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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)

REVISION OF THE EXISTING ANNUAL CAP OF CONTINUING CONNECTED TRANSACTION

The Directors and senior management of the Company have been closely monitoring, among other things, the Continuing Connected Transaction regularly. During the first half of this year, the Directors note that there has been a rapid increase in the sale volume of the new products launched by customers this year, thus the Group would need to purchase more transportation services. Based on internal estimates of the existing orders relating to logistics services by the Group to customers and the anticipated demand of purchasing transportation services, the Directors are of the view that the existing cap for the Continuing Connected Transaction for the year ending 31 December 2013 and 31 December 2014, respectively, will not be sufficient for the Company to cope with its business needs.

In order to purchase more transportation services to cope with the customers' needs for provision of logistics services, the Company proposes that the annual caps for the year ending 31 December 2013 and 31 December 2014 in respect of the Continuing Connected Transactions to be revised.

Since the highest of the applicable ratios of each of the revised annual cap of the Continuing Connected Transaction for the year ending 31 December 2013 and 31 December 2014 as calculated under Rule 14.07 of the Listing Rules exceeds 1% but is less than 5%, the conduct of the Continuing Connected Transaction (including the revised annual caps for the year ending 31 December 2013 and 31 December 2014) is subject to the reporting, annual review and announcement requirements under Rules 14A.37 to 14A.40 and Rules 14A.45 to 14A.47 of the Listing Rules but is exempt from the requirement of independent shareholders' approval.

BACKGROUND

Reference is made to the announcement dated 28 October 2011 issued by the Company regarding, among other things, the services to be provided to the Group by Changan Industry Co. and its associates under the heading “Continuing Connected Transactions Exempt From Independent Shareholders’ Approval for 2012-2014” (the “**First Announcement**”) and the further announcement relating to the Continuing Connected Transaction issued by the Company on 22 March 2013 (the “**Second Announcement**”), respectively.

Changan Industry Co. is a substantial shareholder of the Company, holding 25.44% of the total issued share capital of the Company. Under the Listing Rules, Changan Industry Co. is a connected person of the Company and the Continuing Connected Transaction is subject to compliance with Chapter 14A of the Listing Rules.

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

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.

THE CONTINUING CONNECTED TRANSACTION

Pursuant to the Framework Agreement, the Continuing Connected Transaction between the Group and Changan Industry Co. and its associates shall be for a term of 3 years commencing from 1 January 2012 to 31 December 2014 (both days inclusive). As mentioned in the First Announcement, the annual cap of the Continuing Connected Transaction for the three years ending 31 December 2014 was RMB12,121,300, RMB14,084,800 and RMB15,944,700, respectively. The historical transaction amount of the Continuing Connected Transaction for the year ended 31 December 2012 was RMB23,419,000 which, as mentioned in the Second Announcement, exceeded the annual cap set for year 2012, i.e. RMB12,121,300.

The terms relating to the Continuing Connected Transaction offered by Changan Industry Co. should not be less favourable than those granted to an independent third party by such connected persons. The consideration for transactions under the Framework Agreement should be reached in accordance with the following pricing principles:

- (i) pricing relating to certain types of services fixed by the PRC government;
- (ii) where there is no PRC government fixed price but a government guidance price exists, the government guidance price;
- (iii) when there is neither a PRC government fixed price nor a government guidance price, the market price; or

(iv) where none of the above is applicable, the price to be agreed between the parties based on arm's length negotiations.

The arrangements contemplated under the Framework Agreement are non-exclusive to each other. The parties shall be at liberty to choose the counterparties for the relevant transactions. The fees have been and will continue to be payable in arrears on terms as specified therein.

REVISION OF THE EXISTING CAP OF THE CONTINUING CONNECTED TRANSACTION

The Directors and senior management of the Company have been closely monitoring, among other things, the Continuing Connected Transaction regularly. During the first half of this year, the Directors note that there has been a rapid increase in the sale volume of the new products launched by customers this year, thus the Group would need to purchase more transportation services. For the 7-month period ended 31 July 2013, the aggregate transaction amount (unaudited) in respect of the Continuing Connected Transaction was approximately RMB13,651,000. Based on internal estimates of the existing orders relating to logistics services by the Group to customers and the anticipated demand of purchasing transportation services, the Directors are of the view that the existing cap for the Continuing Connected Transaction for the year ending 31 December 2013 and 31 December 2014, respectively, will not be sufficient for the Company to cope with its business needs.

In order to purchase more transportation services to cope with customers' needs for provision of logistics services, the Company proposes that the annual caps for the year ending 31 December 2013 and 31 December 2014 in respect of the Continuing Connected Transactions to be revised as follows:

unit: RMB1.00 yuan

Year	The existing annual caps which were approved	Proposed revised cap
2013	14,084,800	33,000,000
2014	15,944,700,	36,000,000

IMPLICATIONS UNDER THE LISTING RULES

Since the highest of the applicable ratios of each of the revised annual cap of the Continuing Connected Transaction for the year ending 31 December 2013 and 31 December 2014 as calculated under Rule 14.07 of the Listing Rules exceeds 1% but is less than 5%, the conduct of the Continuing Connected Transaction (including the revised annual caps for the year ending 31 December 2013 and 31 December 2014) is subject to the reporting, annual review and announcement requirements under Rules 14A.37 to 14A.40 and Rules 14A.45 to 14A.47 of the Listing Rules but is exempt from the requirement of independent shareholders' approval.

The revision of the annual cap for the year ending 31 December 2013 and 31 December 2014 and the Continuing Connected Transaction have been approved by the Board of Directors of the Company. Mr. Zhang Lungang, Mr. Gao Peizheng, Mr. Li Ming and Mr. Zhou Zhengli, being directors having connected relationship with Changan Industry Co., have abstained from voting on the board resolutions regarding the revision of the annual cap for the year ending 31 December 2013 and 31 December 2014 and the Continuing Connected Transaction. The resolutions were voted by Directors who are not connected to the Continuing Connected Transaction.

The Directors (including the independent non-executive directors), after reviewing the respective bases, are of the view that the Framework Agreement (including the revision of the annual cap for the year ending 31 December 2013 and 31 December 2014) was entered into : (1) in the ordinary and usual course of business of the Company; (2) on normal commercial terms (on arm's length basis or on terms no less favorable to the Company than terms available from independent third parties); and (3) that the terms thereof (including the Revised Cap for the Continuing Connected Transaction) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

DEFINITIONS

“Associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of directors of the Company
“Changan Industry Co.”	Chongqing Changan Industry (Group) Co., Ltd., a limited liability company established in China on 28 October 1996, formerly known as Changan Automobile Company (Group) Limited (長安汽車（集團）有限責任公司)
“China” or “PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Company”	重慶長安民生物流股份有限公司 (Changan Minsheng APLL Logistics Co., Ltd.)
“Continuing Connected Transaction”	the continuing connected transactions between the Group and Changan Industry Co. and its associates in relation to purchasing transportation services of vehicles and car raw materials, components and parts
"Directors"	directors of the Company
“Framework Agreement”	the framework agreement entered into between the Company and Changan Industry Co. on 28 October 2011 relating to, among other things,

	the Continuing Connected Transaction
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
" 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
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Chongqing, the PRC, 30 August 2013

As at the date of this announcement, the board of directors of the Company comprises: (1) Mr. Zhang Lungang, Mr. Gao Peizheng, Mr. Lu Xiaozhong, Mr. Zhu Minghui and Mr. William K Villalon as the Executive Directors; (2) Mr. Lu Guoji, Mr. Li Ming, Mr. Wu Xiaohua, Mr. Zhou Zhengli and Mr. Danny Goh Yan Nan as the Non-executive directors; (3) Mr. Peng Qifa, Mr. Chong Teck Sin, Mr. Poon Chiu Kwok, Mr. Jie Jing, Ms. Zhang Yun and Mr. Goh Chan Peng as Independent non-executive directors.

** For identification purpose only*