share Subscription, in order to reflect the latest registered capital and shareholding structure of the Company after the issuance of the Subscription Shares.

The proposed amendments to the Articles of Association are subject to approval by the Shareholders by way of special resolution at the EGM, the approval of the relevant PRC government authorities and the registration and filing with the relevant authorities.

Further information in respect of the proposed amendments to the Articles of Association will be set out in the circular to be published by the Company in relation to, among others, the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver.

### **EXTRAORDINARY GENERAL MEETING AND THE CLASS MEETINGS**

The EGM and the Class Meetings will be convened to consider and, if thought fit, approve resolutions required in relation to, among others, (i) the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate); (ii) the Whitewash Waiver and (iii) the proposed amendments to the Articles of Association.

The Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) will be proposed by a resolution passed by more than two-thirds of votes cast in favour by the Independent Shareholders in person or by proxy at the EGM and the Class Meetings, the Whitewash Waiver will be proposed by a resolution passed by at least 75% of votes cast in favour by the Independent Shareholders in person or by proxy at the EGM, and the proposed amendments to the Articles of Association will be proposed by a resolution passed by more than two-thirds of the Shareholders in person or by proxy at the EGM. The EGM and the Class Meetings will be voted on by way of poll.

SIAMC, its associates and any party acting in concert with it (i.e. China Changan) together with any other Shareholder who is involved or interested in the Share Subscription and the Whitewash Waiver will be required to abstain from voting on the resolutions to be proposed at the EGM and the Class Meetings for approving the Share Subscription and the Whitewash Waiver.

#### **DESPATCH OF CIRCULAR**

A circular containing, among others, (i) further details of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate); (ii) further details of the Whitewash Waiver; (iii) further details of the proposed amendments to the Articles of Association; (iv) a letter of advice from the Takeovers Code Independent Board Committee and the Listing Rules Independent Board Committee on the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver; (v) a letter of advice from the Independent Financial Adviser to the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders on the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver; and (vi) a notice of EGM and Class Meetings together with the form of proxy, is expected to be despatched to Shareholders within 15 Business Days from the date of this announcement pursuant to Rule 14A.68 of the Listing Rules or 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is the earlier.

The Company will seek the Executive's consent if it becomes clear that the circular may not be able to be published within 21 days from the date of this announcement and will apply to the Executive for an extension of time for the despatch of the circular. Further announcement(s) will be made by the Company as and when appropriate.

**As the Share Subscription is subject to the satisfaction of the conditions precedent under the Share Subscription Agreement as set out in the section headed "Conditions precedent" of this announcement, including but not limited to the granting of the Whitewash Waiver by the Executive, and therefore the proposed Share Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and actions that they should take.**

## **I. CONNECTED TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION OF NEW DOMESTIC SHARES UNDER THE SPECIFIC MANDATE**

On 22 August 2024 (after trading hours), the Company and SIAMC entered into the Share Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and SIAMC has conditionally agreed to subscribe for 40,000,000 new Domestic Shares at the Subscription Price of RMB2.54648 (equivalent to HK\$2.78) per Subscription Share for a total consideration of RMB101,859,200 (equivalent to approximately HK\$111,200,000) in cash.

## **1. PRINCIPLE TERMS OF THE SHARE SUBSCRIPTION AGREEMENT**

### **Date**

22 August 2024

### **Parties**

- (1) The Company (as the issuer); and
- (2) SIAMC (as the Subscriber).

### **The Subscription Shares**

40,000,000 new Domestic Shares will be issued at the Subscription Price per Subscription Share under the Share Subscription, which represents:

- (a) approximately 24.68% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 19.80% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares immediately after Completion of the Share Subscription.

The Subscription Shares shall be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM and the Class Meetings.

### **Ranking**

The Subscription Shares, when allotted and issued, shall rank pari passu in all respects among themselves and with the existing issued Domestic Shares.

### **The Subscription Price**

The Subscription Price is RMB2.54648 (equivalent to HK\$2.78) per Subscription Share for a total consideration of RMB101,859,200 (equivalent to approximately HK\$111,200,000), which will be paid in RMB. The Subscription Price per Subscription Share represents:

- (a) a premium of approximately 47.87% to the closing price of HK\$1.88 per Share as quoted on the Stock Exchange on the date of the Share Subscription Agreement and the date of this announcement;
- (b) a premium of approximately 45.55% to the average closing price of HK\$1.91 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Share Subscription Agreement and the date of this announcement;
- (c) a premium of approximately 38.31% to the average closing price of HK\$2.01 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days immediately prior to the date of the Share Subscription Agreement and the date of this announcement;

- (d) a premium of approximately 28.70% to the average closing price of HK\$2.16 per Share as quoted on the Stock Exchange for the last sixty (60) consecutive trading days immediately prior to the date of the Share Subscription Agreement and the date of this announcement;
- (e) a discount of approximately 79.53% to the audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2023 of approximately HK\$13.58 per Share calculated based on the audited consolidated net asset of the Group attributable to the Shareholders of approximately RMB2,016,253,323.93 as at 31 December 2023 as extracted from the annual report of the Company for the year ended 31 December 2023 and 162,064,000 Shares then in issue (based on the exchange rate of HK\$1:RMB0.91600 as at 20 August 2024 published by the China Foreign Exchange Trade System as authorized by The People's Bank of China for illustration purposes); and
- (f) a discount of approximately 79.48% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2024 of approximately HK\$13.55 per Share calculated based on the unaudited consolidated net asset of the Group attributable to the Shareholders of approximately RMB2,012,039,199.83 as at 30 June 2024 as extracted from the interim results announcement of the Company for the six months ended 30 June 2024 and 162,064,000 Shares then in issue (based on the exchange rate of HK\$1:RMB0.91600 as at 20 August 2024 published by the China Foreign Exchange Trade System as authorized by The People's Bank of China for illustration purposes).

The total Subscription Price for the Subscription Shares shall be paid by SIAMC to the Company within 7 Business Days from the date on which the conditions precedent have been fulfilled and the payment instruction has been issued to SIAMC by the Company. SIAMC will pay the total Subscription Price of the Subscription Shares in RMB and the exchange rate will be calculated based on the central parity of HK\$1:RMB0.91600 as at 20 August 2024 published by the China Foreign Exchange Trade System as authorized by The People's Bank of China.

## **Pricing**

The Subscription Price was determined after arm's length negotiations between the Company and SIAMC with reference to (i) the recent and historical market prices of the Shares; (ii) the trading liquidity of the Shares; (iii) market comparable analysis; and (iv) the amount of funds that the Company intends to raise under the Share Subscription.

If any further ex-dividend or ex-rights events such as dividend distribution, bonus shares distribution, conversion of capital reserve into share capital or allotment of shares (subject to the actual ex-dividend and ex-dividend dates, excluding the dividend resolved at the 2023 Annual General Meeting of the Company, which will be distributed before the EGM) between the date of signing of the Share Subscription Agreement and the date when the additional Domestic Shares are registered with China Securities Depository and Clearing Corporation Limited or its branches, the Subscription Price per Share will be adjusted accordingly in the following manner:

- (1) When cash dividends are paid, adjust according to the following formula:  $P1 = P0 - D$
- (2) When bonus shares or capital reserve converted into share capital occur, adjust according to the following formula:  $P1 = P0 / (1 + E)$
- (3) When cash dividends are paid together with bonus shares or capital reserve converted into share capital occur, adjust according to the following formula:  $P1 = (P0 - D) / (1 + E)$

where:

P0 is the issue price per share before adjustment

P1 is the issue price per share after adjustment

D is cash dividend per share

E is the number of bonus shares per share or the number of shares converted from capital reserve

### **Conditions precedent**

Completion of the Share Subscription is conditional upon the fulfilment or, where applicable, the grant of waiver of the following conditions:

- (a) the valid approval of this transaction and Share Subscription Agreement by the decision-making body of SIAMC;
- (b) the valid approval of this transaction and Share Subscription Agreement by the Board and the general meeting of the Company (i.e. the Share Subscription was approved by more than 50% of the votes in favour cast by the Independent Shareholders at the EGM pursuant to the Takeovers Code);
- (c) the approval of this transaction by the State-owned Assets Supervision and Administration Department or its authorised body;
- (d) the obtaining of the Whitewash Waiver granted by the Executive of the SFC of Hong Kong to SIAMC in respect of this transaction;
- (e) the Whitewash Waiver was approved by at least 75% of the votes in favour cast by the Independent Shareholders at the EGM of the Company;
- (f) this transaction was registered by China Securities Regulatory Commission; and
- (g) the obtaining of other approvals, ratifications and filings from the competent regulatory authorities which may be involved in respect of this transaction.

In respect of item (g), as far as the Company is aware, save that the approval of the Stock Exchange is required for the circular in relation to the Share Subscription, no other approvals, ratifications and filings will be required.

None of the conditions can be waived under the Share Subscription Agreement. As at the date of this announcement, except that item (a) has been fulfilled, none of the above conditions has been fulfilled or, where applicable, waived.

### **Completion of the Share Subscription**

After SIAMC pays the Company the total Subscription Price for the Subscription Shares, the Company shall appoint a Chinese Certified Public Accountant to verify the aforementioned payment of the Subscriber and issue a capital verification report. Within 10 Business Days after the issuance of the capital verification report, the Company shall submit a written application for registration of SIAMC as the holder of newly issued Domestic Shares to China Securities Depository and Clearing Corporation Limited or its branches. SIAMC may exercise its rights as a Shareholder of newly issued Domestic Shares only after the completion of the aforementioned registration.

## Specific Mandate

The Subscription Shares will be issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM and the Class Meetings.

## 2. FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company had not conducted any fund-raising activities involving the issuance of its equity securities in the twelve months immediately preceding the date of this announcement.

## 3. EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after Completion of the Share Subscription, assuming that there is no other change to the share capital and shareholding structure of the Company from the date of this announcement up to the Completion Date, is set out below:

	Immediately before Completion of the Share Subscription		Immediately after Completion of the Share Subscription	
	Number of Shares held	Approximate percentage of total number of issued Shares	Number of Shares held	Approximate percentage of total number of issued Shares
<b>Domestic Shares</b>				
SIAMC	-	-	40,000,000	19.80%
Minsheng Industrial (Group) Co., Ltd.	25,774,720	15.90%	25,774,720	12.76%
<b>Non-H foreign Shares</b>				
Ming Sung Industrial Co., (HK) Limited	6,444,480	3.98%	6,444,480	3.19%
<b>H Shares</b>				
China Changan	41,225,600	25.44%	41,225,600	20.40%
APL Logistics Ltd.	32,399,200	19.99%	32,399,200	16.03%
Public Shareholders of H Shares	56,220,000	34.69%	56,220,000	27.82%
<b>Total issued Shares SIAMC and the party acting in concert with it</b>	<b>162,064,000</b>	<b>100.00%</b>	<b>202,064,000</b>	<b>100.00%</b>
SIAMC	-	-	40,000,000	19.80%
China Changan	41,225,600	25.44%	41,225,600	20.40%
<b>Sub-total</b>	<b>41,225,600</b>	<b>25.44%</b>	<b>81,225,600</b>	<b>40.20%</b>

*Notes: The percentage figures as set out above are subject to rounding adjustments.*



As at the date of this announcement, other than the 162,064,000 Shares in issue, the Company has no other convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. None of the Directors holds any issued Shares or is interested in any securities of the Company.

#### **4. APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, SIAMC does not hold any Shares of the Company whereas the party acting in concert with it, China Changan, holds 41,225,600 Shares in the Company, representing approximately 25.44% of the issued share capital of the Company. Upon Completion of the Share Subscription and assuming there is no other change in the issued share capital of the Company prior to the Completion, the shareholding of SIAMC and the party acting in concert with it will increase to approximately 40.20% of the issued share capital of the Company.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to SIAMC will give rise to an obligation on the part of SIAMC to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by SIAMC and the party acting in concert with it) (as defined in Note 4 to Rule 22 of the Takeovers Code), unless the Whitewash Waiver is granted by the Executive.

SIAMC will submit an application to the Executive (on behalf of itself and the party acting in concert with it) for the Whitewash Waiver to waive the compliance with the obligation to make a mandatory general offer in respect of all Shares and other securities of the Company (other than those already owned or agreed to be acquired by SIAMC and the party acting in concert with it) (as defined in Note 4 to Rule 22 of the Takeovers Code) under Rule 26.1 of the Takeovers Code as a result of the allotment and issuance of the Subscription Shares to SIAMC. For this purpose, SIAMC will apply to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. According to requirements of the Takeovers Code, the Whitewash Waiver, if granted, will be subject to, among others, the approval by more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription and at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver, respectively, at the EGM.

The Executive may or may not grant the Whitewash Waiver. The Share Subscription Agreement will not take effect and the Share Subscription will not proceed if the Whitewash Waiver is not granted or approved.

#### **5. INFORMATION REQUIRED UNDER THE TAKEOVERS CODE**

As at the date of this announcement, SIAMC has confirmed that:

- (a) save as disclosed in the section headed “EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY” in this announcement, there are no voting rights in the Company or any rights over Shares owned, controlled or directed by SIAMC and any party acting in concert with it;
- (b) save for the Share Subscription, during the six months immediately prior to the date of this announcement, none of SIAMC and any party acting in concert with it has acquired voting rights in the Company, nor entered into or will enter into any disqualifying transactions (as defined in paragraph 3 of Schedule VI to the Takeovers Code) which may result in the Executive not granting the Whitewash Waiver or any Whitewash Waiver granted being declared invalid;

- (c) save for the Share Subscription Agreement, during the six months immediately prior to the date of this announcement, none of SIAMC and any party acting in concert with it had sold or purchased any Shares, acquired or entered into any agreement or arrangement to acquire any voting rights of the Company or had dealt for value in any relevant securities of the Company (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (d) save for the Share Subscription Agreement, none of SIAMC or any party acting in concert with it will acquire or dispose of any of the voting rights of the Company during the period from the date of this announcement to the Completion of the Share Subscription;
- (e) none of SIAMC or any party acting in concert with it holds any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in relation to Shares, in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate);
- (f) none of SIAMC and parties acting in concert with it has entered into outstanding derivative in relation to the securities of the Company;
- (g) save for the Share Subscription Agreement, there is no any arrangement (whether by way of option, indemnity or otherwise) as referred to in Note 8 to Rule 22 of the Takeovers Code, in relation to the Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of SIAMC which may be material to the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and/or the Whitewash Waiver;
- (h) none of SIAMC or any party acting in concert with it has received any irrevocable commitment from any person as to whether they will vote for or against the resolution approving the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and/or the Whitewash Waiver;
- (i) save for the Share Subscription Agreement, there is no agreement or arrangement to which SIAMC and any party acting in concert with it is a party which involves circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and/or the Whitewash Waiver;
- (j) none of SIAMC or any party acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (k) save for the Subscription Price for the Subscription Shares payable under the Share Subscription Agreement, none of SIAMC or any party acting in concert with it has paid or will pay any other consideration, compensation or benefit in whatever form to the Company or any party acting in concert with it in relation to the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate);
- (l) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between SIAMC and any party acting in concert with it on the one hand and any of the Shareholders on the other hand; and
- (m) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between SIAMC and any party acting in concert with it on the one hand and the Company, its subsidiaries or associated companies on the other hand.

As at the date of this announcement, the Company has confirmed that:

- (a) save for the Share Subscription, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between SIAMC and any party acting in concert with it on the one hand and the Company on the other hand.
- (b) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholders and (a) SIAMC and any party acting in concert with it, and (b) the Company, its subsidiaries or associated companies.

## **6. LISTING RULES IMPLICATIONS**

As at the date of this announcement, China Changan, which holds 41,225,600 Shares in the Company (representing approximately 25.44% of the total issued share capital), is a substantial Shareholder of the Company, whereas CSGC, which holds 100% of the shareholding in China Changan, is therefore an associate of the Company. SIAMC is a wholly-owned subsidiary of CSGC and is therefore also an associate of the Company. Accordingly, China Changan, CSGC and SIAMC are all connected persons of the Company as defined in the Chapter 14A of the Listing Rules, whereas the Share Subscription constitutes a connected transaction of the Company and will be subject to announcement, reporting and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **II. INFORMATION OF THE RELEVANT PARTIES**

### **Information of the Company**

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

China Changan is a limited liability company incorporated in the PRC on 26 December 2005 and is one of the substantial Shareholders of the Company. China Changan is principally 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 and optoelectronic products, night vision devices, information and communication devices; and the technical development, technical transfer, technical consultation, technical services relating to the abovementioned business; and import and export business and consultation on assets merger and asset restructuring consultancy.

CSGC is principally engaged in the investment, operation and management of state-owned assets; research and development and production of weapons and equipment and other relevant services; research and development, manufacturing and sales and integrated services of vehicles, electrical equipment, optoelectronic information and products and their equipment, mechanical equipment, engineering and construction machinery, chemical materials (excluding dangerous chemicals), fire-fighting equipment, medical and environmental protection equipment, metallic and non-metallic materials and their products etc.

Ming Sung Industrial Co., (HK) Limited is a subsidiary of Minsheng Industrial (Group) Co., Ltd, the Shareholder of the Company. The ultimate beneficial owner of Minsheng Industrial (Group) Co., Ltd. and Ming Sung Industrial Co., (HK) Limited is State-owned Assets Supervision and Administration Commission of the Chongqing City of PRC, whereas the ultimate beneficial owner of APL Logistics Ltd. is Kintetsu World Express, Inc.. State-owned Assets Supervision and Administration Commission of the Chongqing City of PRC and Kintetsu World Express, Inc. are independent third parties and not connected parties of SIAMC or China Changan within the meaning of the Listing Rules.

### Information of SIAMC

SIAMC is a wholly-owned subsidiary of CSGC and is primarily engaged in industrial investment, asset management, capital operation and financial investment, and has made material investments in respect of special equipment, auto parts, new materials, new energy, optical communications, etc.

### Financial Information of the Company

The following table contains certain financial information of the Group for the six months ended 30 June 2024 as extracted from the Company's interim results announcement for the six months ended 30 June 2024 and the two financial years ended 31 December 2022 and 2023 as extracted from the Company's annual report for the year ended 31 December 2023:

	Six months ended	For the financial year ended	
	30 June 2024	31 December 2023	2022
	RMB	RMB	RMB
	(unaudited)	(audited)	(audited)
Revenue	4,165,152,715.24	7,968,998,231.49	7,720,202,129.16
Gross profit	43,320,740.93	75,008,581.99	68,292,726.82
Net profit	31,219,294.40	57,962,939.66	46,515,674.29
Total shareholders' (or owners') equity	2,187,293,299.08	2,189,563,844.65	2,161,873,340.92

### III. REASONS FOR AND BENEFITS OF CONDUCTING THE SHARE SUBSCRIPTION

The State-owned Assets Supervision and Administration Commission of the State Council has proposed to deepen and enhance the reform of state-owned enterprises to improve their development qualities by leveraging the listing platforms more effectively to increase the market recognition and facilitate value realization of the listed enterprises. The Share Subscription is beneficial to the Company by effectively replenishing its liquidity, easing liquidity pressures, optimising its capital structure and enhancing its overall risk-resistant capability. The issuance of Domestic Shares to SIAMC will also showcase the support and confidence of the substantial Shareholders to the market, which will be conducive to boosting the market capitalisation and share price, and promoting the functioning of the listing platform and the restoration of valuation, which is required by the operation and development of the Company.

In addition, the proceeds from the Share Subscription will be used to strengthen the construction of overseas logistics capacity, providing capital support for the future overseas business, which is conducive to enhancing the Company's overall competitiveness, thereby enabling the Company to create greater value for its Shareholders.

The Directors have considered various ways of raising funds and consider that the Share Subscription represents an attractive opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company.

The Directors (excluding the members of the Takeovers Code Independent Board Committee and the Listing Rules Independent Board Committee who will give their views in the letters from the respective independent board committee as set out in the circular of the Company in relation to the Share Subscription and the Whitewash Waiver after taking into account the advice of the Independent Financial Adviser) consider that the terms and conditions of the Share Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

#### **IV. USE OF PROCEEDS**

The maximum aggregate proceeds from the Share Subscription will be approximately RMB101,859,200 (equivalent to approximately HK\$111,200,000) and the maximum net proceeds (after deduction of issuance expenses and other related costs and expenses) will be approximately RMB100,859,200 (equivalent to approximately HK\$110,108,297), whereas the net Subscription Price per Subscription Share will be approximately RMB2.52 (equivalent to approximately HK\$2.75).

The net proceeds from the Share Subscription are intended to be fully invested in the Company's overseas capacity building and smart logistics construction, in order to strengthen capacities in provision of overseas logistics services to ensure supply, and enhance investment in warehousing and logistics construction, smart logistics and extension of dual-power supply chains, etc.

#### **V. ESTABLISHMENT OF TAKEOVERS CODE INDEPENDENT BOARD COMMITTEE, LISTING RULES INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Pursuant to Rule 2.8 of the Takeovers Code, the Takeovers Code Independent Board Committee (comprising all the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver, namely Mr. Che Dexi, Mr. Chen Wenbo, Ms. Jin Jie, Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing) has been formed to make recommendation to the Independent Shareholders on the terms of the Share Subscription and the Whitewash Waiver, and as to voting. Mr. Dong Shaojie, non-executive Director, is nominated by China Changan and is therefore not considered as independent for the purpose of giving advice or recommendations to the Independent Shareholders. Pursuant to the Listing Rules, the Listing Rules Independent Board Committee (comprising all the independent non-executive Directors who have no direct or indirect interest in the Share Subscription, namely Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing) has been formed to make recommendation to the Independent Shareholders on the terms of the Share Subscription and as to voting.

Quam Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed with the approval of the Takeovers Code Independent Board Committee to advise the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders on the Share Subscription and the Whitewash Waiver and to make recommendation as to voting.

## **VI. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Board proposed to make amendments to certain clauses of the Articles of Association, to take effect subject to and upon Completion of the Share Subscription, in order to reflect the latest registered capital and shareholding structure of the Company after the issuance of the Subscription Shares.

The proposed amendments to the Articles of Association are subject to approval by the Shareholders by way of special resolution at the EGM, the approval of the relevant PRC government authorities and the registration and filing with the relevant authorities.

Further information in respect of the proposed amendments to the Articles of Association will be set out in the circular to be published by the Company in relation to, among others, the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver.

## **VII. EXTRAORDINARY GENERAL MEETING AND THE CLASS MEETINGS**

The EGM and the Class Meetings will be convened to consider and, if thought fit, approve resolutions required in relation to, among others, (i) the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate); (ii) the Whitewash Waiver and (iii) the proposed amendments to the Articles of Association.

The Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) will be proposed by a resolution passed by more than two-thirds of votes cast in favour by the Independent Shareholders in person or by proxy at the EGM and the Class Meetings, the Whitewash Waiver will be proposed by a resolution passed by at least 75% of votes cast in favour by the Independent Shareholders in person or by proxy at the EGM, and the proposed amendments to the Articles of Association will be proposed by a resolution passed by more than two-thirds of the Shareholders in person or by proxy at the EGM. The EGM and the Class Meetings will be voted on by way of poll.

SIAMC, its associates and any party acting in concert with it (i.e. China Changan) together with any other Shareholder who is involved or interested in the Share Subscription and the Whitewash Waiver will be required to abstain from voting on the resolutions to be proposed at the EGM and the Class Meetings for approving the Share Subscription and the Whitewash Waiver.

## **VIII. DESPATCH OF CIRCULAR**

A circular containing, among others, (i) further details of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate); (ii) further details of the Whitewash Waiver; (iii) further details of the proposed amendments to the Articles of

Association; (iv) a letter of advice from the Takeovers Code Independent Board Committee and the Listing Rules Independent Board Committee on the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver; (v) a letter of advice from the Independent Financial Adviser to the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders on the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver; and (vi) a notice of EGM and Class Meetings together with the form of proxy, is expected to be despatched to Shareholders within 15 Business Days from the date of this announcement pursuant to Rule 14A.68 of the Listing Rules or 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is the earlier.

The Company will seek the Executive's consent if it becomes clear that the circular may not be able to be published within 21 days from the date of this announcement and will apply to the Executive for an extension of time for the despatch of the circular. Further announcement(s) will be made by the Company as and when appropriate.

**As the Share Subscription is subject to the satisfaction of the conditions precedent under the Share Subscription Agreement as set out in the section headed "Conditions precedent" of this announcement, including but not limited to the granting of the Whitewash Waiver by the Executive, and therefore the proposed Share Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and actions that they should take.**

## DEFINITIONS

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

"acting in concert"	has the meaning ascribed thereto under the Takeovers Code
"Articles of Association"	the articles of association of the Company
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of directors of the Company
"Business Day(s)"	any day (not being a Saturday, Sunday or public holiday in Hong Kong or the PRC and a day on which typhoon signal no.8 or a black rainstorm warning is hoisted at any time in Hong Kong) on which licensed banks in Hong Kong and PRC are generally open for business throughout their normal business hours and the Stock Exchange is open for the transaction of business

“China Changan”	China Changan Automobile Group Co., Ltd.* (中國長安汽車集團有限公司), a company established in the PRC on 26 December 2005 with limited liability, formerly known as China South Industries Automobile Corporation* (中國南方工業汽車股份有限公司)
“CSGC”	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, formerly known as China South Industries Group Corporation* (中國南方工業集團公司) and its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Class Meetings”	the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting
“Company”	Changan Minsheng APLL Logistics Co., Ltd.* (重慶長安民生物流股份有限公司), a limited company incorporated in the PRC, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1292)
“Completion”	the completion of the Share Subscription pursuant to the terms and conditions of the Share Subscription Agreement
“Completion Date”	the date on which the Completion takes place pursuant to the terms and conditions of the Share Subscription Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	directors of the Company
“Domestic Share(s)”	the ordinary domestic share(s) with par value of RMB1.00 each in the registered share capital of the Company
“Domestic Shareholders Class Meeting”	the class meeting(s) of the Domestic Shareholders to be held to consider and, if thought fit, approve, among others, the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder and the Specific Mandate)
“Domestic Shareholder(s)”	holder(s) of the Domestic Shares
“EGM” or “Extraordinary General Meeting”	extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, among others, the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder and the Specific Mandate), the Whitewash Waiver and the proposed amendments to the Articles of Association



“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of delegate of the Executive Director
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) with par value of RMB1.00 each in the registered share capital of the Company
“H Shareholders Class Meeting”	the class meeting(s) of the H Shareholders to be held to consider and, if thought fit, approve, among others, the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate)
“H Shareholder(s)”	holder(s) of the H Shares
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Financial Adviser” or “Quam Capital Limited”	Quam Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed as the independent financial adviser of the Company to advise the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders on the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver, and to make recommendation as to voting
“Independent Shareholder(s)”	Shareholders other than (i) SIAMC, its associates, and any parties acting in concert with it; and (ii) all Shareholders who are interested or involved in the Share Subscription and/or the Whitewash Waiver (if any)
“Listing Rules”	the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited
“Listing Rules Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors who have no direct or indirect interests in the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver, namely Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing, which is formed in accordance with the Listing Rules established to advise the Independent Shareholders on the Share Subscription

“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company, with a par value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s)
“Share Subscription Agreement”	the conditional share subscription agreement of Domestic Shares dated 22 August 2024 entered into between the Company and SIAMC in relation to the Share Subscription
“Share Subscription”	the subscription of the new Domestic Shares by SIAMC pursuant to the terms and conditions of the Share Subscription Agreement
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM and the Class Meetings to authorise the Board for the allotment and issuance of the Subscription Shares
“SIAMC” and “Subscriber”	China South Industries Assets Management Co., Ltd.* (南方工業資產管理有限責任公司), a company incorporated in the PRC with limited liability, a connected person of the Company as at the date of this announcement and is wholly-owned by CSGC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	RMB2.54648 (equivalent to HK\$2.78) per Subscription Share
“Subscription Shares”	40,000,000 (inclusive) new Domestic Shares to be issued by the Company to SIAMC pursuant to the Share Subscription, with a par value of RMB1.00 each
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers
“Takeovers Code Independent Board Committee”	the independent board committee of the Company comprising all the non-executive Directors and independent non-executive Directors who have no direct or indirect interests in the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver, namely Mr. Che Dexi, Mr. Chen Wenbo, Ms. Jin Jie, Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing, which is formed in accordance with Rule 2.8 of the Takeovers Code established to advise the Independent Shareholders on the Share Subscription and the Whitewash Waiver
“Whitewash Waiver”	the whitewash waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of SIAMC and China Changan to make a mandatory general offer for all the issued Shares and other securities of the Company (other than those already owned or agreed to be acquired by SIAMC and China Changan) which might otherwise arise as a result of SIAMC subscribing for the Subscription Shares pursuant to the Share Subscription Agreement
“%”	per cent

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

Chongqing, the PRC  
22 August 2024

*For the purposes of this announcement, unless the context otherwise requires, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of HK\$1 to RMB0.91600 as at 20 August 2024 published by the China Foreign Exchange Trade System as authorized by the People's Bank of China. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.*

*As at the date of this announcement, the board of directors of the Company comprises: (1) Mr. Xie Shikang and Mr. Wan Nianyong 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*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*