
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Changan Minsheng APLL Logistics Co., Ltd., you should at once hand this circular and the form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



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;

**(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND**

(4) NOTICE OF EGM AND CLASS MEETINGS

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



A letter from the Board of Changan Minsheng APLL Logistics Co., Ltd. dated 4 November 2024 is set out on pages 6 to 18 of this circular.

The notice for convening the EGM to be held at 10:00 a.m. on 22 November 2024 at the Conference Room, No.1881, Jinkai Road, Yubei District, Chongqing, the PRC is set out on pages V-1 to V-3 of this circular. The notice for convening the H Shareholders Class Meeting to be held at 10:30 a.m. (or immediately after the conclusion or adjournment of the EGM) on 22 November 2024 at the Conference Room, No.1881, Jinkai Road, Yubei District, Chongqing, the PRC is set out on pages VI-1 to VI-3 of this circular. The notice for convening the Domestic Shareholders Class Meeting to be held at 10:45 a.m. (or immediately after the conclusion or adjournment of the H Shareholders Class Meeting) on 22 November 2024 at the Conference Room, No.1881, Jinkai Road, Yubei District, Chongqing, the PRC is set out on pages VII-1 to VII-3 of this circular.

Whether or not you intend to attend the EGM and the Class Meetings you are requested to complete the relevant proxy form in accordance with the instructions printed thereon and return the same to the Company's H Shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of the H Shares only) or the office of the Board of the Company at No.1881, Jinkai Road, Yubei District, Chongqing, the PRC (Zip Code: 401122) (for the holders of the Domestic Shares only (in respect of Domestic Shares, including non-H foreign Shares)), as soon as possible and in any event not less than 24 hours before the time appointed for holding the relevant meeting (i.e. before 10:00 a.m. on 21 November 2024) or any adjournment thereof. Completion and delivery of the proxy form will not preclude you from attending, and voting in person at, the meeting or any adjournment thereof if you so wish.

4 November 2024

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DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Announcement”	the announcement of the Company dated 22 August 2024 in relation to, among others, the Share Subscription (including the Share Subscription Agreement, transactions contemplated thereunder, and the Specific Mandate), the Whitewash Waiver and the proposed amendments to the Articles of Association
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it 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 SASAC of the State Council of the PRC
“Class Meeting(s)”	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

DEFINITIONS

“Completion Date”	the date on which Completion takes place pursuant to the terms and conditions of the Share Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	directors of the Company
“Domestic Share(s)”	the ordinary domestic share(s) (inclusive of non-H foreign Shares) with par value of RMB1.00 each in the registered share capital of the Company
“Domestic Shareholders Class Meeting”	the class meeting of the Domestic Shareholders (inclusive of Shareholders of non-H foreign Shares) 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”	the extraordinary general meeting of the Company to be convened at the Company’s Conference Room, No.1881, Jinkai Road, Yubei District, Chongqing, the PRC on 22 November 2024 at 10:00 a.m. for purposes of considering, if thought fit, and approving, 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 SFC or any of delegate of the Executive Director
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
“H Shareholders Class Meeting”	the class meeting 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)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“H Shareholder(s)”	holder(s) of the H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“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 in relation to 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)”	Shareholder(s) other than (i) the 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)
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Latest Practicable Date”	1 November 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Last Trading Day”	22 August 2024, being the date of the Share Subscription Agreement
“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 to advise the Independent Shareholders on the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate)
“percentage ratio(s)”	has the same meaning ascribed thereto under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Relevant Period”	the period commencing on the date falling six months immediately preceding the Announcement (i.e. 22 August 2024) and ending on the Latest Practicable Date

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission (國有資產監督管理委員會)
“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, comprising H Share(s) and Domestic Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Share Subscription”	the subscription of the new Domestic Shares by SIAMC pursuant to the terms and conditions of the Share Subscription Agreement
“Share Subscription Agreement”	the conditional subscription agreement of Domestic Shares dated 22 August 2024 entered into between the Company and SIAMC in relation to the Share Subscription
“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 Latest Practicable Date and is wholly-owned by CSGC
“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 issue of the Subscription Shares
“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 to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers

DEFINITIONS

“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 to advise the Independent Shareholders on the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) 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

* *For identification purposes only*

For the purpose of this circular, 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.



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)

Executive Directors:

Xie Shikang
Wan Nianyong

Non-executive Directors:

Che Dexi
Chen Wenbo
Jin Jie
Dong Shaojie

Independent non-executive Directors:

Li Ming
Man Wing Pong
Chen Jing

Registered Office:

No. 1881
Jinkai Road
Yubei District
Chongqing
The PRC

***Principal place of business
in Hong Kong:***

16/F., 144-151
Singa Commercial Centre
Connaught Road West
Hong Kong

4 November 2024

To the Shareholders

Dear Sir or Madam,

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

A. INTRODUCTION

Reference is made to the Announcement dated 22 August 2024 in relation to, among others, the Share Subscription (including the Share Subscription Agreement and the transactions contemplated thereunder, and the Specific Mandate), the Whitewash Waiver and the proposed amendments to the Articles of Association.

LETTER FROM THE BOARD

The purposes of this circular are to provide you with information regarding, 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, to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

B. 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.

The major terms and conditions of the Share Subscription Agreement are set out as follows:

1. PRINCIPAL 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 represent:

- (a) approximately 24.68% of the existing issued share capital of the Company as at the Latest Practicable Date; 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 24.66% to the closing price of HK\$2.23 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) 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 the Announcement;
- (c) 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 Last Trading Day;
- (d) 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 Last Trading Day;
- (e) 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 Last Trading Day;
- (f) 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
- (g) 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 report 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

LETTER FROM THE BOARD

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 convened on 28 June 2024, which has been distributed before the EGM) between the date of signing of the Share Subscription Agreement and the date when the new Domestic Shares are registered with China Securities Depository and Clearing Corporation Limited or its branches, the Subscription Price per Subscription 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 Subscription Share before adjustment

P1 is the issue price per Subscription Share after adjustment

D is cash dividend per Subscription 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 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 cast in favour 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.

LETTER FROM THE BOARD

In respect of item (g), as far as the Company is aware, save for 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 Latest Practicable Date, except from item (b), (d),(e) and (f), all of the above conditions has been fulfilled.

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 ten (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. The Completion Date of the Share Subscription is expected to be the latest 28 February 2025.

Specific Mandate

The 40,000,000 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. FUTURE INTENTIONS OF THE SUBSCRIBER REGARDING THE GROUP

Upon Completion, the Subscriber will become a substantial Shareholder (within the meaning of the Listing Rules) of the Company. The Subscriber, SIAMC considers and confirms that:

- (a) it intends to allow the Company to continue the existing business of the Company upon Completion of the Share Subscription;
- (b) it has no intention to introduce any major changes to the existing business of the Company (including any redeployment of the fixed assets of the Company);
- (c) it has no intention to acquire or inject any new business to the Group, nor to dispose or downsize the Group's existing businesses; and
- (d) it is intended that the employment of the existing employees of the Group should be continued following Completion except for changes which may occur in the ordinary course of business.

3. 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 the Announcement.

4. EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) as at the Latest Practicable Date; 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 Latest Practicable Date up to the Completion Date, is set out below:

LETTER FROM THE BOARD

	As at the Latest Practicable Date		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
Domestic Shares				
SIAMC	-	-	40,000,000	19.80%
Minsheng Industrial (Group) Co., Ltd. (“ Minsheng Industrial ”)	25,774,720	15.90%	25,774,720	12.76%
Non-H foreign Shares				
Ming Sung Industrial Co., (HK) Limited (“ Ming Sung (HK) ”)	6,444,480	3.98%	6,444,480	3.19%
H Shares				
China Changan	41,225,600	25.44%	41,225,600	20.40%
APL Logistics Ltd. (“ APL Logistics ”)	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%
Total issued Shares	162,064,000	100.00%	202,064,000	100.00%
SIAMC and the party acting in concert with it				
SIAMC	-	-	40,000,000	19.80%
China Changan	41,225,600	25.44%	41,225,600	20.40%
Sub-total	41,225,600	25.44%	81,225,600	40.20%

Notes:

1. *The percentage figures as set out above are subject to rounding adjustments.*
2. *Figures shown above are calculated assuming that no other Shares will be issued or transferred after the Latest Practicable Date until the Completion of the Share Subscription.*

As at the Latest Practicable Date, 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.

5. APPLICATION FOR WHITEWASH WAIVER

As at the Latest Practicable Date, 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

LETTER FROM THE BOARD

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 has submitted 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 has applied 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 in favour by the Independent Shareholders by way of poll in respect of the Share Subscription and at least 75% of the votes cast in favour by the Independent Shareholders by way of poll in respect of the Whitewash Waiver, respectively, at the EGM.

As at the Latest Practicable Date, the Company does not believe that the Share Subscription gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Share Subscription does not comply with other applicable rules and regulations. The Share Subscription Agreement will not take effect and the Share Subscription will not proceed if the Whitewash Waiver is not granted or approved.

The Executive has indicated that it is minded to grant the Whitewash Waiver subject to, amongst others, the approval by at least 75% of the votes cast in favour by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast in favour by the Independent Shareholders by way of poll in respect of the Share Subscription, respectively, at the EGM.

6. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, 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.

7. 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 (HK) is a subsidiary of Minsheng Industrial, the Shareholder of the Company. The ultimate beneficial owner of Minsheng Industrial and Ming Sung (HK) is SASAC of the Chongqing City of PRC, whereas the ultimate beneficial owner of APL Logistics is Kintetsu World Express, Inc. SASAC 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 positioning a platform for 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.

8. REASONS FOR AND BENEFITS OF CONDUCTING THE SHARE SUBSCRIPTION

The SASAC 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.

As such, conducting the Share Subscription for the Company has no disadvantage to the Company.

The Directors have considered various ways of raising funds and consider that 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 have already given their views in the letters from the respective independent board committee as set out in this 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 (including Independent Shareholders) as a whole.

9. 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 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.

10. ESTABLISHMENT OF TAKEOVERS CODE INDEPENDENT BOARD COMMITTEE, LISTING RULES INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules and 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

LETTER FROM THE BOARD

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 to make recommendation as to voting.

C. 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.

Details of the proposed amendments to the Articles of Association are set out below:

No.	Provisions of the Articles of Association before amendments	Provisions of the Articles of Association after amendments
1	<p>Article 19</p> <p>After the Company was registered to be established, approved by the securities regulatory authority of the State Council, a total number of 55,000,000 overseas listed foreign shares (including 5,000,000 existing shares sold by the shareholders of State-owned shares) were issued by the Company in Hong Kong in Feb., 2006. The total number of ordinary shares of the Company in issue is 162,064,000. The shareholders of the Company and their respective shareholdings are as follow:</p> <p>China Changan Automobile Group Company Limited, holds 41,225,600 shares, representing 25.44% of the total issued share capital;</p> <p>APL Logistics Ltd (Singapore), holds 33,619,200 shares, representing 20.74% of the total issued share capital;</p> <p>Minsheng Industrial (Group) Company Limited, holds 25,774,720 shares, representing 15.90% of the total issued share capital;</p> <p>Ming Sung Industrial Co., (HK) Limited, holds</p>	<p>Article 19</p> <p>After the Company was registered to be established, approved by the securities regulatory authority of the State Council, a total number of 55,000,000 overseas listed foreign shares (including 5,000,000 existing shares sold by the shareholders of State-owned shares) were issued by the Company in Hong Kong in Feb., 2006. <u>The Company issued 40,000,000 new domestic shares in February 2025 to China South Industries Assets Management Co., Ltd.</u> The total number of ordinary shares of the Company in issue is <u>202,064,000</u>. The shareholders of the Company and their respective shareholdings are as follow:</p> <p>China Changan Automobile Group Company Limited, holds 41,225,600 shares, representing <u>20.40%</u> of the total issued share capital;</p> <p><u>China South Industries Assets Management Co., Ltd., holds 40,000,000 shares, representing 19.80% of the total issued share capital;</u></p> <p>APL Logistics Ltd (Singapore), holds 32,399,200 shares, representing <u>16.03%</u> of the total issued share capital;</p> <p>Minsheng Industrial (Group) Company Limited, holds 25,774,720 shares, representing <u>12.76%</u> of the total issued share capital;</p> <p>Ming Sung Industrial Co., (HK) Limited, holds</p>

LETTER FROM THE BOARD

	6,444,480 shares, representing 3.98% of the total issued share capital; Shareholders of the overseas listed foreign shares, in aggregate hold 55,000,000 shares, representing 33.94% of the total issued share capital.	6,444,480 shares, representing 3.19% of the total issued share capital; Shareholders of the overseas listed foreign shares, in aggregate hold 56,220,000 shares, representing 27.82% of the total issued share capital.
2	Article 22 The registered capital of the Company is RMB 162,064,000 Yuan.	Article 22 The registered capital of the Company is RMB 202,064,000 .

D. EGM and 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.

As at the Latest Practicable Date, no Shareholder (other than SIAMC and China Changan) had any interest or involvement in the Share Subscription and the Whitewash Waiver, and no other Shareholder (other than SIAMC and China Changan) was required to abstain from voting at the EGM on the resolutions approving the Share Subscription and the Whitewash Waiver.

The notice of the EGM is set out on pages V-1 to V-3 of this circular. The notice of the H Shareholders Class Meeting is set out on pages VI-1 to VI-3 of this circular. The notice of the Domestic Shareholders Class Meeting is set out on pages VII-1 to VII-3 of this circular. Whether or not you intend to attend the EGM and the Class Meetings you are requested to complete the relevant proxy form in accordance with the instructions printed thereon and return the same to the Company's H Shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of the H Shares only) or the office of the Board of the Company at No.1881, Jinkai Road, Yubei District, Chongqing, the PRC (Zip Code: 401122) (for the holders of the Domestic Shares only (in respect of domestic shares, including non-H foreign shares)), as soon as possible and in any event not less than 24 hours before the time appointed for holding the EGM and the Class Meetings.

Completion and delivery of the proxy form will not preclude you from attending, and voting in person at, the meetings or any adjournment thereof if you so wish.

E. CLOSURE OF REGISTER OF MEMBERS

In order to determine the Shareholders of H Shares who will be entitled to attend the EGM and the H Shareholders Class Meeting, the Company has suspended registration of transfer of shares from 19 November 2024 to 22 November 2024, both days inclusive. In order to qualify to attend the EGM and the H Shareholders Class Meeting and to vote thereat, non-registered holders of H Shares of the Company whose transfer documents have not been registered must deposit the transfer documents accompanied by relevant share certificates with the Company's H Share registrar's transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on 18 November 2024. Holders of H Shares whose names are recorded in the register of members of the Company on 22 November 2024 are entitled to attend and vote at the EGM and the H Shareholders Class Meeting.

F. RECOMMENDATIONS

Your attention is drawn to: (i) the letter from the Takeovers Code Independent Board Committee set out on pages 19 to 20 of this circular, containing its recommendation to the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver; (ii) the letter from the Listing Rules Independent Board Committee set out on pages 21 to 22 of this circular, containing its recommendation to the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder, and the Specific Mandate) and (iii) the letter from the Independent Financial Adviser set out on pages 23 to 44 of this circular, containing its advice to the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver.

The Board (including the members of the Takeovers Code Independent Board Committee and the Listing Rules Independent Board Committee, whose views are set out in the letter from the respective independent board committee) consider that the terms and conditions of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) are fair and reasonable, on normal commercial terms, and although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders (including Independent Shareholders) as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM and the Class Meetings.

The Directors (including the independent non-executive Directors) consider that the proposed amendments to the Articles of Association as described in this circular are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the proposed amendments to the Articles of Association.

LETTER FROM THE BOARD

Mr. Xie Shikang and Mr. Wan Nianyong, the executive Directors, and Mr. Dong Shaojie, a non-executive Director, all of whom are nominated by China Changan, are regarded as connected Directors of the Company. Accordingly, each of them is or may be regarded as having a material interest in the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver and have therefore abstained from voting on the Board resolutions of the Company for approving the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver. Save as disclosed above, none of the Directors had a material interest in the Share Subscription and the Whitewash Waiver and no Director has abstained from voting on the relevant resolutions of the Board.

G. OTHER INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

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 circular, 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.

** For identification purposes only*

On behalf of the Board
Changan Minsheng APLL Logistics Co., Ltd.
Xie Shikang
Chairman



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)

4 November 2024

To the Independent Shareholders

Dear Sir/Madam,

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

AND

(2) APPLICATION FOR WHITEWASH WAIVER

We refer to the circular dated 4 November 2024 issued by the Company of which this letter forms part of (the “**Circular**”). Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless otherwise specified.

We have been appointed as the members of the Takeovers Code Independent Board Committee to consider and advise the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and make recommendations as to voting at the EGM.

We wish to draw your attention to the letter from the Board set out on pages 6 to 18 of the Circular and the letter of advice from Quam Capital Limited, the Independent Financial Adviser appointed to advise the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver, set out on pages 23 to 44 of the Circular.

LETTER FROM THE TAKEOVERS CODE INDEPENDENT BOARD COMMITTEE

Having considered, among other matters, the factors and reasons considered by, and the opinion of Quam Capital Limited as stated in its letter of advice, we consider that the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver are fair and reasonable, on normal commercial terms, and although not in ordinary and usual course of business of the Group, are in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM and the H Shareholders Class Meeting in respect of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver.

Yours faithfully,
Takeovers Code Independent Board Committee

Mr. Che Dexi	Mr. Chen Wenbo	Ms. Jin Jie	Mr. Li Ming	Mr. Man Wing Pong	Ms. Chen Jing
<i>Non-executive Director</i>	<i>Non-executive Director</i>	<i>Non-executive Director</i>	<i>Independent Non-executive Director</i>	<i>Independent Non-executive Director</i>	<i>Independent Non-executive Director</i>

** For identification purposes only*



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)

4 November 2024

To the Independent Shareholders

Dear Sir/Madam,

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

AND

(2) APPLICATION FOR WHITEWASH WAIVER

We refer to the circular dated 4 November 2024 issued by the Company of which this letter forms part of (the “**Circular**”). Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless otherwise specified.

We have been appointed as the members of the Listing Rules Independent Board Committee to consider and advise the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) is fair and reasonable so far as the Independent Shareholders are concerned and make recommendations as to voting at the EGM.

We wish to draw your attention to the letter from the Board set out on pages 6 to 18 of the Circular and the letter of advice from Quam Capital Limited, the Independent Financial Adviser appointed to advise the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver, set out on pages 23 to 44 of the Circular.

LETTER FROM THE LISTING RULES INDEPENDENT BOARD COMMITTEE

Having considered, among other matters, the factors and reasons considered by, and the opinion of Quam Capital Limited as stated in its letter of advice, we consider that the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) is fair and reasonable, on normal commercial terms, and although not in ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders (including Independent Shareholders) as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM and the H Shareholders Class Meeting in respect of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate).

Yours faithfully,
Listing Rules Independent Board Committee

Mr. Li Ming
*Independent Non-executive
Director*

Mr. Man Wing Pong
*Independent Non-executive
Director*

Ms. Chen Jing
*Independent Non-executive
Director*

** For identification purposes only*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Quam Capital Limited, the independent financial adviser to the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder; and the Specific Mandate); and (ii) the Whitewash Waiver; which has been prepared for the purpose of incorporation in this circular.



4 November 2024

To the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders

Dear Sir or Madam

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

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders in relation to the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver, details of which are contained in the letter from the Board (the “**Letter from the Board**”) in the circular of the Company dated 4 November 2024 (the “**Circular**”), to which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

On 22 August 2024 (after trading hours), the Company entered into the Share Subscription Agreement with SIAMC. According to the terms of the Share Subscription Agreement, 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.

As at the Latest Practicable Date, 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

As at the Latest Practicable Date, 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, its associates 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, its associates and the party acting in concert with it), unless the Whitewash Waiver is granted by the Executive.

SIAMC has submitted 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 has applied 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 in favour by the Independent Shareholders by way of poll in respect of the Share Subscription and at least 75% of the votes cast in favour by the Independent Shareholders by way of poll in respect of the Whitewash Waiver, respectively, at the EGM.

THE TAKEOVERS CODE INDEPENDENT BOARD COMMITTEE, THE LISTING RULES INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules and 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have been appointed as the Independent Financial Adviser to advise the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders in relation to the Share Subscription and the Whitewash Waiver and to make recommendation as to voting.

As at the Latest Practicable Date, we did not have any relationships with or interests in the Company, SIAMC, or any of their respective controlling shareholders and any party acting, or presumed to be acting, in concert with any of them, and accordingly, are qualified to give independent advice to the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders. During the two years prior to the Latest Practicable Date, we did not act as the financial adviser to the Company or SIAMC, save for acting as the independent financial adviser to the independent board committee and the independent shareholders of the Company in respect of the non-exempt continuing connected transactions and major transaction regarding the deposit transaction, details of which are set out in the circular of the Company dated 23 January 2024. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company or SIAMC or their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we consider that we are eligible to give independent advice in respect of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver.

BASIS OF OUR ADVICE

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information provided by the Directors and the management of Company (the “**Management**”); (iii) the opinions expressed by and the representations of the Directors and the Management; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true in all material respects at the time they were made and continue to be true in all material respects as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the Management. Should there be any material changes to the statements, information and/or representation affecting our opinion after the Latest Practicable Date, the Independent Shareholders would be notified as soon as possible in compliance with Rule 9.1 of the Takeovers Code.

We have reviewed, among others, (i) the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”); (ii) the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”); (iii) the Announcement; (iv) the Share Subscription Agreement; and (v) other information set out in the Circular. We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the

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accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinions expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position, financial forecast or future prospects of the Group and SIAMC.

This letter is issued for the purpose of advising the Takeovers Code Independent Board Committee and the Listing Rules Independent Board Committee regarding the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have taken into consideration the following principal factors and reasons:

1. Background information on the Group

1.1. Principal business of the Group

The Group is principally engaged in providing a variety of logistics services for car manufacturers and suppliers of car component and parts in the PRC.

1.2. Financial information of the Group

Set out below is the summary of the financial information of the Group for the years ended 31 December 2022 (“FY2022”) and 2023 (“FY2023”) extracted from the 2023 Annual Report and the six months ended 30 June 2023 (“6MFY2023”) and 2024 (“6MFY2024”) extracted from the 2024 Interim Report:

	FY2022	FY2023	6MFY2023	6MFY2024
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	7,720.2	7,969.0	3,984.3	4,165.2
Operating profit	66.5	75.1	25.8	42.6
Net profit attributable to shareholders of parent	38.5	56.4	28.1	29.3

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	As at 31 December 2022	As at 31 December 2023	As at 30 June 2024
	<i>RMB million (audited)</i>	<i>RMB million (audited)</i>	<i>RMB million (unaudited)</i>
Non-current assets	1,341.7	1,504.5	1,481.2
Current assets	3,574.0	3,669.9	3,900.8
Total assets	4,915.7	5,174.4	5,382.0
Non-current liabilities	196.5	255.3	222.4
Current liabilities	2,557.3	2,729.5	2,972.2
Total liabilities	2,753.8	2,984.8	3,194.7
Net assets	2,161.9	2,189.6	2,187.3

FY2023 vs FY2022

Revenue of the Group increased by approximately 3.2% from approximately RMB7,720.2 million for FY2022 to approximately RMB7,969.0 million for FY2023, which was mainly attributable to the increase of the sales volume of vehicles of the Group’s major customer, Chongqing Changan Automobile Company Limited (“**Changan Automobile**”) and its associates and thus their increase in demand for the Group’s finished vehicles transportation services and supply chain management services of automobile raw materials and components and parts, partially offset by the decrease in the revenue from non-automobile commodities transportation services. Changan Automobile and its associates contributed approximately 65.1% and 67.5% of the Group’s revenue for FY2022 and FY2023, respectively. As at the Latest Practicable Date, China Changan holds approximately 25.44% of the total issued share capital of the Company and 17.97% equity interests in Changan Automobile. In addition, CSGC holds 100% equity interests in China Changan and 14.22% equity interests in Changan Automobile. SIAMC, a wholly-owned subsidiary of CSGC, holds 5.10% equity interests in Changan Automobile.

The Group’s cost of operations amounted to approximately RMB7,322.2 million and RMB7,597.7 million for FY2022 and FY2023 respectively. Net profit attributed to the shareholders of parent of the Group increased by approximately 46.7% from approximately RMB38.5 million for FY2022 to approximately RMB56.4 million for FY2023, which was mainly attributable to the increase of the revenue as mentioned above and the decrease in administrative expenses, in particular, employee’s salary, partially offset by the increase in research and development expenses.

6MFY2024 vs 6MFY2023

Revenue of the Group increased by approximately 4.5% from approximately RMB3,984.3 million for 6MFY2023 to approximately RMB4,165.2 million for 6MFY2024, which was mainly attributable to the growth of the automobile industry, which have led to an increase of the sales volume of vehicles of Changan Automobile and its associates and thus their increasing demand for the Group’s services. Changan Automobile and its associates contributed approximately 62.9% and 63.5% of the Group’s

revenue for 6MFY2023 and 6MFY2024, respectively.

The Group's cost of operations amounted to approximately RMB3,809.4 million and RMB3,974.3 million for 6MFY2023 and 6MFY2024 respectively. Net profit attributed to the shareholders of the parent of the Group increased by approximately 4.0% from approximately RMB28.1 million for 6MFY2023 to approximately RMB29.3 million for 6MFY2024, which was mainly attributable to the increase of the revenue as mentioned above.

Further, according to the Company's announcement on 26 September 2024 (the "**Disposal Announcement**"), the Company has agreed with a purchaser to dispose of 51% equity interest of a subsidiary (the "**Disposal**"). Pursuant to Rule 10 and Practice Note 2 of the Takeovers Code, the unaudited profit before tax of approximately RMB59.92 million from the Disposal which is expected to have a significant impact on the Group's profit in 2024, as disclosed in the Disposal Announcement, constitutes a profit forecast and would need to be reported on by the financial advisers and auditors or accountants of the Company in accordance with the Takeovers Code, for which the letters are set out in Appendix III and Appendix IV to this Circular. The Group is expected to receive net proceeds from the Disposal (after deducting related fees and expenses) of approximately RMB59.92 million upon completion of the Disposal. As at 30 June 2024, the Group had cash and bank balances of approximately RMB1,222.4 million. As at the Latest Practicable Date, the Management expects that approximately RMB1,000.0 million of cash balance will need to be reserved and set aside to meet short-term financial obligations or settle unexpected expenses of the Group if required. Taking into account the expected business development plan of the Company as further discussed under section 3 below, we consider that the Share Subscription will enhance the Company's liquidity position to support its long-term development or investment projects. Based on the above, and taking into account the fact that the impact of the gain from the Disposal on the Group's profit is one-off in nature, we are of the view that the Disposal would not have any material implication on the Share Subscription and the Company.

Assets and liabilities

As at 30 June 2024, total assets of the Group was approximately RMB5,382.0 million, of which accounts receivable and fixed assets amounted to approximately RMB1,740.1 million and RMB704.8 million, representing approximately 32.3% and 13.1% of total assets of the Group, respectively. Total liabilities of the Group as at 30 June 2024 was approximately RMB3,194.7 million, of which accounts payable amounted to approximately RMB1,785.5 million or accounting for approximately 55.9% of total liabilities of the Group. The Group's net assets remained relatively stable at approximately RMB2,161.9 million, RMB2,189.6 million and RMB2,187.3 million as at 31 December 2022, 31 December 2023 and 30 June 2024 respectively.

1.3. Outlook of the Group

The Group's business performance is driven by the China's automobile market. Although under the challenges such as intensified competition resulting in the carmakers taking price reduction and the complicated domestic and international economic environment, China's automobile market has demonstrated a growth in the first half of 2024, with the new energy vehicles market continuing to grow rapidly while the traditional fuel vehicles market facing a huge downward pressure. The growth

of the industry has also been driven by a series of policies implemented by PRC government, such as providing subsidies for the purchase of new cars to replace old ones, subsidies for the purchase of new energy cars in the rural areas, etc, while the effect of COVID-19 was not the main cause for the industry growth according to the information published by China Association of Automobile Manufacturers¹, which is a social organization founded with the approval of the Ministry of Civil Affairs of the People's Republic of China, consisted of over 3,000 members of enterprises and institutions as well as organizations engaged in production and management of automobiles, auto parts and vehicle-related industries in China. According to the data published by China Association of Automobile Manufacturers, from January to August 2024, the total sales volume of automobiles in China amounted to around 18.8 million, representing a year-on-year growth of around 3%, while the total sales volume of new energy cars in China amounted to around 7.0 million, representing a strong increase of around 31% year-on-year. In addition, the export volume of automobiles in China has reached around 3.8 million from January to August 2024, with a strong year-on-year growth of around 28%, demonstrating a rising competitiveness of Chinese brands in overseas market. The growth of the automobile industry is conducive to the development of the automobile logistics industry in China.

With reference to the 2024 Interim Report, the Group will focus on ensuring stable growth, while mitigating risk and promoting reforms in the second half of 2024, with the goal to become a first-class green intelligent logistics and supply chain service provider. Taking into account the historical growth in revenue and profit of the Group for recent financial years / periods as discussed in section 1.2 above, and the growth in the PRC automobile industry as discussed above, we expect that the business performance of the Group will remain a steady growth in the near term.

2. Information of SIAMC

SIAMC is a wholly-owned subsidiary of CSGC and is primarily engaged in positioning a platform for 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.

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. CSGC's ultimate beneficial owner is the SASAC of the State Council of the PRC.

China Changan is a substantial Shareholder of the Company holding approximately 25.44% of the total issued share capital of the Company as at the Latest Practicable Date and is also a wholly-owned subsidiary of CSGC. As such, the issuance of Domestic Shares to SIAMC demonstrates the support to the Company from the substantial Shareholder and the SASAC of the State Council of the PRC, which will be conducive to boosting the confidence of other Shareholders and potential investors in investing

¹ Source: http://www.caam.org.cn/chn/4/cate_154/con_5236507.html

in the Shares.

3. Reasons for and benefits of the Share Subscription

The SASAC 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 Company has not engaged in any equity fundraising activities since 2006. The Share Subscription enables the Company to leverage the listing platform to conduct equity fundraising for enhancing its liquidity and optimising its capital structure, as well as raising funds for the Company's business development. According to the Management and the Letter from the Board, (i) approximately 40% of the proceeds from the Share Subscription are intended to be invested in the Company's overseas capacity building in countries like Thailand, including the establishment of logistics facilities and logistics center, and the purchase or lease of vehicles and vessels for automotive logistics services use, strengthening the Company's capacities and competitiveness in providing overseas logistics services; and (ii) approximately 60% of the proceeds from the Share Subscription are intended to be invested in warehousing and smart logistics construction, introducing automotive logistics management systems and big data technology to achieve real-time tracking, intelligent scheduling, and data analysis of automotive logistics information, improving logistics efficiency and service quality. According to the Management, majority of the investments for the abovementioned plans of the Company had been identified and the Management expects that the proceeds from the Share Subscription will be deployed in 2025. Taking into account the industry growth of the China's automotive market and the rising competitiveness of Chinese brands in overseas market as discussed under section 1.3 above, we concur with the view of the Directors that the abovementioned plans of deploying the proceeds from the Share Subscription would enhance the Company's competitiveness and service quality in the growing market, thereby enabling the Company to create greater value for its Shareholders. In addition, the issuance of Domestic Shares to SIAMC also demonstrates the support from the substantial Shareholders and the SASAC of the State Council of the PRC to the Company, which will be conducive to boosting the confidence of other Shareholders and potential investors in investing in the Shares.

The Company has considered other fundraising alternatives available to the Group before resolving to the Share Subscription, such as debt financing and other means of equity financing such as rights issue or open offer. The Board considers that debt financing (such as bank borrowings) would incur additional interest expenses. In addition, debt financing generally involves lengthy due diligence and negotiation with the banks and may involve pledge of assets, which potentially impairs the Group's flexibility in managing its assets portfolio. In respect of other means of equity financing such as rights issue and open offer, the Board considers that despite rights issue and open offer would allow the Shareholders to maintain their respective pro-rata shareholdings in the Company, the ultimate fundraising size could not be assured if the fundraising exercises are conducted on non-underwritten basis, especially considering that the trading liquidity of the H Shares has been relatively thin as further discussed in section 5.2 below. Conversely, extra time may be required for the negotiation process with potential underwriters if such fundraising exercises are conducted on fully underwritten basis. The Share Subscription, on the other hand, could provide a higher certainty to the Company to raise the required amount of funds. Moreover, conducting rights issue or open offer may also incur additional transaction costs such as underwriting commission and involve extra administrative work for the preparation of the requisite compliance and legal documentation (such as prospectus and application

forms, etc.), as compared to Share Subscription.

In view of the foregoing, having considered the overall time and costs required, as well as the uncertainties involved for the debt financing and other means of equity financing (such as rights issue and open offer) as compared to Share Subscription, we are of the view that the Share Subscription is a comparatively more appropriate and commercially favourable financing choice that allows the Company to raise sufficient funds for its business development purpose.

4. Principal terms of the Share Subscription Agreement

The principal terms of the Share Subscription Agreement are set out below:

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 represent:

- (a) approximately 24.68% of the existing issued share capital of the Company as at the Last Trading Day; 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.

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 24.66% to the closing price of HK\$2.23 per Share as quoted on

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the Stock Exchange on the Latest Practicable Date;

- (b) 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 the Announcement;
- (c) 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 Last Trading Day;
- (d) 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 Last Trading Day;
- (e) 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 Last Trading Day;
- (f) 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 2023 Annual Report 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
- (g) 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 2024 Interim Report 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

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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 convened on 28 June 2024, which has been distributed before the EGM) between the date of signing of the Share Subscription Agreement and the date when the new Domestic Shares are registered with China Securities Depository and Clearing Corporation Limited or its branches, the Subscription Price per Subscription 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 Subscription Share before adjustment

P1 is the issue price per Subscription 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 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 cast in favour 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 for 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 Latest Practicable Date, except from item (b), (d),(e) and (f), all of the above conditions has been fulfilled.

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 ten (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

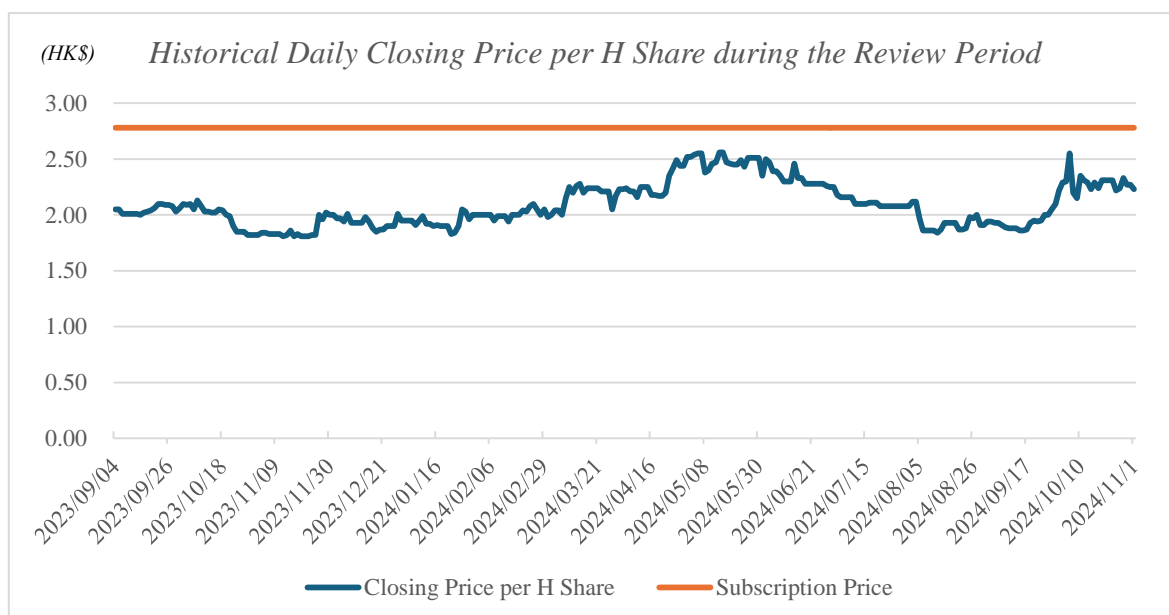
The 40,000,000 Subscription Shares will be issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM and the Class Meetings.

5. Analysis of the Subscription Price

5.1. Analysis of historical price performance of H Shares

For assessing the fairness and reasonableness of the Subscription Price, set out below is a chart showing the daily closing prices of the H Shares as quoted on the Stock Exchange during the period from 1 September 2023 to the Latest Practicable Date (the “**Review Period**”). We consider that the duration of the Review Period of approximately one year would be sufficient and representative to provide a general overview of the recent market performance of the H Shares and market sentiment for conducting a reasonable comparison between the closing prices of the H Shares and the Subscription Price.

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Source: the website of the Stock Exchange

As illustrated in the chart above, the closing price of H Shares were below the Subscription Price at all times during the Review Period. The Subscription Price of HK\$2.78 represents a premium of approximately 32.9% over the average closing price of H Shares during the Review Period of approximately HK\$2.08. The closing prices of H Shares fluctuated between HK\$1.81 and HK\$2.56 during the Review Period. In particular, it was noted that the H Shares exhibited an upward trend from January 2024 to May 2024, and subsequently a downward trend, which was generally in line with the trend of overall stock market in Hong Kong as indicated by the Hang Seng Index.

5.2. Trading volume analysis

The table below sets out the monthly statistics of the average daily trading volume of the H Shares for each month and the respective percentages to the total number of issued H Shares held by the public Shareholders during the Review Period:

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	Total trading volume of H Shares	Number of trading days	Average daily trading volume of H Shares	Percentage of average daily trading volume of H Shares over total number of issued H Shares held by the public Shareholders
	<i>(Shares)</i>	<i>(days)</i>	<i>(Shares)</i>	
2023			<i>(Note 1)</i>	<i>(Note 2)</i>
September	538,000	19	28,316	0.05%
October	1,255,000	20	62,750	0.11%
November	1,200,000	22	54,545	0.10%
December	749,000	19	39,421	0.07%
2024				
January	572,000	22	26,000	0.05%
February	457,000	19	24,053	0.04%
March	1,460,000	20	73,000	0.13%
April	3,080,000	20	154,000	0.27%
May	1,005,000	21	47,857	0.09%
June	826,000	19	43,474	0.08%
July	383,000	22	17,409	0.03%
August	2,501,000	22	113,682	0.20%
September	902,000	19	47,474	0.08%
October and November (up to the Latest Practicable Date)	1,818,000	22	82,636	0.15%

Source: the website of the Stock Exchange

Notes:

1. *Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.*
2. *The calculation is based on the average daily trading volume of H Shares for the month/period divided by the total number of H Shares in issue held by the public Shareholders at the Latest Practicable Date.*

As illustrated in the above table, the average daily trading volume of H Shares during the Review Period was low, ranging from approximately 0.03% to approximately 0.27% of the total number of issued H Shares held by the public Shareholders as at the Latest Practicable Date. Having considered the prevailing condition of the Hong Kong stock market and the overall thin trading liquidity of the H Shares, it may be difficult for the Company to conduct other equity financing alternatives (such as rights issue or open offer) as compared to the Share Subscription.

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5.3. Analysis of discount represented by the Subscription Price to the net asset value (“NAV”) per Share attributable to the Shareholders

The Subscription Price of HK\$2.78 per Share represents a discount of (i) approximately 79.53% to the audited consolidated NAV per Share attributable to the Shareholders of approximately HK\$13.58 per Share as at 31 December 2023; and (ii) approximately 79.48% to the unaudited consolidated NAV attributable to the Shareholders of approximately HK\$13.55 per Share as at 30 June 2024. In assessing the Subscription Price compared against the NAV, set out below is a table illustrating the historical Share prices against the published NAV for the Review Period up to the Last Trading Day:

From	To	NAV per Share (Note 1) (HK\$)	Average closing Share price (HK\$)	Highest closing Share price (HK\$)	Lowest closing Share price (HK\$)	Approximate discount of average closing Share price to NAV per Share	Approximate discount of highest closing Share price to NAV per Share	Approximate discount of lowest closing Share price to NAV per Share
1 September 2023	27 March 2024	13.59	1.986	2.280	1.810	(85.39)%	(83.23)%	(86.68)%
<i>(i.e. the period immediately before and up to the date when the annual results announcement of the Company for FY2023 was published)</i>								
28 March 2024	21 August 2024	13.58	2.237	2.560	1.840	(83.53)%	(81.15)%	(86.45)%
<i>(i.e. the period up to the Last Trading Day)</i>								

Source: the website of the Stock Exchange (www.hkex.com.hk)

Note 1: The latest published audited or unaudited consolidated NAV per Share attributable to the Shareholders for respectively period.

With reference to the table above, we noted that the Shares had been traded at a substantial discount to the NAV at all times during the Review Period up to the Last Trading Day ranging from approximately 81.15% to 86.68%, which was steeper as compared with the discount to NAV represented by the Subscription Price. This may indicate that investors might not have valued the Shares based solely on the value of the Group’s net assets. Accordingly, in assessing the Subscription Price, it would only be appropriate to consider the discount represented by the Subscription Price to the NAV per Share, in conjunction with other factors including but not limited to the financial performance and business prospects of the Company and more particularly, the comparison of the Subscription Price to the historical and prevailing Share prices, which are more relevant from the perspective of Shareholders in considering the fair value of the Shares.

5.4. Comparable issues precedents

In order to assess the fairness and reasonableness of the Subscription Price, we have also carried out an analysis on comparable issuance of domestic shares (excluding any issuance in relation to capital reorganisation or restructuring of listed issuers) by listed issuers on the Stock Exchange (the “**Comparable Issues**”) announced since 1 September 2021 and up to the Latest Practicable Date. We consider that such review period which covers approximately three years and the sample size identified under such basis to be appropriate and sufficient for analysis of the pricing of recent issues of domestic shares by listed issuers in Hong Kong. Given that A shares and H shares are all listed and traded on

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stock exchanges, investors may have different consideration in assessing the value of shares as compared with domestic shares, we consider that it is more appropriate to select only the issuance of domestic shares for our comparable analysis. Based on the said criteria, we have identified an exhaustive list of 11 Comparable Issues.

It should be noted that the listed issuers involved in the Comparable Issues may have different principal activities, market capitalisations, financial performance and financial positions as compared to those of the Company. As such, the analysis should not be considered on an isolated basis but should be taken into account in totality with other factors. Nevertheless, we are of the view that the Comparable Issues would be able to provide us with a fair and representative reference of the recent market practice of issuing domestic shares by issuers listed on the Stock Exchange. Set out below is the comparison between the Share Subscription and the Comparable Issues in terms of (i) premium or discount of the subscription price over or to the respective closing share price of the issuers on the date of the share subscription agreement, the average closing share price of the issuers for the last five and 30 consecutive trading days immediately prior to the date of the share subscription agreement, and NAV per share of the issuers; and (ii) maximum dilution effect to the existing public shareholders of H shares of the issuers.

Date of announcement	Company name (Stock code)	Premium/ (Discount) of the subscription price over/to the closing price / average closing price per share on/over			Premium/ (Discount) of the subscription price over/to the NAV per share (Note 1)	Maximum dilution effect to the existing public shareholders of H shares
		The date of the agreement	Last 5 consecutive trading days immediately prior to the date of the agreement	Last 30 consecutive trading days immediately prior to the date of the agreement		
8 December 2021	Guangzhou Rural Commercial Bank Co., Ltd. (1551.HK)	139.53%	143.25%	141.11%	(13.63)%	2.46%
21 June 2022	Tianjin Biomedical Engineering Company Limited (8189.HK)	(16.67)%	(6.25)%	6.28%	130.54%	38.15%
28 December 2022	Harbin Electric Company Limited (1133.HK)	11.00%	14.72%	13.98%	(56.99)%	9.73%
4 April 2023	Chongqing Fruit Co., Ltd. (6689)	(29.28)%	(32.03)%	(36.15)%	360.84%	1.02%
9 May 2023	AviChina Industry & Technology Company Limited (2357.HK)	0.93%	0.00%	3.61%	6.30%	1.13%
16 June 2023	Bank of Jiujiang Co., Ltd. (6190.HK)	5.27%	3.14%	2.71%	(40.91)%	2.49%

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29 December 2023	Guangzhou Rural Commercial Bank Co., Ltd. (1551.HK)	7.73%	7.73%	17.25%	(68.02)%	3.73%
19 January 2024	Zhejiang Leapmotor Technology Co., Ltd. (9863.HK)	69.77%	59.45%	28.43%	753.96%	N/A (Note 2)
8 May 2024	Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (6990.HK)	(6.83)%	(10.19)%	(1.72)%	1,179.07%	0.64%
12 May 2024	Lianhua Supermarket Holdings Co., Ltd. (980.HK)	249.37% (Note 3)	273.05% (Note 3)	396.77% (Note 3)	1,452.80% (Note 3)	8.10%
9 October 2024	Zhejiang Leapmotor Technology Co., Ltd. (9863.HK)	29.11%	16.34%	57.89%	479.06%	2.54%
	Maximum	139.53%	143.25%	141.11%	1,179.07%	38.15%
	Minimum	(29.28)%	(32.03)%	(36.15)%	(68.02)%	0.64%
	Average	21.06%	19.62%	23.34%	273.02%	7.00%
	Median	6.50%	5.44%	10.13%	68.42%	2.52%
	The Share Subscription	47.87%	45.55%	38.31%	(79.48)%	6.87%

Source: website of the Stock Exchange

Notes:

1. Based on the latest published net asset value of the issuers as at the date of the announcement of the issuance of domestic shares.
2. The dilution effect for the domestic share issuance was not disclosed.
3. We consider these figures are outliers which have been excluded in our analysis given that they are exceptionally higher than other Comparable Issues, which was possibly due to the relevant closing share prices of Lianhua Supermarket Holdings Co., Ltd. upon or prior to the date of share subscription agreement were substantially below the par value, while the Company Law of the PRC requires that the subscription price shall not be lower than the par value.

As shown above, the premium of the Subscription Price over (i) the closing Share price on the date of the Share Subscription Agreement; (ii) the average closing Share price for the last five consecutive trading days immediately prior to the date of the Share Subscription Agreement; and (iii) the average closing Share price for the last 30 consecutive trading days immediately prior to the date of the Share Subscription Agreement, are all higher than the average and median of the Comparable Issues. Despite the discount to NAV represented by the Share Subscription is larger than the Comparable Issues, as discussed under section 5.3 above, we consider that the discount represented by the Subscription Price to the NAV per Share is less relevant from the perspective of Shareholders in considering the fair value of the Shares. Therefore, the above results indicate that the Subscription Price is favourable from the perspective of the comparable issues analysis. Moreover, it was also noted that in terms of the maximum dilution effect to the existing public shareholders of H shares, the Share Subscription is within the range and slightly below the average of the Comparable Issues, which indicates that the

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dilution effect of the Share Subscription is fair and reasonable.

5.5. *Comparable companies analysis*

To supplement our assessment on the fairness and reasonableness of the Subscription Price, we have also conducted an analysis on the trading multiples of the comparable companies (the “**Comparable Companies**”) listed on the Stock Exchange. In this connection, we have considered price-to-earnings (“**P/E**”) and price-to-book (“**P/B**”) ratios, which are commonly adopted benchmarks in assessing the valuation of a company.

In this connection, having considered the principal business of the Group, the geographical region operated by the Group, we have identified an exhaustive list of six Comparable Companies, which are fair and representative, based on the selection criteria including (i) companies being listed on the Main Board of the Stock Exchange; (ii) companies with principal business of providing logistics services in the PRC; and (iii) companies with market capitalization of not more than HK\$900 million as at the Latest Practicable Date having taken into account the implied market capitalization of the Company of approximately HK\$451 million being around the middle of the range. While the Comparable Companies may not be principally providing logistics services for particularly automobiles or related goods like the Group does, we believe the Comparable Companies selected are appropriate to serve as a benchmark reference for our comparable analysis purpose, which reflected the prevailing market sentiment towards the same business sector in the same geographical location.

Independent Shareholders should note that despite the aforesaid criteria, the business, scale of operation, trading prospect, location of business and capital structure of the Company are not exactly the same as those of the comparable companies, and we have not conducted any in-depth investigation into the businesses and operations of the comparable companies.

Company (Stock code)	name	Principal businesses	Market capitalisation <i>(Note 1)</i> <i>HK\$' million</i>	P/E ratio <i>(Note 1)</i> <i>times</i>	P/B ratio <i>(Note 1)</i> <i>times</i>
Chu Kong Shipping Enterprises Group Co Ltd (560.HK)		Principally engaged in cargo transportation business	852	7.5	0.2
YTO International Express & Supply Chain Technology Ltd (6123.HK)		Principally engaged in the provision of freight forwarding services	563	5.8	0.4
Yues Holdings Group Ltd (1529.HK)		Principally engaged in the provision of logistics services	82	N/A <i>(Note 2)</i>	0.5

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Gogox Holdings Ltd (2246.HK)	Principally engaged in the provision of logistics and delivery solution services	352	N/A <i>(Note 2)</i>	0.8
Xiangxing International Holding Ltd (1732.HK)	Principally engaged in the provision of intra-port services, logistics services and supply chain operations	116	8.3	0.5
Ever Harvest Group Holdings Ltd (1549.HK)	Principally engaged in the provision of sea freight services	164	319.7 <i>(Note 3)</i>	0.8
		Maximum	8.3	0.8
		Minimum	5.8	0.2
		Average	7.2	0.5
		Median	7.5	0.5
The Company		451 <i>(Note 4)</i>	7.3 <i>(Note 5)</i>	0.2 <i>(Note 6)</i>

Source: Bloomberg, website of the Stock Exchange

Notes:

1. The market capitalization of the Comparable Companies are based on information extracted from Bloomberg as at the Latest Practicable Date. The P/E ratios of the Comparable Companies are based on the market capitalization as at the Latest Practicable Date and the profit attributable to shareholders for the latest financial year reported in the respective companies' annual reports. The P/B ratios of the Comparable Companies are based on the market capitalization as at the Latest Practicable Date and the net asset value attributable to shareholders as at the latest financial period end reported in the respective companies' financial reports or results.
2. The P/E ratio is not applicable as the subject company recorded net loss in its latest financial year.
3. We consider this figure is outlier which had been excluded in our analysis given that it is exceptionally higher than other Comparable Companies that would distort the results of our analysis.
4. The implied market capitalization of the Company is calculated by multiplying the Subscription Price of HK\$2.78 per Share and the number of total issued Shares of 162,064,000 Shares as at the Latest Practicable Date.
5. The implied P/E ratio of the Company is calculated based on the implied market capitalization and the profit attributable to Shareholders of the Company for the year ended 31 December 2023.
6. The implied P/B ratio of the Company is calculated based on the implied market capitalization and the net assets attributable to Shareholders as at 30 June 2024.

As shown in the above table, the implied P/E ratio of the Company of approximately 7.3 times is close to the average and median P/E ratios of the Comparable Companies of approximately 7.2 and 7.5 times respectively, while the implied P/B ratio of the Company of approximately 0.2 times is at the lower end of the range of 0.2 times to 0.8 times of the Comparable Companies.

5.6. Section summary

Having considering the above, in particular, (i) the Subscription Price is higher than the closing prices of the H Shares on all trading days throughout the Review Period, and represents a premium of approximately 32.9% over the average closing prices during the Review Period; (ii) the trading liquidity of H Shares was thin during the Review Period; (iii) notwithstanding that the Subscription Price represents a discount to the NAV per Share attributable to the Shareholders, the Shares had been consistently traded at a steeper discount to the NAV during the Review Period up to the Last Trading Day, and (iv) the implied P/E ratio of the Company based on the Subscription Price is close to the average and median of the Comparable Companies, despite the implied P/B ratio of the Company is at the lower end of the range of the Comparable Companies, we are of the view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

6. Financial effects of the Share Subscription on the Group

According to the 2024 Interim Report, the Group had cash and bank balances of approximately RMB1,222.4 million and net assets attributable to parents of the Group of approximately RMB2,012.0 million as at 30 June 2024. Based on the amount of maximum net proceeds from the Share Subscription, the cash position and net assets of the Group will increase by approximately RMB101.9 million. In light of the financial effects of the Share Subscription on the working capital and net asset value of the Group, and considering that based on our discussions with the Management, we understand the Management expects that approximately RMB1,000.0 million of the cash balances will need to be reserved and set aside to meet short-term financial obligations or settle unexpected expenses of the Group if required as at the Latest Practicable Date which was determined based on their past experience and existing financial conditions of the Group, among others, we are of the view that the Share Subscription would have positive impact of the Group's financial position, in particular, enhancing the Company's liquidity position to support its long-term development or investment projects as discussed under section 3 above. In respect of the cash reserve amount above, we have also reviewed the Group's latest management accounts as at 30 September 2024, and we noted that the unaudited current liabilities of the Group amounted to approximately RMB2,500.0 million as at 30 September 2024, exceeding the required cash reserve amount estimated by the Management, which supports such estimation.

Independent Shareholders are reminded that the above analysis is for illustrative purposes only and does not purport to represent how the financial position of the Group would be upon completion of the Share Subscription.

7. Potential dilution effect of the Share Subscription

As illustrated under the section headed "4. Effects on Shareholding Structure of the Company" of the Letter from the Board, the shareholding interests of the existing public Shareholders of H Shares would be diluted by approximately 6.87 percentage points from approximately 34.69% to 27.82% upon Completion. Having considered (i) the reasons and benefits to the Group for the Share Subscription as set out in the section 3 above, in particular, (a) enabling the Company to leverage the listing platform to conduct equity fundraising; (b) demonstrating the support from the substantial Shareholders and the SASAC of the State Council of the PRC to the Company which will be conducive to boosting the

confidence of other Shareholders and potential investors in investing in the Shares; (c) the use of proceeds plan of the Company; and (d) other financing options being less appropriate and commercially favourable; (ii) the terms of the Share Subscription Agreement (including the Subscription Price) being fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the dilution effect of the Share Subscription is fair and reasonable from the perspective of Comparable Issues analysis, we are of the opinion that the potential dilution effect on the shareholding interests of the existing public Shareholders of H Shares is acceptable.

8. The Whitewash Waiver

As at the Latest Practicable Date, 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, its associates 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, its associates and the party acting in concert with it), unless the Whitewash Waiver is granted by the Executive.

SIAMC has submitted 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 has applied 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 in favour by the Independent Shareholders by way of poll in respect of the Share Subscription and at least 75% of the votes cast in favour by the Independent Shareholders by way of poll in respect of the Whitewash Waiver, respectively, at the EGM.

Given the reasons and benefits to the Group for the Share Subscription and the terms of the Share Subscription Agreement being fair and reasonable so far as the Independent Shareholders are concerned, we are of the opinion that the approval for the Whitewash Waiver, which is a prerequisite of the Share Subscription, is in the interests of the Company and the Independent Shareholders as a whole and is fair and reasonable for the purpose of proceeding with the Share Subscription.

RECOMMENDATIONS

Having considered the above principal factors and reasons, we are of the view that the terms and conditions of the Share Subscription (including the Share Subscription Agreement and transactions

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contemplated thereunder, and the Specific Mandate) are fair and reasonable, on normal commercial terms, and although the Share Subscription is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we advise the Independent Shareholders, as well as the Takeovers Code Independent Board Committee and the Listing Rules Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant resolutions to be proposed at the EGM and the Class Meetings to approve (i) the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate); and (ii) the Whitewash Waiver.

Yours faithfully,
For and on behalf of
Quam Capital Limited
Leo Chan
Head of Corporate finance

Mr. Leo Chan is the Head of Corporate Finance of Quam Capital Limited and is licensed under the SFO as a Responsible Officer to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Chan has approximately 28 years of experience in corporate finance.

1. FINANCIAL INFORMATION OF THE GROUP

(1) Financial Summary

Set out below is a summary of the audited consolidated financial information of the Group for each of the three years ended 31 December 2021, 31 December 2022 and 31 December 2023, as extracted from the relevant annual report of the Company and the unaudited consolidated financial information of the Group for the six months ended 30 June 2024 as extracted from the interim report of the Company for the six months ended 30 June 2024.

	For the year ended 31 December			For the six months ended 30 June
	2023	2022	2021	2024
	RMB	RMB	RMB	RMB
	(audited)	(audited)	(audited)	(unaudited)
Revenue	7,968,998,231.49	7,720,202,129.16	6,020,899,000.00	4,165,152,715.24
Total profit/(loss)	75,008,581.99	68,292,726.82	58,843,000.00	43,320,740.93
Income tax expense	17,045,642.33	21,777,052.53	16,734,000.00	12,101,446.53
Net profit/(loss) for the year	57,962,939.66	46,515,674.29	42,109,000.00	31,219,294.40
Minority shareholders interest	1,516,074.74	8,033,866.12	12,961,000.00	1,959,177.21
Profit attributable to the shareholders of parent	56,446,864.92	38,481,808.17	29,148,000.00	29,260,117.19
Total comprehensive income attributable to shareholders of the parent	56,089,864.92	40,181,808.17	N/A	29,260,117.19
Total comprehensive income attributable to minority interests	1,516,074.74	8,033,866.12	N/A	1,959,177.21
Earnings per share attributable to ordinary equity holders of the Company				
Basic and diluted-for profit for the year (Note)	0.35	0.24	0.18	0.18
Dividends per share	0.2 (including tax)	0.15 (including tax)	0.05 (including tax)	Nil

Note: Earnings per share attributable to ordinary equity holders of the Company is calculated by dividing the profit attributable to the owners of the Company for the years ended 31 December 2021, 2022 and 2023 by the weighted average number of shares in issue for the respective years ended 31 December 2021, 2022 and 2023 respectively, being 162,064,000, 162,064,000 and 162,064,000 shares.

Since the listing of the H Shares of the Company on the Stock Exchange, the Company has been preparing its financial statements in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”), and the Board resolved to align the preparation of its financial statements and disclose relevant financial information in accordance with China Accounting Standards for Business Enterprises (“**CASBE**”), commencing from the financial year ended 31 December 2023. Please refer to the announcement of the Company dated 30 October 2023 for further details.

The annual report for the two years ended 31 December 2021 and 2022 are prepared on the basis of HKFRS whereas the annual report for the year ended 31 December 2023 and the interim report of the Company for the six months ended 30 June 2024 are prepared on the basis of CASBE.

The auditor of the Company for the two years ended 31 December 2021 and 2022 was PKF Hong Kong Limited. The auditor of the Company for the year ended 31 December 2023 was Grant Thornton Zhitong Certified Public Accountants LLP. No modified opinion, emphasis of matter or material uncertainty related to going concern was given by the auditors in respect of the financial statements of the Company for the years ended 31 December 2021, 31 December 2022 and 31 December 2023.

Save as disclosed above, there was no other item of any income or expense which was material in the audited consolidated financial statements of the Group for each of the three financial years ended 31 December 2021, 2022 and 2023. No dividend was paid or declared by the Company during the years ended 31 December 2021, 2022 and 2023, respectively, other than the final dividend at RMB0.05, RMB0.15 and RMB0.2 per Share for each of the three years ended 31 December 2021, 2022 and 2023 distributed by the Company before the EGM.

(2) Consolidated Financial Statements

The Company is required to set out in this circular the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement for the last three financial years ended 31 December 2021, 2022 and 2023 and the unaudited financial information of the Group for the six months ended 30 June 2024 with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes to the annual accounts for the last financial year of the Group.

The audited consolidated financial statements of the Group for the three years ended 31 December 2021, 2022 and 2023, and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 have been disclosed in the following documents which have been published and are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.camsl.com>):

- Annual report of the Company for the year ended 31 December 2021 published on 28 April 2022 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042800866.pdf>), please refer to pages 59 to 150.
- Annual report of the Company for the year ended 31 December 2022 published on 27 April 2023 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042700878.pdf>), please refer to pages 59 to 166.
- Annual report of the Company for the year ended 31 December 2023 published on 26 April 2024 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042600920.pdf>), please refer to pages 70 to 211.
- Interim report of the Company for the six months ended 30 June 2024 published on 13 September 2024 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0913/2024091300509.pdf>), please refer to pages 2 to 37.

2. INDEBTEDNESS

As at the close of business on 30 September 2024, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the Group had outstanding indebtedness as follows:

- (i) lease liabilities represent payment for right of using underlying assets, of which RMB126,413,107.24 of the lease liabilities were unsecured, unguaranteed, and repayable within more than one year and RMB59,414,114.54 were unsecured, unguaranteed and repayable within one year;
- (ii) long-term borrowings of RMB121,780,477.47, of which RMB28,800,000.00, owed by a non-wholly owned subsidiary of the Company, i.e. Chongqing Changzu Feiyue Technology Co., Ltd.*, were unguaranteed and unsecured, and RMB92,980,477.47, owed by a non-wholly owned subsidiary of the Company, i.e. Shenyang Changyou Supply Chain Co., Ltd.*, were unguaranteed but secured; and
- (iii) bills payable with an aggregate amount of approximately RMB30,000,000 were secured by the pledged deposits of RMB3,425,000 and not guaranteed.

Save as disclosed above, as at the close of business on 30 September 2024, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, apart from intra-group liabilities and normal trade payables in the normal course of business, the Group did not have any secured or guaranteed debts, debt securities (issued and outstanding, or authorised or otherwise created but unissued), term loans, borrowings or similar indebtedness, including bank overdrafts, liabilities under acceptance (other than normal trade bills), acceptance credits, obligation under a hire-purchase contract, mortgages, charges, guarantee or other material contingent liabilities.

3. MATERIAL CHANGE

The Directors confirm that there was no material change in the financial or trading position or outlook of the Group since 31 December 2023 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date, save and except for the following information which have been disclosed in the announcement of the Company dated 26 September 2024:

- (a) On 26 September 2024 (after trading hours of the Stock Exchange), the Company and Shenyang Changyou Automobile Supply Chain Co., Ltd.* (沈陽長友汽車供應鏈有限公司) (the “Purchaser”) entered into the equity transfer agreement, pursuant to which the Company agreed to dispose of and the Purchaser agreed to acquire 51% equity interest of Shenyang Changyou Supply Chain Co., Ltd.* (沈陽長友供應鏈有限公司) (“Disposal”) at a total consideration of RMB47.90 million. Upon completion of the Disposal, the Company estimated that the Group will record an unaudited profit before tax of approximately RMB59.92 million from the Disposal, and the Disposal is expected to have a significant impact on the Group’s profit in 2024.

The above gain of RMB59.92 million referred to (the “**Statement**”) constitutes a profit forecast under Rule 10 of the Takeovers Code, and is required to be reported in accordance with Rule 10.3(b) of the Takeovers Code.

For further details, please refer to the announcements of the Company respectively dated 26 September 2024, 10 October 2024, 14 October 2024 and 21 October 2024. Please refer to Appendix III headed “Letter From the Independent Financial Adviser on the Profit Forecasts” and Appendix IV headed “Letter From Grant Thornton Zhitong Certified Public Accountants LLP on the Profit Forecasts” to this circular for the relevant reports in relation to the above.

Save as disclosed above, the Directors confirm that there was no material change in the financial or trading position or outlook of the Group since 31 December 2023 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date.

4. FINANCIAL AND TRADING PROSPECTS

From a global perspective, changes in energy prices, foreign exchange rate fluctuations, the Russia Ukraine conflict and the tightening of monetary policy in the US, hold back economic growth in terms of economic recovery, soaring commodity prices and market liquidity. From a domestic perspective, the targets of ensuring stable growth and operation are still hard to attain. The Chinese government will continue to implement proactive fiscal policies and prudent monetary policies and intensify macro-control efforts to promote a sustained recovery of the economy. At the same time, more attention will be paid to solve structural problems to promote high-quality economic development.

In the first half of 2024, China’s automobile market, although facing certain challenges, still showed a certain growth trend, with the characteristics of the new energy vehicles market continuing to grow at a high speed and the traditional fuel vehicles market facing a huge downward pressure. As battery technology continues to advance and charging facilities expand, the range of new energy vehicles will be further improved and more consumers will choose to buy the new energy vehicles. Meanwhile, in June 2023, three government departments including the Ministry of Finance, the State Administration of Taxation, and the Ministry of Industry and Information Technology jointly issued the Announcement on Continuing and Optimizing the Policy for the Reduction of New Energy Vehicle Purchase Tax, stating that the validity of the policy of reduction and exemption of purchase tax of new energy vehicles will be extended to 31 December 2027 from 31 December 2023. It is expected that the new energy vehicles will continue to maintain rapid growth. On the whole, the demand for car consumption is still not strong enough to face the complicated domestic and international economic environments. The automobile industry is still facing the arduous tasks of stabilizing its growth, which should be boosted by continuing to adopt relevant policies for stabilizing economic growth and expanding demand for car consumption, so as to facilitate a smooth operation of the automobile industry. While with such great difficulties in the whole auto industry, the production and sales of new energy vehicles continues to present a high growth and the production and market share of Chinese passenger car brands increase significantly. Auto exports continued to grow rapidly, showing a rising international competitiveness of Chinese brands. However, high energy prices caused by the Russia Ukraine conflict and the decision to impose a temporary countervailing duty on imports of electric vehicles from China by the EU are still problematic. With uncertainties in the international community and complex and changing domestic and international situations, the prospect of the auto industry needs to be viewed with caution.

In the second half of 2024, the Company will press ahead with a sense of urgency to achieve its goal by turning crises into opportunities and being proactive. In the third quarter of 2024, the whole Company is sprinting towards success in the second half of 2024 by quickly being involved in the battle of “ensuring stable growth, preventing risk and promoting reforms”. The Company will focus on being “strategy-oriented, goal-directed, problem-based and result-oriented” and be guided by the principles of “all for customers, all for market, all for frontline, and all for growth”. The Company will forge ahead and strive to achieve its annual operation goal so as to push itself towards a first-class green intelligent logistics and supply chain provider.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

The circular includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Company. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any of the statements in this circular misleading.

The directors of SIAMC jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular (other than those expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. SHARE CAPITAL

The registered and issued share capital of the Company as at the Latest Practicable Date was, and as a result of the allotment and issue of the Subscription Shares will be, as follows:

As at the Latest Practicable Date:	Number of Shares
Domestic Shares (exclusive of non-H foreign Shares in this section)	25,774,720
non-H foreign Shares	6,444,480
H Shares	129,844,800
Total	162,064,000
Immediately after Completion of the Share Subscription:	Number of Shares
Domestic Shares (exclusive of non-H foreign Shares in this section)	65,774,720
non-H foreign Shares	6,444,480
H Shares	129,844,800
Total	202,064,000

The Subscription Shares to be issued pursuant to the Share Subscription Agreement will rank, upon issue, pari passu in all respects with the existing issued Domestic Shares held by the Company at the time of issue of such Subscription Shares including, in particular, as to dividends and other distributions, voting rights and return of capital.

Since 31 December 2023 (being the end of the last financial year of the Company) and up to the Latest Practicable Date, no new shares of the Company had been issued by the Company save for the Subscription Shares to be issued under the Share Subscription.

Save as disclosed above, as at the Latest Practicable Date, the Company had no outstanding warrants, options or securities convertible into the Shares of the Company, and there were no Shares held in treasury.

3. MARKET PRICE

The table below shows the closing prices of the H Shares on the Stock Exchange (i) on the last trading day of each of the six calendar months immediately preceding the date of the Announcement and up to the Latest Practicable Date; (ii) on the last trading day immediately preceding the date of the Announcement; and (iii) on the Latest Practicable Date.

Date	Closing price per H Share HK\$
29 February 2024	2.05
28 March 2024	2.17
30 April 2024	2.52
31 May 2024	2.35
28 June 2024	2.25
31 July 2024	2.08
21 August 2024 (<i>the last trading day immediately preceding the date of the Announcement</i>)	1.87
30 August 2024	1.94
30 September 2024	2.10
31 October 2024	2.27
1 November 2024 (<i>the Latest Practicable Date</i>)	2.23

The lowest and highest closing market prices of the H Shares recorded on the Stock Exchange during the period commencing on 23 February 2024 (being the six months immediately prior to the date of the Announcement) and ending on the Latest Practicable Date were HK\$1.84 per H Share (recorded on 12 August 2024) and HK\$2.56 per H Share (recorded on 14 May 2024), respectively.

4. DISCLOSURE OF INTERESTS

(a) Directors and Supervisors of the Company

As at the Latest Practicable Date, none of the Directors and the chief executive (including supervisors) of the Company had or were deemed to have any interest and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO to be entered in the register maintained by the Company referred to therein, (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules or (iv) to be disclosed in accordance with the Takeovers Code.

(b) Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors and chief executive (including supervisors) of the Company, the following persons, other than a Director, chief executive (including supervisors) of the Company, had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances, at general meetings of the Company; or are required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Name of Shareholders	Capacity	Number of Shares	Percentage of Domestic Shares (non-H foreign Shares Included)	Percentage of H Shares	Percentage of Total Registered Share Capital
CSGC	Interest of a controlled corporation	41,225,600(L) (H Shares)	-	31.75%	25.44%
China Changan	Beneficial owner	41,225,600(L) (H Shares)	-	31.75%	25.44%
Kintetsu World Express, Inc.	Interest of a controlled corporation	32,399,200(L) (H Shares)	-	24.96%	19.99%
APL Logistics	Beneficial owner	32,399,200(L) (H Shares)	-	24.96%	19.99%
Chongqing Luzuofu Equity Fund Management Co., Ltd.	Interest of a controlled corporation	32,219,200(L) (Domestic Shares and Non-H foreign Shares)	100.00%	-	19.88%
Minsheng Industrial (Note 1)	Beneficial owner	25,774,720(L) (Domestic Shares)	80.00%	-	15.90%
Minsheng Industrial	Interest of a controlled corporation	6,444,480(L) (Non-H foreign Shares)	20.00%	-	3.98%
Ming Sung (HK) (Note 1)	Beneficial owner	6,444,480(L) (Non-H foreign Shares)	20.00%	-	3.98%

Note 1: Ming Sung (HK) is the subsidiary of Minsheng Industrial.

Note 2: (L) – long position.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any interest or short positions owned by any persons (other than the Directors or chief executives (including supervisors) of the Company) in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company kept under section 336 of the SFO.

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Board, no Director or supervisor is a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under provisions of Division 2 and 3 of Part XV of the SFO:

Directors

- a. Che Dexi Executive Deputy General Manager of Minsheng Shipping Co., Ltd. (*Note 3*)
- b. Chen Wenbo Deputy General Manager of Minsheng Shipping Co., Ltd. (*Note 3*)
- c. Jin Jie Corporate Finance Director of APL Logistics

Supervisors

- d. Wang Huaicheng Supervisor of member companies of CSGC
- e. Ang Lai Fern Manager of Financial Accounting and Reporting in APLL Global Support Services (M) Sdn. Bhd. (*Note 4*)
- f. Yang Gang Director of Financial Department of Minsheng Shipping Co., Ltd. (*Note 3*)

Note 3: Minsheng Shipping Co., Ltd. is a non-wholly-owned subsidiary of Minsheng Industrial, with Minsheng Industrial holding its 80% equity interests and Shanghai International Port (Group) Co., Ltd. (上海國際港務(集團)股份有限公司) holding its 20% equity interest.

Note 4: APLL Global Support Services (M) Sdn. Bhd. is a wholly-owned subsidiary of APL Logistics.

5. MATERIAL LITIGATION

Litigation 1

On 18 August 2022, Tongnan Branch of Chongqing Changan Minsheng Boyu Transportation Co., Ltd., a subsidiary of the Company (hereinafter referred to as “**Boyu Tongnan Branch**”), signed a goods transportation agreement with Zhongcun Trading Yunnan Co., Ltd. (hereinafter referred to as “**Zhongcun Trading**”) to provide coal transportation services. Boyu Tongnan Branch fulfilled all rights and obligations as agreed, but Zhongcun Trading did not fully pay the freight as agreed. On 8 September 2023, Boyu Tongnan Branch, Zhongcun Trading, and Zhongcun Coal Mine (hereinafter referred to as “**Zhongcun Coal Mine**”) reached a civil ruling under the jurisdiction of the Qilin District

People’s Court of Qujing City, Yunnan Province, China ((2023) Yun 0302 pre-litigation surety 438), stipulating that Zhongcun Trading should pay Boyu Tongnan Branch RMB38,791,900 for transportation fees and RMB3,037,100 for funds occupation fees before 30 September 2023, totaling RMB41,829,000. Zhongcun Coal Mine assumes joint and several liability for the debt. On 6 September 2023, Boyu Tongnan Branch, Zhongcun Trading, and Zhongcun Coal Mine signed a coal pledging agreement, agreeing to pledge coal owned by Zhongcun Coal Mine to Boyu Tongnan Branch as collateral for the aforementioned debt. If Zhongcun Trading and Zhongcun Coal Mine fail to repay the debt by 30 September 2023, Boyu Tongnan Branch has the right to dispose of the collateral to repay the debt, and the proceeds enjoy priority repayment rights.

Due to Zhongcun Trading’s failure to pay the transportation fee and funds occupation fee as stipulated in the aforementioned civil ruling, totaling RMB41,829,000, on 6 November 2023, the Qujing Court formally accepted Boyu Tongnan Branch’s application for execution (case No. (2023) Yun 0302 Execution 6293), requiring Zhongcun Trading to repay the debt and Zhongcun Coal Mine to assume joint guarantee responsibility for repaying the debt to Boyu Tongnan Branch.

Boyu Tongnan Branch obtained court orders to seal two land use rights owned by Zhongcun Coal Mine on 27 November 2023, and mining rights on 20 December 2023. As of 31 December 2023, Zhongcun Trading and Zhongcun Coal Mine have repaid RMB597,500 of the outstanding debt, and the remaining debt of RMB38,194,400 is under recovery. From January to June 2024, Zhongcun Trading repaid RMB3 million. The Company expects to recover the outstanding debt through judicial auctions of pledged assets and asset seizures.

Please refer to the announcement dated 13 November 2023 and the Litigation (i) referred to on Page 27 of the interim report for the six months ended 30 June 2024 published on 13 September 2024 for further details.

Litigation 2

On 7 September 2023, Boyu Tongnan Branch and Yizhao Huasheng Logistics Co., Ltd. (hereinafter referred to as “**Yizhao Huasheng**”) signed the “Cargo Transportation Agreement” (hereinafter referred to as “**Transportation Agreement**”, number: S-BY-TN-2023-0010), and Yizhao Huasheng entrusted Boyu Tongnan Branch to provide road cargo transportation services. The contract is valid until 30 September 2024. On 12 September 2023, ELION Energy Co., Ltd. Dalad Branch (hereinafter referred to as “**ELION Dalad Branch**”) issued a letter of guarantee to Boyu Tongnan Branch, setting forth the joint and several guarantee liability of the surety in respect of the transportation business under the Contract of Carriage (signed in September 2023 between Yizhao Huasheng and ELION Dalad Branch, No.: YLIN-DLTC-SHSYS-2023-11) incurred during the performance of the principal contract between the surety Yizhao Huasheng and Boyu Tongnan Branch. The guarantee period is six months from the date of expiration of the term of the obligation under the main contract.

After the signing of the aforesaid transportation agreement, Boyu Tongnan Branch has fulfilled the transportation obligations as agreed in the contract, but the accumulated freight of RMB18,306,300 incurred from November 2023 to February 2024 has not been paid by Yizhao Huasheng. On 6 May 2024, Boyu Tongnan Branch signed the “Freight Compensation Agreement” with Yizhao Huasheng and ELION Dalad Branch, which agreed that ELION Dalad Branch should pay to Boyu Tongnan Branch on behalf of Yizhao Huasheng within the payable range to repay the debt of Yizhao Huasheng, and pay no less than RMB500,000 per week since 6 May 2024. On 11 May 2024, the company paid the freight of RMB500,000 by way of bank acceptance bills and subsequently failed to pay the other

amount in accordance with the compensation agreement. On 20 May 2024, Boyu Tongnan Branch filed a lawsuit with the Tongnan District People's Court of Chongqing Municipality, demanding that Yizhao Huasheng and ELION Dalad Branch pay the unpaid freight of RMB17,806,300. The court has accepted the case.

Please refer to the announcement dated 9 July 2024 and the Litigation (ii) referred to on Page 28 of the interim report for the six months ended 30 June 2024 published on 13 September 2024 for further details.

Save as disclosed above, as at the Latest Practicable Date, none of the Group was engaged in any material litigation or arbitration and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Group or to which any member of the Group may become a party.

6. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (a) save for the Share Subscription Agreement with SIAMC as disclosed above, there was no agreement, arrangement or understanding (including any compensation agreement) existing between SIAMC, China Changan and the parties acting in concert with any of them and any Director, or Shareholders having any connection with or dependence upon the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and/or the Whitewash Waiver;
- (b) there was no agreement, arrangement or understanding between any Director and any other person which is conditional on or dependent upon the outcome of, or otherwise connected with, the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and/or the Whitewash Waiver;
- (c) no benefit will be given to any Director as compensation for loss of office or otherwise in connection with the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and/or the Whitewash Waiver; and
- (d) none of the Directors was materially interested in any material contract entered into by the SIAMC.

7. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS PURSUANT TO THE TAKEOVERS CODE

As at the Latest Practicable Date, other than the holdings of Shares and the Subscription Shares which are proposed to be subscribed for under the Share Subscription as disclosed in the section headed "4. Effects on Shareholding Structure of the Company" in the Letter from the Board, the SIAMC has confirmed that:

- (a) save as disclosed in the section headed "4. Effects on Shareholding Structure of The Company" in this circular, there are no voting rights in the Company or any rights over Shares owned, controlled or directed by SIAMC, China Changan and any party acting in concert with any of them;
- (b) save for the Share Subscription, during the six months immediately prior to the date of the Announcement, none of SIAMC, China Changan and any party acting in concert with any of

- them 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 the Announcement, none of SIAMC, China Changan and any party acting in concert with any of them 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, China Changan or any party acting in concert with any of them will acquire or dispose of any of the voting rights of the Company during the period from the date of the Announcement to the Completion of the Share Subscription;
 - (e) none of SIAMC, China Changan or any party acting in concert with any of them 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, China Changan and parties acting in concert with any of them 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, China Changan or any party acting in concert with any of them 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, China Changan and any party acting in concert with any of them 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, China Changan or any party acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, warrants, options and derivatives in respect of the Shares;
 - (k) save for the Subscription Price for the Subscription Shares payable under the Share Subscription Agreement, none of SIAMC, China Changan or any party acting in concert with any of them 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, China Changan and any party acting in concert with any of them on the one hand and any of the Shareholders on the other hand;
 - (m) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between SIAMC, China Changan and any party acting in concert with any of them on the one hand and the Company, its subsidiaries or associated companies

on the other hand;

- (n) none of the directors of SIAMC was interested in any shareholdings (as defined under Note 1 to paragraph 4 of Schedule I of the Takeovers Code), convertible securities, warrants, options or derivatives in respect of the shares in SIAMC;
- (o) save for the Share Subscription Agreement, none of SIAMC, China Changan or parties acting in concert with any of them has dealt in any Shares, acquired or entered into any agreement or arrangement to acquire any voting rights in the Company within the six months immediately prior to the date of the Announcement and up to and including the Latest Practicable Date;
- (p) save for the Share Subscription, none of SIAMC, China Changan or parties acting in concert with any of them made or will make any acquisitions or disposals of voting rights in the Company which constitute disqualifying transactions (within the meaning of the Takeovers Code) in the period between the date of the Announcement and the Completion;
- (q) the Company had no shareholdings (as defined under Note 1 to paragraph 4 of Schedule I of the Takeovers Code), convertible securities, warrants, options and derivatives in SIAMC;
- (r) there was no agreement, arrangement or understanding for any of the Subscription Shares to be issued upon the Completion to be transferred, charged or pledged to any other persons; and
- (s) save for the Subscription Price for the Subscription Shares payable under the Share Subscription Agreement, none of the SIAMC, China Changan or parties acting in concert with any of them has paid or will pay any other consideration, compensation or benefit in whatever form to the Company or any of the parties acting in concert with it in relation to the Share Subscription, the Specific Mandate and the Whitewash Waiver.

As at the Latest Practicable Date, 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;
- (c) none of the subsidiaries of the Company, pension fund of the Company or any of its subsidiaries, any person presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of associate in the Takeovers Code (but excluding exempt principal traders and exempt fund managers), owned or controlled any Shares, convertible securities, warrants, options or derivatives in respect of any Shares;
- (d) save for the Share Subscription Agreement, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert”, or who is an associate of the Company by virtue of classes (2), (3) or (4) of the definition of “associate” under the Takeovers Code;
- (e) no fund manager (other than exempt fund managers) connected with the Company managed any Shares, convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis; and
- (f) none of the Directors held any Shares, convertible securities, warrants, options or derivatives in respect of any Shares, and none of the Directors had any interest in Shares, convertible securities, warrants, options or derivatives in respect of any Shares in the Company.
- (g) Mr. Xie Shikang and Mr. Wan Nianyong, the executive Directors, and Mr. Dong Shaojie, a non-executive Director, all of whom are nominated by China Changan, are regarded as

connected Directors of the Company. Accordingly, each of them is or may be regarded as having a material interest in the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver and have therefore abstained from voting on the Board resolutions of the Company for approving the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver. Save as disclosed above, none of the Directors had a material interest in the Share Subscription and the Whitewash Waiver and no Director has abstained from voting on the relevant resolutions of the Board.

8. DEALINGS IN SHARES

During the Relevant Period,

- (a) save for the Share Subscription Agreement, neither SIAMC, China Changan nor any of the parties acting in concert with any of them had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares or had acquired or entered into any agreement or arrangement to acquire any voting rights in the Company;
- (b) none of the directors of SIAMC had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares;
- (c) there were no shares or convertible securities, warrants, options and derivatives of the Company which SIAMC, China Changan or the parties acting in concert with any of them, or the Company or the Directors have borrowed or lent;
- (d) the Company had not dealt for value in any shares of the SIAMC or convertible securities, warrants, options and derivatives in respect of the shares of the SIAMC;
- (e) none of the Directors had dealt for value in any shares of the SIAMC or convertible securities, warrants, options and derivatives in respect of the shares of the SIAMC or any Shares or convertible securities, warrants, options and derivatives in respect of the Shares;
- (f) none of the subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (g) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company, or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
- (h) no fund manager (other than exempt fund managers) connected with the Company who managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

9. CONSENT OF EXPERT

The following expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or statements and references to its name and logo in the form and context in which they are included:

Name	Qualification
Quam Capital Limited	Quam Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO
Grant Thornton Zhitong Certified Public Accountants LLP	Certified Public Accountants

Quam Capital Limited and Grant Thornton Zhitong Certified Public Accountants LLP have given and have not withdrawn their written consent to the issue of this circular with the inclusion of its letter and the references to its name included herein in the form and context in which it is included.

The letter and recommendation given by Quam Capital Limited are given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, Quam Capital Limited and Grant Thornton Zhitong Certified Public Accountants LLP confirmed that they were not beneficially interested in the share capital of the Group nor did they have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in the Group.

As at the Latest Practicable Date, Quam Capital Limited and Grant Thornton Zhitong Certified Public Accountants LLP did not have any direct or indirect interest in any assets which had been since 31 December 2023 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group.

10. SERVICE CONTRACTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or supervisors of the Company had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

As at the Latest Practicable Date, save as disclosed below, none of the Directors or supervisors of the Company had entered into a service contract with the Company or any of its subsidiaries or associated companies (as defined under the Takeovers Code), which (i) (including both continuous and fixed term contracts) have been entered into or amended within 6 months before the date of the Announcement; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

Director	Date of the service contract	Term of service contracts or letter of appointment	Emolument
Mr. Xie Shikang (謝世康)	30 June 2023	A term of three years commencing from 30 June 2023 to the expiry date of 6 th session of the Board	RMB1,180,359.40 for the financial year of 2023 (before tax) (subject to annual adjustment)
Mr. Wan Nianyong (萬年勇)	30 June 2023	A term of three years commencing from 30 June 2023 to the expiry date of 6 th session of the Board	RMB1,180,359.40 for the financial year of 2023 (before tax) (subject to annual adjustment)
Mr. Che Dexi (車德西)	30 June 2023	A term of three years commencing from 30 June 2023 to the expiry date of 6 th session of the Board	Non-executive Director is not entitled to remuneration in the Company
Mr. Chen Wenbo (陳文波)	30 June 2023	A term of three years commencing from 30 June 2023 to the expiry date of 6 th session of the Board	Non-executive Director is not entitled to remuneration in the Company
Ms. Jin Jie (金潔)	30 June 2023	A term of three years commencing from 30 June 2023 to the expiry date of 6 th session of the Board	Non-executive Director is not entitled to remuneration in the Company
Mr. Dong Shaojie (董紹杰)	30 June 2023	A term of three years commencing from 30 June 2023 to the expiry date of 6 th session of the Board	Non-executive Director is not entitled to remuneration in the Company
Mr. Li Ming (黎明)	30 June 2023	A term of three years commencing from 30 June 2023 to the expiry date of 6 th session of the Board	RMB100,000.00 per annum (after tax)
Mr. Man Wing Pong (文永邦)	30 June 2023	A term of three years commencing from 30 June 2023 to the expiry date of 6 th session of the Board	RMB100,000.00 per annum (after tax)
Ms. Chen Jing (陳靜)	30 June 2023	A term of three years commencing from 30 June 2023 to the expiry date of 6 th session of the Board	RMB100,000.00 per annum (after tax)

11. DIRECTORS' OR SUPERVISORS' INTERESTS IN THE COMPANY AND ITS SUBSIDIARIES' ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors or supervisors of the Company had any direct or indirect interest in any assets which have been since 31 December 2023 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group.

As at the Latest Practicable Date, none of the Directors or supervisors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Company.

12. COMPETING INTERESTS

Before the listing of the H Shares on the Growth Enterprise Market of the Stock Exchange, the Company's Shareholders, Changan Industry Company (Group) Limited ("**Changan Industry Company**"), APL Logistics, Minsheng Industrial and Ming Sung (HK), had all entered into non-competition undertakings with the Company in favor of the Company. Please further refer to the Prospectus issued by the Company on 16 February 2006 for such undertakings.

Pursuant to the non-competition undertakings given by each of Changan Industry Company (previously known as Changan Co.), and Minsheng Industrial and Ming Sung (HK), each of Changan Industry Company, and Minsheng Industrial and Ming Sung (HK) undertook and guaranteed to the Company, among others, that so long as the shareholding interest in the Company held by Changan Industry Company and its associates (in the case the undertakings provided by Changan Industry Company) and by Minsheng Industrial and Ming Sung (HK) (in the case of the undertakings provided by Minsheng Industrial and Ming Sung (HK)) did not fall below 20% and the Company remained listed on the Stock Exchange,

1. each of them should not and should procure their associates not to, within China,
 - (a) whether individually or with other persons, directly or indirectly engage or participate in any form of businesses (including but not limited to investments, joint venture or cooperation) that constitute or may constitute competitions with the businesses that the Company were carrying on; and
 - (b) provide support in any form to persons other than the Company to engage in businesses that constitute or might constitute the business that the Company were carrying on.
2. where direct or potential competition arose in the course of developing business between Changan Industry Company or, as the case may be, Minsheng Industrial or Ming Sung (HK) and the Company, they should give the Company the priority to choose except:
 - (a) the Company had expressly indicated to give up the business opportunity;
 - (b) the Company did not possess the ability to obtain the business opportunity independently;
 - (c) the Company's business contract may not be continued and was abandoned by the client; or
 - (d) the business opportunity fell outside the Company's scope of business.

3. Where the Company requested assistance from Changan Industry Company or, as the case may be, Minsheng Industrial or Ming Sung (HK), priority would be given to the Company under the same terms by utilizing its resources to support the Company in securing business.
4. Where the Company obtained the business independently, the Company should give the priority to cooperate with Changan Industry Company or, as the case may be, Minsheng Industrial or Ming Sung (HK) under the same terms.

Pursuant to the non-competition undertakings given by APL Logistics, for so long as, among others, APL Logistics held not less than 20% of the total issued Shares in the Company and the Company remained listed on the Stock Exchange, APL Logistics would not offer automotive logistics services which constituted the Company's core business (i.e. in-plant logistics, finished product logistics and after-market logistics services in respect of finished automotive manufacturing or assembly plants which were provided by the Company as of 15 January 2005 directly to the Company's customers in China) to the Company's then existing customers, who, as of 15 January 2005, were receiving automotive logistics services from the Company in China. APL Logistics also agreed not to solicit the Company's business with Changan Group (being Chongqing Changan Automobile Co., Ltd.* (重慶長安汽車股份有限公司), China Changan and their respective associates), or the Company's other than existing customers as of 15 January 2005 unless those customers ceased to be the Company's customers.

Up to the Latest Practicable Date, the non-competition undertaking given by Changan Industry Company is still effective. As of the end of 2011, since the aggregate shareholding in the Company held by Minsheng Industrial and Ming Sung (HK) (together with their respective associates) fell below 20%, the non-competition undertaking signed between the Company and Minsheng Industrial and Ming Sung (HK) became ineffective. On 27 December 2023, the shareholding in the Company held by APL Logistics fell to 19.99%, the non-competition undertakings signed between the Company and APL Logistics became ineffective.

China Changan acquired all the shares in the Company held by Changan Industry Company on 9 March 2016. The obligations under the non-competition undertakings signed by Changan Industry Company were assumed by China Changan since 9 March 2016.

The Company received the confirmation in March 2024 regarding the above-mentioned non-competition undertakings from China Changan.

Save for the disclosure stated above, none of the Director(s) or substantial Shareholder(s) of the Company had any interest in any business that competes or may compete with the Group.

13. MATERIAL CONTRACTS

In the two years immediately preceding the date of the Announcement, the following contract, not being contract entered into the ordinary course of business, was entered into by the Group which are or may be material:

- (a) the Share Subscription Agreement; and
- (b) the equity transfer agreement referred to in the paragraph headed "3. Material Change" in Appendix I of this circular ("**Equity Transfer Agreement**").

14. MISCELLANEOUS

- (a) The address of registered office and address of correspondence of the Company are both No.1881, Jinkai Road, Yubei District, Chongqing, the PRC. The H Share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (b) Mr. Yuan Quan is the company secretary of the Company.
- (c) The Independent Financial Adviser is Quam Capital Limited and its principal place of business is 5/F, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (d) The auditor of the Company is Grant Thornton Zhitong Certified Public Accountants LLP of 5th Floor, Scitech Place, 22 Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC.
- (e) SIAMC is a limited liability company incorporated in the PRC. The registered office and the correspondence address of SIAMC are both 6th Floor, Scientific Research Office Building, No. 3, No. 10 CheDaoGou Street, Haidian District, Beijing* (北京市海澱區車道溝10號院3號科研辦公樓6層). As at the Latest Practicable Date, the directors of the SIAMC are Xiao Yong (肖勇), Shi Yaoxiang (石堯祥), Yu Zongbin (喻宗斌), Tan Wanjun (譚萬軍), Sun Wei (孫偉), Xu Bin (徐斌) and Wang Xiaochang (王曉暢), the ultimate controlling shareholder is CSGC and the ultimate beneficial owner is SASAC of the State Council of the PRC.
- (f) The principal members of the SIAMC's concert group include the SIAMC and China Changan.
- (g) SIAMC is wholly-owned by CSGC, which also wholly owns China Changan. China Changan is a limited liability company incorporated in the PRC. As at the Latest Practicable Date, the directors of China Changan are Zhao Fei (趙非), Chen Wei (陳偉), Liu Zhiyan (劉志岩), Yan Ming (嚴明), Ma Junpo (馬俊坡) and Zhu Xingjia (朱興佳), the ultimate controlling shareholder is CSGC and the ultimate beneficial owner is SASAC of the State Council of the PRC. The registered office of China Changan is located at 3rd Floor, Scientific Research Building South Wing, Xiyuan, No. 10 CheDaoGou Street, Haidian District, Beijing* (北京市海澱區車道溝10號西院科研南樓3層).
- (h) In the case of any discrepancy, the English text of this circular shall prevail over the Chinese text.
- (i) The English translation of those entities whose name is marked with an asterisk (*) is for identification purposes only.

15. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the Stock Exchange (<http://www.hkexnews.hk>), the SFC (<http://www.sfc.hk>) and the Company (<http://www.camsl.com>) for a period of not less than 14 days from the date of this circular up to the date of the EGM:

- (a) this circular;
- (b) the Articles of Association of the Company;
- (c) the articles of association of SIAMC;
- (d) the published annual reports of the Company containing audited consolidated financial statements of the Company for each of the three financial years ended 31 December 2021, 31 December 2022 and 31 December 2023;
- (e) the published interim report of the Company for the six months ended 30 June 2024;
- (f) the service contracts referred to in the paragraph headed "10. Service Contracts" in this Appendix II;
- (g) the material contracts referred to in the paragraph headed "13. Material Contracts" in this Appendix II;

- (h) the letter from the Board, the text of which is set out in the section headed “Letter from the Board” in this circular;
- (i) the letter from the Takeovers Code Independent Board Committee, the text of which is set out in the section headed “Letter from the Takeovers Code Independent Board Committee” in this circular;
- (j) the letter from the Listing Rules Independent Board Committee, the text of which is set out in the section headed “Letter from the Listing Rules Independent Board Committee” in this circular;
- (k) the letter from the Independent Financial Adviser containing its advice to the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” in this circular;
- (l) the written consent referred to in the paragraph headed “9. Consent of Expert” in this Appendix II;
- (m) the valuation report referred to in the Equity Transfer Agreement;
- (n) Letter from the Independent Financial Adviser on the Profit Forecasts as set out in Appendix III; and
- (o) Letter from Grant Thornton Zhitong Certified Public Accountants LLP on the Profit Forecasts as set out in Appendix IV.

** For identification purposes only*

The following is the text of a letter received from Quam Capital Limited, the Independent Financial Adviser, for the purpose of incorporation in this circular.



4 November 2024

The Board of Directors
Changan Minsheng APLL Logistics Co., Ltd.
No. 1881 Jinkai Road, Yubei District
Chongqing, the PRC

Dear Sir or Madam,

We refer to the circular of Changan Minsheng APLL Logistics Co., Ltd. (the “**Company**”) dated 4 November 2024 in relation to the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver (the “**Circular**”). Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

We also refer to the Company’s disposal of 51% equity interest of Shenyang Changyou Supply Chain Co., Ltd.*, details of which are set out in the announcement of the Company dated 26 September 2024 (the “**Disposal Announcement**”). Pursuant to Rule 10 and Practice Note 2 of the Takeovers Code, the unaudited profit before tax of approximately RMB59.92 million from the Disposal which is expected to have a significant impact on the Group’s profit in 2024, as disclosed in the Disposal Announcement, constitutes a profit forecast and would need to be reported on by the financial advisers and auditors or accountants of the Company in accordance with the Takeovers Code (the “**Forecast**”).

We have discussed with the management of the Company (the “**Management**”) the bases adopted by the Directors upon which the Forecast has been compiled and the accounting policies and calculations adopted in arriving at the Forecast. In addition, we have considered the letter from Grant Thornton Zhitong Certified Public Accountants LLP dated 4 November 2024 issued to the Directors, the text of which is set out in Appendix IV to the Circular, which states that, so far as the accounting policies and calculations are concerned, the Forecast has been properly compiled in accordance with the bases adopted by the Directors and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group.

Based on the above, we are satisfied that the Forecast, for which the Directors are solely responsible, has been compiled by the Directors with due care and consideration.

For the purpose of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us and/or discussed with the Group. We have not assumed any responsibility for independently verifying the accuracy and completeness of such information or undertaken any independent evaluation or appraisal of any of the assets or liabilities of the Group. Save as provided in this letter, we do not express any other opinion or views on the Forecast. The Directors remain solely responsible for the Forecast.

Yours faithfully,
For and on behalf of
Quam Capital Limited
Leo Chan
Head of Corporate finance

** For identification purposes only*

The following is the text of a letter received from Grant Thornton Zhitong Certified Public Accountants LLP, the auditor of the Company, for the purpose of incorporation in this circular.

**Audit Report on the Profit Forecasts in relation to the Disposal of 51%
Equity Interests in Shenyang Changyou Supply Chain Co., Ltd.**

To the board of directors of Changan Minsheng APLL Logistics Co., Ltd. :

We have been engaged to conduct a special audit of the estimated unaudited pre-tax gain on a consolidated basis from the disposal of 51% equity interests of Shenyang Changyou Supply Chain Co., Ltd. (“**Shenyang Changyou**”) by Changan Minsheng APLL Logistics Co., Ltd. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”), which has a significant impact on the Company’s earnings for the year of 2024 (the “**Disposal**”) and constitutes the profit forecast.

The above profit forecast refers to the announcement of the Company dated 26 September 2024-- Discloseable Transaction in Relation to Disposal of 51% Equity Interest in Target Company dated 26 September 2024 (the relevant information is contained in the further announcement of the Company dated 10 October 2024-- Supplemental Announcement in relation to (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) disclosed that the Disposal involved an independent asset appraisal institution, Zhongshui Zhiyuan Asset Appraisal Co., Ltd., the relevant valuation of the total equity value of shareholders of Shenyang Changyou using the income method as at 31 December 2023 as the base date, the Company estimates an unaudited consolidated pre-tax gain of approximately RMB59.92 million from the Disposal and believes that the Disposal is expected to have a significant impact on the Group’s earnings in 2024.

It is the responsibility of the directors of the Company to prepare the above profit forecast and the assumptions based on the above profit forecast in accordance with the relevant provisions of the Accounting Standards for Business Enterprises, and to ensure their rationality and validity. Our responsibility is on the basis of the audit. Comment on the above profit forecast results.

We conducted the audit in accordance with the Chinese Other Assurance Practice Standard for Certified Public Accountants No. 3111 - Review of Predictive Financial Information, which requires us to comply with the Chinese Code of Ethics for Certified Public Accountants and to plan and perform the audit to provide a reasonable basis for expressing our opinion. In the course of performing the audit, we implemented procedures that we considered necessary to review the sale of equity and confirm the accounting policies and records on which the unaudited pre-tax income was based, and to recalculate the amount of the unaudited pre-tax income. We believe that our review provides a reasonable basis for comments.

Our responsibility is to express an opinion on the accounting policy and calculation of the earnings in respect of the estimated unaudited pre-tax gain at the consolidated level obtained by the Company from the disposal of 51% equity interest in Shenyang Changyou.

We believe that for the purposes of our accounting policies and calculations, which are based on going concern assumptions, nothing has come to our attention based on our review of the evidence supporting these assumptions that would cause us to believe that these assumptions do not provide a reasonable basis for an earnings forecast. We confirm that the profit forecast, so far as the accounting policies and calculations are concerned, has been properly compiled in accordance on the basis adopted by the Directors of the Company, and that the profit forecast has been prepared on a basis consistent, in all material respects, with the accounting policies normally adopted by the Group.

This report is issued only to the Directors of the Company for their use in connection with the requirements of Rule 14.58 (6) and (7) of the Listing Rules, Rule 10 of the Takeovers Code and Application Guide 2 and not for any other purpose. We are not responsible or liable to any other person for the contents of this report.

Grant Thornton Zhitong Certified Public Accountants LLP
Beijing, the PRC
4 November 2024

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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2024 second extraordinary general meeting (“EGM”) of Changan Minsheng APLL Logistics Co., Ltd. (the “**Company**”) will be held at the Company’s Conference Room, No.1881, Jinkai Road, Yubei District, Chongqing, the People’s Republic of China on Friday, 22 November 2024 at 10:00 a.m., to consider and, if thought fit, approve the following resolutions of the Company (unless otherwise specified, capitalised terms used herein shall have the same meaning as defined in the circular of the Company dated 4 November 2024 (the “**Circular**”) containing the details of the following resolutions):

SPECIAL RESOLUTIONS

1. To consider and approve the Share Subscription and the issuance of Subscription Shares, including the type, nominal value and number of Subscription Shares, the Subscriber and subject to the grant of the Specific Mandate by passing of resolution no. 3 below, there is no pre-emptive arrangement of existing Shareholders, the Subscription Price and pricing basis, no transfer restrictions over the Subscription Shares, use of proceeds and the distribution plan for accumulated undistributed profits before the issuance;
2. To consider and approve the Share Subscription Agreement and transactions contemplated thereunder;
3. To consider and approve a specific mandate to issue 40,000,000 new Domestic Shares at the Subscription Price of RMB2.54648 (equivalent to HK\$2.78) per Subscription Share in accordance with the terms and conditions of the Share Subscription Agreement and the authorisation to the Board and the person(s) authorised thereby to deal with all matters relating to the Share Subscription and the issuance of the Subscription Shares, and the abovementioned authorisation and resolutions regarding the Share Subscription and/or the issuance of Subscription Shares shall be valid for a period of 12 months from the date of approval by the Shareholders;

4. To consider and approve the Whitewash Waiver granted or to be granted by the Executive pursuant to the Takeovers Code for waiving any obligation on the part of SIAMC to make a mandatory general offer for all the issued Shares of the Company not already owned or agreed to be acquired by SIAMC or parties acting in concert with it as a result of the issuance of Subscription Shares by the Company to SIAMC; and
5. To consider and approve the authorization to the Board and its authorized person(s) to change the registered capital and amend relevant provisions of the Articles of Association correspondingly upon Completion of the Share Subscription.

By Order of the Board
Changan Minsheng APLL Logistics Co., Ltd.
Ms. Chen Jing
Independent Non-executive Director

Chongqing, the PRC
4 November 2024

Notes:

(1) In order to determine the Shareholders of H Shares who will be entitled to attend the EGM, the Company will suspend registration of transfer of shares from Tuesday, 19 November 2024 to Friday, 22 November 2024, both days inclusive. In order to qualify to attend the EGM and to vote thereat, non-registered holders of H Shares of the Company whose transfer documents have not been registered must deposit the transfer documents accompanied by relevant share certificates with the Company's H Share registrar's transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Monday, 18 November 2024. Holders of H Shares whose names are recorded in the register of members of the Company on Friday, 22 November 2024 are entitled to attend and vote at the EGM.

(2) A Shareholder who has the right to attend and vote at the EGM is entitled to appoint a proxy or proxies (whether or not a Shareholder of the Company) in writing to attend and vote on his behalf. In the event more than one proxy is appointed, the instruments of appointment should indicate the class and number of Shares the proxies are representing.

The instrument appointing a proxy must be made in writing under the hand of the appointor or his attorney duly notarized in writing. If the appointor is a legal person, the relevant instrument must bear the chop of the legal person, or submitted in person by a director or duly authorized person.

The instrument of appointment must be delivered to the Company's H Share registrar Computershare Hong Kong Investor Services Limited (in respect of H Shares) or the office of the board of directors of the Company (in respect of domestic Shares, including non-H foreign Shares) 24 hours before the commencement of the EGM (i.e. before 10:00 a.m. on Thursday, 21 November 2024).

(3) Shareholders and their proxies should show their documents of identity when attending the EGM.

(4) After the completion and delivery of the form of proxy, a Shareholder may still attend and vote at the EGM.

(5) Shareholders attending the EGM will be responsible for their own travelling and accommodation expenses.

(6) For details, please refer to the Announcement of the Company dated 22 August 2024 and the Circular of the Company dated 4 November 2024.

(7) Time and dates in this notice are Hong Kong time and dates.

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

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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)

NOTICE OF H SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN THAT the 2024 first H shareholders class meeting (“**H Shareholders Class Meeting**”) of Changan Minsheng APLL Logistics Co., Ltd. (the “**Company**”) will be held at the Company’s Conference Room, No.1881, Jinkai Road, Yubei District, Chongqing, the People’s Republic of China on Friday, 22 November 2024 at 10:30 a.m. or immediately after the conclusion or adjournment of the 2024 second extraordinary general meeting, to consider and, if thought fit, approve the following resolutions of the Company (unless otherwise specified, capitalised terms used herein shall have the same meaning as defined in the circular of the Company dated 4 November 2024 (the “**Circular**”) containing the details of the following resolutions):

SPECIAL RESOLUTIONS

1. To consider and approve the Share Subscription and the issuance of Subscription Shares, including the type, nominal value and number of Subscription Shares, the Subscriber and subject to the grant of the Specific Mandate by passing of resolution no. 3 below, there is no pre-emptive arrangement of existing Shareholders, the Subscription Price and pricing basis, no transfer restrictions over the Subscription Shares, use of proceeds and the distribution plan for accumulated undistributed profits before the issuance;
2. To consider and approve the Share Subscription Agreement and transactions contemplated thereunder; and
3. To consider and approve a specific mandate to issue 40,000,000 new Domestic Shares at the Subscription Price of RMB2.54648 (equivalent to HK\$2.78) per Subscription Share in accordance with the terms and conditions of the Share Subscription Agreement and the authorisation to the Board and the person(s) authorised thereby to deal with all matters relating to the Share Subscription and the issuance of the Subscription Shares, and the abovementioned authorisation and resolutions

regarding the Share Subscription and/or the issuance of Subscription Shares shall be valid for a period of 12 months from the date of approval by the Shareholders.

By Order of the Board
Changan Minsheng APLL Logistics Co., Ltd.
Ms. Chen Jing
Independent Non-executive Director

Chongqing, the PRC
4 November 2024

Notes:

- (1) In order to determine the Shareholders of H Shares who will be entitled to attend the H Shareholders Class Meeting, the Company will suspend registration of transfer of shares from Tuesday, 19 November 2024 to Friday, 22 November 2024, both days inclusive. In order to qualify to attend the H Shareholders Class Meeting and to vote thereat, non-registered holders of H Shares of the Company whose transfer documents have not been registered must deposit the transfer documents accompanied by relevant share certificates with the Company's H Share registrar's transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Monday, 18 November 2024. Holders of H Shares whose names are recorded in the register of members of the Company on Friday, 22 November 2024 are entitled to attend and vote at the H Shareholders Class Meeting.
- (2) A Shareholder who has the right to attend and vote at the H Shareholders Class Meeting is entitled to appoint a proxy or proxies (whether or not a Shareholder of the Company) in writing to attend and vote on his behalf. In the event more than one proxy is appointed, the instruments of appointment should indicate the class and number of Shares the proxies are representing.

The instrument appointing a proxy must be made in writing under the hand of the appointor or his attorney duly notarized in writing. If the appointor is a legal person, the relevant instrument must bear the chop of the legal person, or submitted in person by a director or duly authorized person.

The instrument of appointment must be delivered to the Company's H Share registrar Computershare Hong Kong Investor Services Limited 24 hours before the commencement of the H Shareholders Class Meeting (i.e. before 10:00 a.m. on Thursday, 21 November 2024).

- (3) Shareholders and their proxies should show their documents of identity when attending the H Shareholders Class Meeting.
- (4) After the completion and delivery of the form of proxy, a Shareholder may still attend and vote at the H Shareholders Class Meeting.
- (5) Shareholders attending the H Shareholders Class Meeting will be responsible for their own travelling and accommodation expenses.
- (6) For details, please refer to the Announcement of the Company dated 22 August 2024 and the Circular of the Company dated 4 November 2024.
- (7) Time and dates in this notice are Hong Kong time and dates.

As at the date of this notice, 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.

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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)

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN THAT the 2024 first domestic shareholders class meeting (“**Domestic Shareholders Class Meeting**”) of Changan Minsheng APLL Logistics Co., Ltd. (the “**Company**”) will be held at the Company’s Conference Room, No.1881, Jinkai Road, Yubei District, Chongqing, the People’s Republic of China on Friday, 22 November 2024 at 10:45 a.m. or immediately after the conclusion or adjournment of the 2024 first H shareholders class meeting, to consider and, if thought fit, approve the following resolutions of the Company (unless otherwise specified, capitalised terms used herein shall have the same meaning as defined in the circular of the Company dated 4 November 2024 (the “**Circular**”) containing the details of the following resolutions):

SPECIAL RESOLUTIONS

1. To consider and approve the Share Subscription and the issuance of Subscription Shares, including the type, nominal value and number of Subscription Shares, the Subscriber and subject to the grant of the Specific Mandate by passing of resolution no. 3 below, there is no pre-emptive arrangement of existing Shareholders, the Subscription Price and pricing basis, no transfer restrictions over the Subscription Shares, use of proceeds and the distribution plan for accumulated undistributed profits before the issuance;
2. To consider and approve the Share Subscription Agreement and transactions contemplated thereunder; and
3. To consider and approve a specific mandate to issue 40,000,000 new Domestic Shares at the Subscription Price of RMB2.54648 (equivalent to HK\$2.78) per Subscription Share in accordance with the terms and conditions of the Share Subscription Agreement and the authorisation to the Board and the person(s) authorised thereby to deal with all matters relating to the Share Subscription and the issuance of the Subscription Shares, and the abovementioned authorisation

and resolutions regarding the Share Subscription and/or the issuance of Subscription Shares shall be valid for a period of 12 months from the date of approval by the Shareholders.

By Order of the Board
Changan Minsheng APLL Logistics Co., Ltd.
Ms. Chen Jing
Independent Non-executive Director

Chongqing, the PRC
4 November 2024

Notes:

- (1) In order to determine the Shareholders who will be entitled to attend the Domestic Shareholders Class Meeting (in respect of domestic Shares, including non-H foreign Shares, same hereinafter), the Company will suspend registration of transfer of shares from Tuesday, 19 November 2024 to Friday, 22 November 2024, both days inclusive. In order to qualify to attend the Domestic Shareholders Class Meeting and to vote thereat, all transfers of Domestic Shares of the Company should be finalized before the close of business on Monday, 18 November 2024. Holders of Domestic Shares whose names are recorded in the register of members of the Company on Friday, 22 November 2024 are entitled to attend and vote at the Domestic Shareholders Class Meeting.
- (2) A Shareholder who has the right to attend and vote at the Domestic Shareholders Class Meeting is entitled to appoint a proxy or proxies (whether or not a Shareholder of the Company) in writing to attend and vote on his behalf. In the event more than one proxy is appointed, the instruments of appointment should indicate the class and number of Shares the proxies are representing.

The instrument appointing a proxy must be made in writing under the hand of the appointor or his attorney duly notarized in writing. If the appointor is a legal person, the relevant instrument must bear the chop of the legal person, or submitted in person by a director or duly authorized person.

The instrument of appointment must be delivered to the office of the board of directors of the Company (in respect of domestic Shares, including non-H foreign Shares) 24 hours before the commencement of the Domestic Shareholders Class Meeting (i.e. before 10:00 a.m. on Thursday, 21 November 2024).

- (3) Shareholders and their proxies should show their documents of identity when attending the Domestic Shareholders Class Meeting.
- (4) After the completion and delivery of the form of proxy, a Shareholder may still attend and vote at the Domestic Shareholders Class Meeting.
- (5) Shareholders attending the Domestic Shareholders Class Meeting will be responsible for their own travelling and accommodation expenses.
- (6) For details, please refer to the Announcement of the Company dated 22 August 2024 and the Circular of the Company dated 4 November 2024.
- (7) Time and dates in this notice are Hong Kong time and dates.

As at the date of this notice, 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 purposes only*