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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)

**MAJOR TRANSACTION
IN RELATION TO THE ACQUISITION OF LAND AND PROPERTY**

ACQUISITION

On 29 July 2022, Shenyang Changyou, a non-wholly owned subsidiary of the Company, entered into the Real Estate Purchase and Sale Agreement with Changyou Parts, in which Shenyang Changyou acquired certain land and property at a consideration of RMB68,522,400.

The Board is pleased to announce that on 2 December 2022, Shenyang Changyou, as purchaser, entered into the Real Estate Purchase and Sale Agreement (Phase II) with Changyou Parts, as vendor, for the acquisition of certain land and property located in Dadong District, Shengyang, the PRC at an approximate consideration of RMB23,825,400 after trading hours.

LISTING RULES IMPLICATIONS

Changyou Parts is a wholly-owned subsidiary of Changyou Automobile, which in turn is a substantial shareholder of Shenyang Changyou and therefore a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules.

Based on the financial statements of Shenyang Changyou of the latest three financial years ended 31 December 2019, 2020 and 2021, as the total assets, profits and revenue of Shenyang Changyou compared to those of the Group are less than 10% under the percentage ratios for each of the latest three financial years, Shenyang Changyou will be regarded as an insignificant subsidiary pursuant to Rule 14A.09 of the Listing Rules.

Given the application of the insignificant subsidiary exemption under Chapter 14A of the Listing Rules, Changyou Parts will not be regarded as a connected person of the Group and the Acquisition is therefore exempted from any reporting, announcement and shareholders' approval requirements, etc. under Chapter 14A of the Listing Rules.

The highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition, on a standalone basis, exceeds 5% but is less than 25%. However, as the Acquisition is entered into by the same parties under the Real Estate Purchase and Sale Agreement within a 12-month period or are otherwise related, the Acquisition is required to be aggregated with the acquisition of land and property contemplated under the Real Estate Purchase and Sale Agreement pursuant to Rule 14.22 of the Listing Rules for the purpose of classifying the Transaction.

When aggregating the acquisition contemplated under the Real Estate Purchase and Sale Agreement and the Real Estate Purchase and Sale Agreement (Phase II), the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Transaction exceeds 25% but is less than 100%,

the Acquisition therefore constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, it is expected that a circular containing, among other things, further details of the Acquisition will be despatched to the Shareholders on or before 6 January 2023 as additional time is required for the preparation of certain information to be included in the circular.

INTRODUCTION

On 29 July 2022, Shenyang Changyou, a non-wholly owned subsidiary of the Company, entered into the Real Estate Purchase and Sale Agreement with Changyou Parts, in which Shenyang Changyou acquired certain land and property at a consideration of RMB 68,522,400. Details are set out in the announcement of the Company dated 29 July 2022.

The Board is pleased to announce that on 2 December 2022, Shenyang Changyou, as purchaser, entered into the Real Estate Purchase and Sale Agreement (Phase II) with Changyou Parts, as vendor, for the acquisition of certain land and property located in Dadong District, Shengyang, the PRC after trading hours, the salient terms of which are set out below:

Date

2 December 2022

Parties

- (i) Shenyang Changyou, as purchaser; and
- (ii) Changyou Parts, as vendor

Asset to be acquired

Pursuant to the Real Estate Purchase and Sale Agreement (Phase II), Shenyang Changyou has agreed to acquire, and Changyou Parts has agreed to sell certain land and ancillary building located near the BMW plant in Dadong District, Shengyang, the PRC which consist of a land area of 35,740.21 square meters and a building floor area of 916.24 square meters.

Consideration of the Acquisition

The consideration of the Acquisition is RMB23,825,400, which was determined after arm's length negotiation between the purchaser and the vendor having taken into account the valuation of the subject land and property according to a valuation report prepared based on cost approach, market approach and coefficient correction method of benchmark price by China Enterprise Appraisals Co., Ltd.

The consideration of the Acquisition will be funded by internal resources of the Group. After setting off other payables of Changyou Parts due to Shenyang Changyou, the balance of the consideration shall be paid by Shenyang Changyou within 15 days after the agreement takes effect.

CONDITION PRECEDENT

The Real Estate Purchase and Sale Agreement (Phase II) shall be conditional upon the Company having obtained all necessary approval by its shareholders at general meeting.

DELIVERY

Changyou Parts shall deliver the subject land and property to Shenyang Changyou for its use within 10 days after the agreement takes effect and the registration of the transfer to Shenyang Changyou is completed.

INFORMATION ON THE LAND

The subject land and property are located in Dadong District, Shenyang, the PRC which include the plant and ancillary building near the BMW plant, covering a land area of 35,740.21 square meters and a building floor area of 916.24 square meters.

The Group plans to build a parts and components production plant and an integrated warehouse of a building floor area of 10,000 square meters in total, and build a parking lot with charging facilities for new energy vehicles, etc. on the subject land.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the Company's announcement dated 29 July 2022, Shenyang Changyou currently rents the plant of Changyou Parts for G18 wheel assembly project. As Shenyang Changyou has undertaken G18 wheel assembly project from BMW and has planned to undertake storage and transportation businesses from Shenyang After-sales Regional Center of Changan Automobile, Shenyang Changyou needs to hold a certain number of plants and core logistics resources such as transport capacity so as to expand the business with BMW, Shenyang After-sales Regional Center of Changan Automobile, and other logistics business in northeastern China. Through the construction of Shenyang Changyou Parts Logistics Park and connecting it to the plant for G18 wheel assembly project, Shenyang Changyou is able to achieve centralized management and collective operation.

The Acquisition is in line with Shenyang Changyou's strategy. Purchasing the subject land and property is conducive to the synergistic development with the plant for G18 wheel assembly project already built and the establishment of a trusted, intelligent, green logistics with high quality for the Company's core customers. Meanwhile, the Acquisition is conducive to expanding the market share of Shenyang Changyou in northeastern China so as to promote brand image and improve business efficiency.

CONFIRMATION OF THE BOARD

The transaction contemplated under the Real Estate Purchase and Sale Agreement (Phase II) was considered and approved by the Board. No directors are required to abstain from voting in respect of the Acquisition.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Real Estate Purchase and Sale Agreement (Phase II) are on normal commercial terms and on terms that are fair and reasonable, and that entering into the Real Estate Purchase and Sale Agreement (Phase II) is in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

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.

Shenyang Changyou is a non-wholly owned subsidiary of the Company, of which 51% is owned by the Company and the remaining 49% is owned by Changyou Automobile. Shenyang Changyou is mainly engaged in supply chain management; production of automobile components and modules; storage (other than dangerous chemicals), distribution, packaging and assembly; transport of finished vehicles and ordinary freight; production, sale, leasing and maintenance of containers; provision of business information consulting services; logistics planning, management and consulting services; logistics equipment and facilities leasing; import and export of goods, and import and export of technology.

Changyou Parts was established on 20 August 2019 in the PRC. According to the information currently available to the Company, Changyou Parts is a wholly-owned subsidiary of Changyou Automobile.

Changyou Automobile is 60% owned by Shenyang China-Germany Park Development and Construction Group Co., Ltd.* (沈陽中德園開發建設集團有限公司), which in turn is ultimately owned by Shenyang Economic and Technological Development Zone Committee, and the remaining 40% of Changyou Automobile is owned by Shenyang Tairuier Auto Parts Co., Ltd* (沈陽泰銳爾汽車部件有限公司), which in turn is owned by Mr. Zhang Honghe. Changyou Parts is mainly engaged in production and sale of automobile components and modules; storage (other than dangerous chemicals); road transport of goods; transport of ordinary freight; production, sale, leasing and maintenance of plastics; provision of business information consulting services.

LISTING RULES IMPLICATIONS

Changyou Parts is a wholly-owned subsidiary of Changyou Automobile, which in turn is a substantial shareholder of Shenyang Changyou and therefore a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules.

Based on the financial statements of Shenyang Changyou of the latest three financial years ended 31 December 2019, 2020 and 2021, as the total assets, profits and revenue of Shenyang Changyou compared to those of the Group are less than 10% under the percentage ratios for each of the latest three financial years, Shenyang Changyou will be regarded as an insignificant subsidiary pursuant to Rule 14A.09 of the Listing Rules.

Given the application of the insignificant subsidiary exemption under Chapter 14A of the Listing Rules, Changyou Parts will not be regarded as a connected person of the Group and the Acquisition is therefore exempted from any reporting, announcement and shareholders' approval requirements, etc. under Chapter 14A of the Listing Rules.

The highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition, on a standalone basis, exceeds 5% but is less than 25%. However, as the Acquisition is entered into by the same parties under the Real Estate Purchase and Sale Agreement within a 12-month period or are otherwise related, the Acquisition is required to be aggregated with the acquisition of land and property contemplated under the Real Estate Purchase and Sale Agreement pursuant to Rule 14.22 of the Listing Rules for the purpose of classifying the Transaction.

When aggregating the acquisition contemplated under the Real Estate Purchase and Sale Agreement and the Real Estate Purchase and Sale Agreement (Phase II), the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction exceeds 25% but is less than 100%, the Acquisition therefore constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, it is expected that a circular containing, among other things, further details of the Acquisition will be despatched to the Shareholders on or before 6 January 2023 as additional time is required for the preparation of certain information to be included in the circular.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of certain land and property located in Dadong District, Shenyang, the PRC pursuant to the terms of the Real Estate Purchase and Sale Agreement (Phase II)
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“Real Estate Purchase and Sale Agreement”	an agreement entered into between Shenyang Changyou, a non-wholly owned subsidiary of the Company, and Changyou Parts on 29 July 2022 in relation to the sale and purchase of certain land and property located in Dadong District, Shengyang, the PRC
“Real Estate Purchase and Sale Agreement (Phase II)”	an agreement (Phase II) entered into between Shenyang Changyou, a non-wholly owned subsidiary of the Company, and Changyou Parts on 1 December 2022 in relation to the sale and purchase of certain land and property located in Dadong District, Shengyang, the PRC
“Board”	the board of directors of the Company
“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
“Changyou Automobile”	Shenyang Changyou Automobile Supply Chain Co., Ltd.* (沈陽長友汽車供應鏈有限公司), a limited company incorporated in the PRC
“Changyou Parts”	Shenyang Changyou Auto Parts Co., Ltd.* (沈陽長友汽車部件有限公司), a limited company incorporated in the PRC
“Director(s)”	member(s) of the Board of the Company
“Group”	the Company and its subsidiaries from time to time
“insignificant subsidiary”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shenyang Changyou”	Shenyang Changyou Supply Chain Co., Ltd. * (沈陽長友供應鏈有限公司), a limited company incorporated in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the acquisition of the land and property located in Dadong District, Shengyang, the PRC contemplated under the Real

Estate Purchase and Sale Agreement and the Real Estate
Purchase and Sale Agreement (Phase II)

“%”

per cent

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

Chongqing, the PRC
2 December 2022

As at the date of this announcement, the board of directors of the Company comprises: (1) Mr. Xie Shikang, Mr. Chen Wenbo and Mr. Wan Nianyong as executive directors; (2) Mr. Che Dexi, Mr. Man Hin Wai Paul (also known as Paul Man) and Mr. Xia Lijun as non-executive directors; (3) Mr. Chong Teck Sin, Mr. Poon Chiu Kwok, Mr. Jie Jing and Ms. Zhang Yun as independent non-executive directors.

** For identification purpose only*