



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.

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## LETTER FROM THE BOARD

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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.

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## LETTER FROM THE BOARD

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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 on the central parity of HK\$1:RMB0.91600 as at 20 August 2024 published by the China Foreign

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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.

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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:

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**LETTER FROM THE BOARD**

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

*Notes:*

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

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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

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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. <b><u>The Company issued 40,000,000 new domestic shares in February 2025 to China South Industries Assets Management Co., Ltd.</u></b> The total number of ordinary shares of the Company in issue is <b><u>202,064,000</u></b>. 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 <b><u>20.40%</u></b> of the total issued share capital;</p> <p><b><u>China South Industries Assets Management Co., Ltd., holds 40,000,000 shares, representing 19.80% of the total issued share capital;</u></b></p> <p>APL Logistics Ltd (Singapore), holds 32,399,200 shares, representing <b><u>16.03%</u></b> of the total issued share capital;</p> <p>Minsheng Industrial (Group) Company Limited, holds 25,774,720 shares, representing <b><u>12.76%</u></b> of the total issued share capital;</p> <p>Ming Sung Industrial Co., (HK) Limited, holds</p>

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	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 <b><u>3.19%</u></b> of the total issued share capital;  Shareholders of the overseas listed foreign shares, in aggregate hold <b><u>56,220,000</u></b> shares, representing <b><u>27.82%</u></b> 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 <b><u>202,064,000</u></b> .

#### **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, 17<sup>th</sup> 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.

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## LETTER FROM THE BOARD

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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*