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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. The Directors note that there has been a rapid increase in the sales volume of the customers during the second half of this year, accordingly the Group would need more stockyards to meet its business demands and further needs to purchase more property leasing services from the associates of China Changan. Based on internal estimates of the existing orders relating to logistics services provided by the Group to the customers and the anticipated demand of purchase of property leasing services, the Directors are of the view that the existing cap of the Continuing Connected Transaction for the year ending 31 December 2023 will not be sufficient for the Company to cope with its business needs.

In order to purchase more property leasing services to meet its business needs, the Company proposes to revise the annual cap of the Continuing Connected Transaction for the year ending 31 December 2023.

Since the applicable percentage ratios in respect of the revised annual cap of the Continuing Connected Transaction for 2023 as calculated under Rule 14.07 of the Listing Rules are all less than 5%, the above transaction is subject to reporting, annual review and announcement requirements, but exempt from Independent Shareholders' approval requirements.

Introduction

Reference is made to the announcement of the Company dated 21 October 2022 in relation to, among other things, the Continuing Connected Transactions Exempt from Independent Shareholders' Approval Requirements for 2023, and therein the transaction of purchase of property leasing services from China Changan and its associates by the Group as referred to in the section headed "Continuing Connected Transactions Exempt from Independent Shareholders' Approval Requirements For 2023".

As at the date of the announcement, China Changan is a substantial shareholder of the Company, holding approximately 25.44% of the total issued share capital of the Company. CSGC holds 100% of equity interests in China Changan and the ultimate beneficial owner of CSGC is the SASAC of the State

Council of the PRC. Therefore, according to the Listing Rules, China Changan is a connected person of the Company and the Continuing Connected Transaction is subject to compliance with Chapter 14A of the Listing Rules.

Revision of the Existing Cap of the Continuing Connected Transaction

Pursuant to the Framework Agreement, the Continuing Connected Transaction between the Group and China Changan and its associates shall be for a term of 3 years commencing from 1 January 2020 to 31 December 2023. As mentioned in the announcement of the Company dated 21 October 2022, the annual cap of the Continuing Connected Transaction for the year ending 31 December 2023 is RMB2,600,000.

The Directors and senior management of the Company have been closely monitoring, among other things, the Continuing Connected Transaction regularly. The Directors note that there has been a rapid increase in the sales volume of the customers during the second half of this year, accordingly the Group would need more stockyards to meet its business demands and further needs to purchase more property leasing services from the associates of China Changan. For the ten months ended 31 October 2023, the aggregate transaction amount (unaudited) in respect of the Continuing Connected Transaction was approximately RMB2,180,000. Based on internal estimates of the existing orders relating to logistics services provided by the Group to the customers and the anticipated demand of purchase of property leasing services, the Directors are of the view that the existing cap of the Continuing Connected Transaction for the year ending 31 December 2023 will not be sufficient for the Company to cope with its business needs.

In order to purchase more property leasing services to meet its business needs, the Company proposes to revise the annual cap of the Continuing Connected Transaction for the year ending 31 December 2023 as follows:

Year	The approved existing annual cap	Proposed revised cap
2023	RMB2,600,000	RMB8,620,000

Basis of Determination of the Proposed Revised Cap

China Changan and its associates has been providing properties leasing services for the Group for years. China Changan and its associates are able to better understand the Group's requirements for properties including warehouses and stockyards, such as the internal layout, fitting sizes to better accommodate the business volume, and proper location. In addition, most of properties, especially warehouses and stockyards that are available for leasing to the Group by China Changan and its associates are located in the vicinity of the production bases of the Group's customers. Leasing of the properties from China Changan and its associates to serve the Group's daily operations is relatively more cost-saving.

As such, in order to support daily business operation, the Company intends to lease the following properties from the associates of China Changan in 2023, including (i) Hangzhou Changan Minsheng Logistics Co., Ltd., a wholly-owned subsidiary of the Company, plans to lease stockyards from Hangzhou Changan Ford to be used as vehicle distribution centres; (ii) Nanjing CMSC Logistics Co.,

Ltd., a joint venture of the Company, plans to lease stockyards from Changan Mazda to be used as vehicle inter-city distribution centres; (iii) the Jiangling Project plans to lease stockyards from Jiangling Holdings Co., Ltd. to be used to carry out businesses such as interim storage, RDC and milk-run delivery etc.; and (iv) the Qingshan Project plans to lease stockyards from Chongqing Qingshan Industrial Co., Ltd. for the purpose of carrying out the business of interim storage, with a total estimated cost of approximately RMB6.44 million. Having considered the estimated transaction amounts, the Directors are of the view that the revised annual cap for the year ending 31 December 2023 is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Pricing Policy

The terms relating to the Continuing Connected Transaction offered by China Changan should not be less favourable than those granted to an independent third party by such connected persons. The pricing of the services provided under the Framework Agreement shall be determined in accordance with the principles and order as the following:

(1) Bidding Price: the price will be arrived at by bidding process in principle. The bidding price shall be a price conducted after a bidding procedure according to the PRC Bidding Law. According to the Bidding Quote Management Procedures, in terms of procurement through bidding, the Company shall publish announcements at such public media as China Bidding to invite bidders. The Group will screen and select bidders whom the Group considers can undertake the procurement with relevant qualification and capability.

(2) Internal Compared Price: the price will be determined by the Company or its subsidiaries (as the case may be) by comparing internally the quote offered by China Changan or its associate (as the case may be) and the quote offered by at least two independent third parties or the price of services of similar nature purchased by independent third parties. In terms of internal compared pricing, the Group will choose the lowest quotes offered among the eligible participants as its procurement price. Pursuant to the Compared Pricing Management Procedures, in terms of internal compared pricing, the Group shall compare quotes provided by or the price of services of similar nature purchased by at least two independent third parties.

The transactions contemplated under the Framework Agreements 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 relevant parties for the Continuing Connected Transaction. Payment of the Continuing Connected Transaction will be settled in cash in arrears, or in accordance with the payment terms agreed by the relevant parties in the contract(s) to be entered into pursuant to the Framework Agreement.

Board of Directors' View

The Board has resolved to approve the proposal of the revised annual cap of the Continuing Connected Transaction for the year ending 31 December 2023. Except for Mr. Xie Shikang, Mr. Wan Nianyong and Mr. Dong Shaojie, being the related Directors, who are deemed interested in the revised annual cap of the Continuing Connected Transaction for the year ending 31 December 2023, none of the other Directors has abstained from voting on the relevant resolution approving the revised annual cap of the

Continuing Connected Transaction for the year ending 31 December 2023.

The Board (including the independent non-executive Directors) are of the view that (1) the Continuing Connected Transaction (including the revised cap for 2023) was entered into in the ordinary and usual course of business of the Group and are on normal commercial terms; (2) the terms of the Framework Agreement and the Continuing Connected Transaction (including the revised cap for 2023) contemplated thereby was fair and reasonable and (3) the entering into of the Framework Agreement and the Continuing Connected Transaction (including the revised cap for 2023) contemplated thereby is in the interests of the Company and the Shareholders as a whole.

Implication under the Listing Rules

Since the applicable percentage ratios in respect of the revised annual cap of the Continuing Connected Transaction for 2023 as calculated under Rule 14.07 of the Listing Rules are all less than 5%, the above transaction is subject to reporting, annual review and announcement requirements, but exempt from Independent Shareholders' approval requirements.

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 component and parts suppliers in China.

China Changan is a limited liability company incorporated 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.

Definitions

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“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
“China” or “PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Company”	Changan Minsheng APLL Logistics Co., Ltd. (重慶長安民生物流股份有限公司)

“Continuing Connected Transaction”	the continuing connected transactions between the Group and China Changan and its associates in relation to the purchase of property leasing services from China Changan and its associates by the Company and its subsidiaries
“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
“Director(s)”	directors of the Company
“Framework Agreement”	the framework agreement entered into between the Company and China Changan on 21 October 2020 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
“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
7 December 2023

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*