
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 accompanying 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, for which the directors of Changan Minsheng APLL Logistics Co., Ltd. collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Changan Minsheng APLL Logistics Co., Ltd. The directors of Changan Minsheng APLL Logistics Co., Ltd., having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



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: 8217)

- (I) REVISED CAPS FOR CERTAIN EXISTING CONTINUING CONNECTED TRANSACTIONS;**
(II) PROPOSED CHANGE IN SHAREHOLDING, AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND
(III) PROPOSED APPOINTMENT OF NEW DIRECTORS

**Independent Financial Adviser to the INED
Committee and Independent Shareholders**



A letter from the Board of Changan Minsheng APLL Logistics Co., Ltd. dated 14 May 2010 is set out in pages 5 to 14 of this circular. A letter from the INED Committee is set out on page 15 of this circular. A letter from Guangdong Securities containing its advice and recommendation to the INED Committee and the Independent Shareholders is set out from pages 16 to 20 of this circular.

The notices convening the AGM of Changan Minsheng APLL Logistics Co., Ltd. to be held at 10:00 a.m. on 30 June 2010 at the meeting room, No.561, Hongjin Road, Yubei District, Chongqing, the PRC are set out on pages 28 to 31 of this circular.

Proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM you are requested to complete the accompanying 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.561, Hongjin Road, Yubei District, Chongqing, the PRC (Zip Code:401121) (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 or any adjournment thereof. Completion and delivery of the proxy forms will not prevent you from attending, and voting in person at, the meeting or any adjournment thereof if you so wish.

This circular will remain on the GEM website (www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting.

* For identification purpose only

14 May 2010

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

"Annual General Meeting" or "AGM"	the annual general meeting for 2009 to be held by the Company on 30 June 2010 to consider, inter alia, the approval of the Revised Caps for Certain Existing Continuing Connected Transactions, amendments to the Articles of Association regarding the change in shareholding and the appointment of Directors of the Company
"APLL"	APL Logistics Ltd., a company incorporated in Singapore with limited liability and a wholly owned subsidiary of NOL. It is one of our initial management shareholders
"Articles of Association"	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
"Associate"	has the meaning ascribed thereto in the GEM Listing Rules
"Board"	the board of directors of the Company
"CBRC"	China Banking Regulatory Commission
"Changan Industrial"	Chongqing Changan Industrial Company Limited (重慶長安實業有限公司)
"Changan Industry Co."	Chongqing Changan Industry (Group) Co., Ltd., a limited liability company established in China on 28 October 1996, formerly named Changan Automobile Company (Group) Limited (長安汽車(集團)有限責任公司)
"China" or "PRC"	The People's Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
"Company"	重慶長安民生物流股份有限公司 (Changan Minsheng APLL Logistics Co., Ltd.)
"connected person"	has the meaning ascribed thereto in the Listing Rules
"CSG"	China South Industries Group Corporation (中國南方工業集團公司), a company established in the PRC on 1 July 1999 with limited liability
"Directors"	directors of the Company
"GEM Listing Rules"	Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited

DEFINITIONS

"Group"	the Company and its subsidiaries from time to time
"Guangdong Securities" or "Independent Financial Adviser"	Guangdong Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the Securities and Futures Ordinance and the independent financial adviser to the INED Committee and the Independent Shareholders in relation to the Revised Caps for Certain Existing Continuing Connected Transactions
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Shareholders"	shareholders that, in relation to the resolutions approving the Revised Caps for Certain Existing Continuing Connected Transactions, exclude Changan Industrial and Changan Industry Co. and their associates
"INED Committee"	a committee comprised of Ms. Wang Xu, Mr. Peng Qifa and Mr. Chong Teck Sin, all of whom are independent non-executive directors of the Company, formed to advise the Shareholders in connection with the Revised Caps for Certain Existing Continuing Connected Transactions
"Latest Practicable Date"	11 May 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"the Revised Caps for Certain Existing Continuing Connected Transactions"	the revised annual caps for the continuing connected transactions for the two years from 1 January 2010 to 31 December 2011, as set out under the paragraph headed "the Revised Caps for Certain Existing Continuing Connected Transactions" in this circular
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance, Cap.571 of the laws of Hong Kong
"Shareholders"	shareholders of the Company
"Shares"	ordinary shares of the Company, with a par value of RMB1.00 each
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

DEFINITIONS

" Supplementary Agreement"	The agreement signed between the Company and Zhuangbei Finance on 26 April 2010 for purposes of amending the existing annual caps of the continuing connected transactions for the two years from 1 January 2010 to 31 December 2011 as set out in Article 4 of the Framework Agreement signed between the parties on 30 March 2009
"Zhuangbei Finance"	Binqi Zhuangbei Group Financial Limited Liability Company (兵器裝備集團財務有限責任公司)



重慶長安民生物流股份有限公司
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(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 8217)

Executive directors:

Yin Jiaxu
Cui Xiaomei
Lu Xiaozhong
Shi Chaochun
James H McAdam

Registered Office:

Liangjing Village
Yuanyang Town
Yubei District
Chongqing
The PRC

Non-executive directors:

Lu Guoji
Zhang Lungang
Joseph F Lee
Li Ming
Wu Xiaohua
Lau Man Yee, Vanessa

*Principal place of business
in Hong Kong:*

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

Independent non-executive directors:

Wang Xu
Peng Qifa
Chong Teck Sin

** For identification purpose only*

14 May 2010

To the Shareholders

Dear Sir or Madam,

**(I) REVISED CAPS FOR CERTAIN EXISTING CONTINUING CONNECTED TRANSACTIONS;
(II) PROPOSED CHANGE IN SHAREHOLDING, AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND
(III) PROPOSED APPOINTMENT OF NEW DIRECTORS**

A. INTRODUCTION

Reference is made to the announcement published by the Company on 26 April 2010.

The purpose of this circular is to set out, amongst other things:

- in relation to the further details of the Revised Caps for Certain Existing Continuing Connected Transactions:
 - the Revised Caps for Certain Existing Continuing Connected Transactions;
 - the opinions and recommendation of the INED Committee in respect of the Revised Caps for Certain Existing Continuing Connected Transactions; and
 - the advice of Guangdong Securities to the INED Committee and Independent Shareholders in respect of the Revised Caps for Certain Existing Continuing Connected Transactions.
- in relation to the proposed change in shareholding, amendments to the Articles of Association:
 - proposed transfer of the promoter shares by Changan Industrial to Changan Industry Co. and the consequential proposed amendments to the Articles of Association.
- in relation to the proposed appointment of new directors:
 - biographies of the candidates.

B. REVISED CAPS FOR CERTAIN EXISTING CONTINUING CONNECTED TRANSACTIONS

Background

Reference is made to the framework agreement entered into by the Company with Zhuangbei Finance on 30 March 2009 with a period from 1 January 2009 to 31 December 2011. The continuing connected transactions under the framework agreement include settlements, deposits and loans and note discounting services provided by Zhuangbei Finance to the Group.

Changan Industry Co. is one of the promoters and a substantial Shareholder of the Company, holding 24.08% of the total issued share capital of the Company. As at the date of this circular, Changan Industry Co. is wholly owned by CSG, which in turns holds 42.27% equity interest in Zhuangbei Finance. Therefore, according to the GEM Listing Rules, Zhuangbei Finance is a connected person of the Company. According to the GEM Listing Rules, the transactions which constitute connected transactions of the Company were approved by the independent shareholders of the Company at the Annual General Meeting held on 19 June 2009.

The Directors have been monitoring the continuing connected transactions between the Group and Zhuangbei Finance. However, with the continuing development and expansion of the business of the Group and based on internal estimates of the demand and the operating conditions of the continuing connected transactions, the Directors note that the existing caps will not be sufficient for the Company's business needs, and on 26 April 2010 the Company entered into the Supplementary Agreement with Zhuangbei Finance. The Company therefore proposes to revise the existing caps for the relevant continuing connected transactions for the two years commencing from 1 January 2010 to 31 December 2011.

Pricing of the Non-exempt Continuing Connected Transactions

The terms of the framework agreement and the Supplementary Agreement with Zhuangbei Finance provide that in conducting the deposit, note discounting and loan advancement services between the Company and its subsidiaries and Zhuangbei Finance, the terms offered by Zhuangbei Finance in respect of such transactions to the Company and its subsidiaries shall be based on the normal commercial terms which shall in any event be no less favourable than those terms can be obtained by the Company and its subsidiaries from independent third parties. Zhuangbei Finance shall provide deposit interests, note discounting and loan advancement services based on those terms. Zhuangbei Finance shall follow the pricing principles as set out in the framework agreement and the Supplementary Agreement. Both parties will sign if necessary separate agreement(s) in writing for provision of the deposit interest, note discounting and loan advancement according to laws to ensure that payment of the relevant deposit interest be made to the Company and its subsidiaries and the relevant note discounting and loan advancement services can be processed in a timely manner. In respect of the provision of loan advancement to the Company and its subsidiaries by Zhuangbei Finance, such advancement shall be with or without pledges. If pledges are actually required for the relevant loan advancement, the assessment value of the asset to be pledged shall not exceed the amount of the loan.

LETTER FROM THE BOARD

The Company and its subsidiaries shall in accordance with the actual circumstances and within the scope of the framework agreement and the Supplementary Agreement sign separate agreement(s) in writing containing detailed transaction terms with Zhuangbei Finance, and to pay and/or receive the relevant price, expenses or interest according to those terms.

The arrangements contemplated by the Framework Agreement and the Supplementary Agreement are non-exclusive to each other. The parties shall be at liberty to choose the counterparties for the relevant transactions.

Proposed revised caps for the Continuing Connected Transactions and the rationale

With the continuing development and expansion of the business of the Group and based on internal estimates of the demand and the operating conditions of the continuing connected transactions, the Board proposes the following revised caps in respect of the continuing connected transactions with Zhuangbei Finance be set as the maximum annual values of such on-going transactions for the two years from 1 January 2010 to 31 December 2011:

unit: RMB1.00 yuan

Continuing connected transactions	The existing annual cap approved by the Independent Shareholders (for the three years from 1 January 2009 to 31 December 2011)	Actual figures for the year of 2009	Actual figures for the period from 1 January 2010 to 31 March 2010	Proposed revised cap (for the two years from 1 January 2010 to 31 December 2011)
The maximum amount of loan outstanding (including interests) on a daily basis	100,000,000	50,608,000	0	300,000,000
The maximum amount of deposit (including interest) on a daily basis	100,000,000	98,856,000	97,189,312	300,000,000

Disclosure and Independent Shareholders' Approval Requirements

The Directors (including the independent non-executive directors), after reviewing the respective bases, are of the view that the framework agreement and the Supplementary Agreement were entered into : (1) in the ordinary and usual course of business of the Company; (2) on normal commercial terms (on arm's length basis or on terms no less favorable to the Company than terms available from independent third parties); and (3) that the terms thereof (including the proposed Revised Caps for Certain Existing Connected Transactions) are fair and reasonable and in the interest of the Company and its shareholders as a whole.

Since the highest of the applicable percentage ratios of the continuing connected transactions under the framework agreement and the Supplementary Agreement as calculated in accordance with Rule 19.07 of the GEM Listing Rules is above 2.5% (except for Profit ratio), the continuing connected transactions with Zhuangbei Finance are subject to the reporting, announcement and independent shareholders' approval requirements. The Company will seek the Independent Shareholders' approval at the forthcoming Annual General Meeting for the Revised Caps for Certain Existing Continuing Connected Transactions upon the following conditions:

1. The maximum amount of loan outstanding (including interests) on a daily basis as the loans service and the maximum amount of deposit (including interests) on a daily basis as the deposits service provided by Zhuangbei Finance to the Group shall not exceed the Revised Annual Caps:
2.
 - (i) The continuing connected transactions will be entered into in the usual and ordinary course of business of the Company and either (A) on normal commercial terms or (B) if there is no available comparison, on terms no less favorable to the Company than terms available from independent third parties; and
 - (ii) The continuing connected transactions will be entered into in accordance with the relevant framework agreements and the Supplementary Agreement and on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Company will comply with relevant provisions of the GEM Listing Rules in relation to the Revised Caps for Certain Existing Continuing Connected Transactions.

According to the Articles of Association, the Directors who are connected with the parties interested and/or involved in the Revised Caps for Certain Existing Continuing Connected Transactions shall abstain from voting in relation to any resolutions regarding the Revised Caps for Certain Existing Continuing Connected Transactions. In addition, the Directors who are independent from the connected persons of the relevant Revised Caps for Certain Existing Continuing Connected Transactions are obliged to monitor the conduct of the Non-Exempt Continuing Connected Transactions as part of their fiduciary duties for the best benefit and interest of the Company and the Independent Shareholders as a whole.

According to the requirements of the GEM Listing Rules, the INED Committee will advise the Independent Shareholders in connection with the Revised Caps for Certain Existing Continuing Connected Transactions. Pursuant to Rules 20.21 and 17.47(7)(b) of the GEM Listing Rules, Guangdong Securities has been appointed as the Independent Financial Adviser by the Company to make recommendations to the INED Committee and Independent Shareholders as to whether the terms of the Revised Caps for Certain Existing Continuing Connected Transactions are fair and reasonable and whether the Revised Caps for Certain Existing Continuing Connected Transactions are in the interests of the Company and the shareholders as a whole and to advise the Independent Shareholders on how to vote.

The resolutions regarding the Revised Caps for Certain Existing Continuing Connected Transactions will be tabled by way of ordinary resolution at the forthcoming Annual General Meeting of the Company for Shareholders' consideration. Changan Industry Co. and Changan Industrial and their respective associates (holding an aggregate of 39,825,600 shares in the Company, representing approximately 24.57% of the total issued shares of the Company as at the Latest Practicable Date) are required to abstain from voting at the forthcoming Annual General Meeting in relation to the resolutions regarding the Revised Caps for Certain Existing Continuing Connected Transaction.

General Information

The Company is a foreign-invested limited liability company incorporated in the PRC and provides a variety of logistics services mainly for car manufacturers and car components and parts suppliers in China.

The principal businesses of Zhuangbei Finance are to accept enterprises deposits, process financial activities such as enterprise loan and fund raising as approved by CBRC.

C. PROPOSED CHANGE IN SHAREHOLDING, AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board has been notified that Changan Industrial will transfer its 796,512 promoter shares of the Company, representing 0.49% of the issued share capital of the Company as at the date of this circular, to Changan Industry Co. Changan Industrial is a wholly-owned subsidiary of Changan Industry Co.

With regard to the proposed transfer of promoter shares, an application accompanying with the resolutions from general meeting and the relevant approval documents from the superior departments of the two parties involved will be submitted to the relevant PRC document.

Subject to the obtaining of the approvals to the above transfer of promoter shares from Changan Industrial to Changan Industry Co., Article 18 of the Articles of Association of the Company will be amended to reflect the change in shareholding. The proposed amendments to the Articles of Association of the Company require the approval of the shareholders of the Company by way of special resolution as well as the approval by the relevant PRC government authorities.

LETTER FROM THE BOARD

The proposed amendment to Article 18 of the Articles of Association is set out below:

Existing Article 18:

“After the Company was registered to be established, approved by the securities administration of the State Council, a total number of 55,000,000 overseas listed foreign shares (including 5,000,000 Transfer of Original Shares sold by the shareholders of State-owned shares) were issued by the Company in Hong Kong in February 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: Chongqing Changan Industry Company (Group) Limited, holds 39,029,088 shares, representing 24.08% of the total issued share capital; APL Logistics Ltd (Singapore), holds 33,619,200 shares, representing 20.74% of the total issued share capital; Minsheng Industrial (Group) Company Limited, holds 25,774,720 shares, representing 15.91% of the total issued share capital; Ming Sung Industrial Co., (HK) Limited, holds 7,844,480 shares, representing 4.84% of the total issued share capital; Chongqing Changan Industrial Company Limited holds 796,512 shares, representing 0.49% of the total issued share capital; Shareholders of the foreign capital share listed abroad, in aggregate hold 55,000,000 shares, representing 33.94% of the total issued share capital. ”

To be amended to:

“After the Company was registered to be established, approved by the securities administration of the State Council, a total number of 55,000,000 overseas listed foreign shares (including 5,000,000 Transfer of Original Shares sold by the shareholders of State-owned shares) were issued by the Company in Hong Kong in February 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: Chongqing Changan Industry Company (Group) Limited, holds 39,825,600 shares, representing 24.57% of the total issued share capital; APL Logistics Ltd (Singapore), holds 33,619,200 shares, representing 20.74% of the total issued share capital; Minsheng Industrial (Group) Company Limited, holds 25,774,720 shares, representing 15.91% of the total issued share capital; Ming Sung Industrial Co., (HK) Limited, holds 7,844,480 shares, representing 4.84% of the total issued share capital; Shareholders of the foreign capital share listed abroad, in aggregate hold 55,000,000 shares, representing 33.94% of the total issued share capital.”

The proposed transfer of the 796,512 promoter shares of the Company by Changan Industrial to Changan Industry Co. and the proposed amendments to the Articles of Association will be tabled by way of ordinary resolution and special resolution, respectively, at the forthcoming Annual General Meeting of the Company for Shareholders’ consideration. Changan Industry Co. and Changan Industrial and their respective associates (holding an aggregate of 39,825,600 shares in the Company, representing approximately 24.57% of the total issued shares of the Company as at the Latest Practicable Date) are required to abstain from voting at the forthcoming Annual General Meeting in relation to the proposed transfer of the 796,521 promoter shares. No Shareholders are required to abstain from voting at the forthcoming Annual General Meeting in relation to the proposed amendments to the Articles of Association.

D. PROPOSED APPOINTMENT OF NEW DIRECTORS

Given that Mr. James Herbert McAdam and Mr. Joseph Frederick Lee will be resigned as directors of the Company with effect from the date of convening the 2010 annual general meeting of the Company (please refer to the Company's announcement published on 19 March 2010), the Board received from its substantial shareholders APLL the nomination of candidates of the directors. The Board has duly conducted the qualification verification of the relevant candidates. Mr. William K Villalon will be the candidate for executive director of the Company, whilst Mr. Danny Goh Yan Nan will be the candidate for non-executive director of the Company.

The biographical details of the candidates of the new directors are set out below:

Candidate for Executive Director

Mr. William K Villalon

Mr. William K Villalon, aged 61, was graduated from University of California, Berkeley in 1979, holding a MBA in Finance; and was graduated from Washington University, St. Louis in 1972, holding a BA in Political Science. Mr. William K Villalon has served for American President Lines/Logistics, now is the Vice President of Land Transportation Services / Global Automotive Logistics. Mr. William K Villalon had served different positions for American President Lines/Logistics, mainly including Vice President of Americas' Logistics, Vice President of American Consolidation Services, Vice President of Global Marketing, Vice President of Southeast Asia, Vice President of Stacktrain Service and Director of Stacktrain Marketing. Mr. William K Villalon served as General Manager, Intermodal of Southern Pacific Railroad (subsequently merged into UNION PACIFIC RAIROAD) before 1984.

Mr. William K Villalon has not held any directorship in any other listed public companies in the last three years. Save as disclosed above, Mr. William K Villalon does not hold any other positions with the Company or other members of the Group and does not have any relationships with any directors, senior management, substantial or controlling shareholder of the Company, nor had he any interests in the Shares within the meaning of Part XV of the SFO. If Mr. William K Villalon was elected as an executive director in the Annual General Meeting, the Company and Mr. William K Villalon will enter into a service agreement in relation to the appointment of Mr. William K Villalon as an executive director of the Company. Mr. William K Villalon will be entitled to director's emoluments which are determined by the Board from time to time with reference to his duties and responsibilities with the Company, the market benchmark and performance of the Group, subject to approval by the shareholders at general meeting.

Save as disclosed above, Mr. William K Villalon is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company, nor had he any information needed to be disclosed under GEM Listing Rules 17.50(2)(h) to (v).

Candidate for Non-Executive Director

Mr. Danny Goh Yan Nan

Mr. Danny Goh Yan Nan, aged 51, was graduated from University of Oregon, USA in 1986, holding a Bachelor of Science, Finance. Mr. Danny Goh Yan Nan has been served as Vice President of North Asia Region of APL Logistics since 2010. Mr. Danny Goh Yan Nan had been served different positions for APL Logistics, mainly including Vice President / Managing Director in Japan, Vice President of International Services and Global Operations, Vice President / Managing Director of Asia-Middle East Region, General Manager of South East and West Asia Region and Regional Operations Manager of South East and West Asia Region.

Mr. Danny Goh Yan Nan has not held any directorship in any other listed public companies in the last three years. Save as disclosed above, Mr. Danny Goh Yan Nan does not hold any other positions with the Company or other members of the Group and does not have any relationships with any directors, senior management, substantial or controlling shareholder of the Company, nor had he any interests in the Shares within the meaning of Part XV of the SFO. If Mr. Danny Goh Yan Nan was elected as a non-executive director in the Annual General Meeting, the Company and Mr. Danny Goh Yan Nan will enter into a service agreement in relation to the appointment of Mr. Danny Goh Yan Nan as a non-executive director of the Company. Mr. Danny Goh Yan Nan will be entitled to director's emoluments which are determined by the Board from time to time with reference to his duties and responsibilities with the Company, the market benchmark and performance of the Group, subject to approval by the shareholders at general meeting.

Save as disclosed above, Mr. Danny Goh Yan Nan is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company, nor had he any information needed to be disclosed under GEM Listing Rules 17.50(2)(h) to (v).

The nomination of the above proposed new directors will be tabled by way of ordinary resolution at the forthcoming Annual General Meeting of the Company for Shareholders' consideration. Shareholders are entitled to vote on resolutions regarding the appointment of the above new directors at the forthcoming Annual General Meeting.

Subject to the obtaining of the approval to the appointment of the above new directors at the forthcoming Annual General Meeting, the Company will issue a further announcement when it enters into service agreements with the above directors and determines their emoluments.

E. ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting on 30 June 2010 in Chongqing, the PRC, to consider, inter alia, the approval of the Revised Caps for Certain Existing Continuing Connected Transactions, amendments to the Articles of Association regarding the change in shareholding and the appointment of Directors of the Company will be considered. Whether or not you are able to attend the meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for holding such meeting.

Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or at any adjourned meetings should you wish.

F. CLOSURE OF REGISTER OF HOLDERS OF H SHARES

The register of holders of H Shares will be closed from 31 May 2010 to 30 June 2010, both days inclusive, during which period no transfer of H Shares will be effected. In order to qualify for attending the Annual General Meeting, all transfer documents of H Shares accompanied by the relevant share certificates must be lodged with the Computershare Hong Kong Investor Services Limited at Rooms 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 28 May 2010.

G. RECOMMENDATIONS

Your attention is drawn to the letter from the INED Committee to the Independent Shareholders of the Company, which is set out on pages 15 of this circular, and which contains their recommendation in respect of the Revised Caps for Certain Existing Continuing Connected Transactions. The letter of advice from Guangdong Securities to the INED Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the Revised Caps for Certain Existing Continuing Connected Transactions and whether the Revised Caps for Certain Existing Continuing Connected Transactions are in the interests of the Company and its shareholders as a whole is set out on pages 16 to 20 of this circular.

The INED Committee, having taken into account the advice of Guangdong Securities, considers that the terms of the Revised Caps for Certain Existing Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned and that the Revised Caps for Certain Existing Continuing Connected Transactions are in the interests of the Company and its shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend that the Independent Shareholders vote in favour of the relevant resolutions to approve the Revised Caps for Certain Existing Continuing Connected Transactions.

In addition, the Directors consider that the proposed transfer of the promoter shares of the Company by Changan Industrial to Changan Industry Co. and the proposed amendments to the Articles of Association by way of ordinary resolution and special resolution, respectively, and the proposed ordinary resolutions for the appointment of Directors and Supervisors are in the interests of the Company and the shareholders as a whole. Accordingly, the Directors recommend that all shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting as set out in the notice of the Annual General Meeting.

H. OTHER INFORMATION

Your attention is drawn to the general information set out in the Appendix to this circular.

On behalf of the Board
Changan Minsheng APLL Logistics Co., Ltd.
Shi Chaochun
Executive Director



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: 8217)

14 May 2010

**REVISED CAPS FOR CERTAIN EXISTING CONTINUING CONNECTED
TRANSACTIONS**

To the Independent Shareholders

We have been appointed as the INED Committee to advise you in connection with the Revised Caps for Certain Existing Continuing Connected Transactions, details of which are set out in the Letter from the Board set out in the circular to Shareholders dated 14 May 2010 (the "Circular"), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having taken into account the Revised Caps for Certain Existing Continuing Connected Transactions, the principal factors and reasons for the revised caps considered by Guangdong Securities and its advice in relation thereto as set out on pages 16 to 20 of the Circular, we are of the opinion that the continuing connected transactions are conducted on normal commercial terms or on terms no less favourable than those available to independent third parties, under prevailing local market conditions, and were entered into in the ordinary and usual course of business of the Company, the Revised Caps for Certain Existing Continuing Connected Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend that you vote in favour of the ordinary resolution to be proposed at the AGM to approve the Revised Caps for Certain Existing Continuing Connected Transactions.

Yours faithfully,

Wang Xu
*Independent Non-executive
Director*

Peng Qifa
*Independent Non-executive
Director*

Chong Teck Sin
*Independent Non-executive
Director*

** For identification purpose only*

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the INED Committee and the Independent Shareholders regarding the Revised Caps for the purpose of inclusion in this circular.



Units 2505-06, 25/F.
Low Block of Grand Millennium
Plaza
181 Queen's Road Central
Hong Kong

14 May 2010

*To: The independent non-executive directors committee and the independent shareholders
of Changan Minsheng APLL Logistics Co., Ltd.*

Dear Sirs,

REVISED CAPS FOR CERTAIN CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the INED Committee and the Independent Shareholders in relation to the revised caps for certain non-exempt continuing connected transactions under the Supplemental Agreement (the “**Revised Caps**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 14 May 2010 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 26 April 2010, the Company entered into the Supplemental Agreement with Zhuangbei Finance, under which the Company proposed to revise the existing annual caps for (i) the maximum amount of loan outstanding (including interests) on a daily basis; and (ii) the maximum amount of deposit (including interest) on a daily basis, for the two years ending 31 December 2011.

As at the date of the Supplemental Agreement, Changan Industry Co. was a promoter and a substantial Shareholder and was wholly-owned by CSG, which in turn held approximately 42.27% equity interest in Zhuangbei Finance. Therefore, Zhuangbei Finance is regarded as a connected person of the Company under the GEM Listing Rules. Since the highest of the applicable percentage ratios of the continuing connected transactions under the Supplemental Agreement as calculated in accordance with Rule 19.07 of the GEM Listing Rules is above 2.5% (except for the profits ratio), the Revised Caps are subject to approval of the Independent Shareholders at the Annual General Meeting by way of poll. Changan Industry Co., Changan Industrial and their respective associates shall be required to abstain from voting on the resolution(s) approving the Revised Caps at the Annual General Meeting.

An INED Committee comprising Ms. Wang Xu, Mr. Peng Qifa and Mr. Chong Teck Sin (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the Revised Caps are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Revised Caps are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Revised Caps at the Annual General Meeting. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the INED Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the INED Committee, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true, complete and accurate in all material respects at the time when they were made and continue to be so as at the date of the despatch of the Circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful considerations. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 17.92 of the GEM Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Zhuangbei Finance, APLL or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Non-Exempt Continuing Connected Transactions. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Revised Caps, we have taken into consideration the following principal factors and reasons:

(1) Background of the Revised Caps

Business overview of the Group

The Group is principally engaged in the provision of transportation of finished vehicles services, supply chain management services relating to car components and parts and transportation of non-vehicle commodities services.

Set out below are the audited financial results of the Group for the three years ended 31 December 2009 as extracted from the annual reports of the Company for the year ended 31 December 2009 (the “**2009 Annual Report**”) and 31 December 2008 respectively:

LETTER FROM GUANGDONG SECURITIES

	For the year ended 31 December 2009	For the year ended 31 December 2008	For the year ended 31 December 2007	Change from 2008 to 2009
	<i>RMB'000</i> <i>(audited)</i>	<i>RMB'000</i> <i>(audited)</i>	<i>RMB'000</i> <i>(audited)</i>	%
Turnover	2,284,723	1,565,237	1,475,020	45.97
Cost of sales	(2,016,652)	(1,352,971)	(1,316,180)	49.05
Gross profit	268,071	212,266	158,840	26.29
Profit for the period/year	142,930	103,739	93,671	37.78

From the above table, we noted that the Group has been enjoying persistent improvements in turnover and profitability in recent years. According to the 2009 Annual Report and as advised by the Directors, such satisfactory business performance of the Group was mainly attributable to (i) the increase in production and sales volume of the major customers of the Group; and (ii) the strengthening of traditional logistics services, better after-sales services and an extension scope of supply chain management provided by the Group.

Moreover, with reference to the 2009 Annual Report and as further confirmed by the Directors, it is the Group's strategy to (i) continue to strengthen its relationship with the existing customers and expand the scope of services for them; (ii) explore new opportunities for business development; (iii) enhance the Group's marketing initiatives; and (iii) strengthen communication with other well-established industry players to explore cooperation opportunities.

Information on Zhuangbei Finance

According to the circular of the Company dated 17 April 2009 and the Letter from the Board, Zhuangbei Finance is a non-banking financial institution regulated by CBRC in the PRC and is owned as to approximately 42.27% by CSG. The principal businesses of Zhuangbei Finance are to accept enterprises deposits, process financial activities such as enterprise loan and fund raising as approved by CBRC.

(2) Reasons for the Revised Caps

With reference to the Board Letter, the Company entered into a framework agreement with Zhuangbei Finance on 30 March 2009 regarding certain continuing connected transactions including (i) provision of loan by Zhuangbei Finance to the Group ("CCT 1"); (ii) deposits by the Group with Zhuangbei Finance ("CCT 2"); and (iii) provision of note discounting services by Zhuangbei Finance to the Group, for the three years ending 31 December 2011. The Directors have been monitoring the continuing connected transactions between the Group and Zhuangbei Finance. Nevertheless, with the continuing development and expansion of the business of the Group and based on internal estimates of the demand and the operating conditions of the continuing connected transactions, the Directors note that the existing caps will not be sufficient for the Company's business needs, and on 26 April 2010 the Company entered into the Supplementary Agreement with Zhuangbei Finance proposing to revise the existing caps for (i) provision of loan by Zhuangbei Finance to the Group; (ii) deposits by the Group with Zhuangbei Finance, for the two years ending 31 December 2011.

We have discussed with the Directors and were advised that (i) following successive expansions in the asset scale of the Group (the total assets of the Company increased by approximately 37.71% to approximately RMB1,224 million from 31 December 2008 to 31 December 2009), the in-flows and out-flows of cash out of the Group's operating activities has become more frequent and the amounts have also increased continuously, resulting in an accumulation of deposit amounts; (ii) a number of major customers of the Group have already set up accounts with Zhuangbei Finance and the settlement time for payment by those customers to the Group would be shortened through Zhuangbei Finance and the transaction cost could possibly be saved; and (iii) in order to support the normal operation and investing activities, apart from the net in-flows of cash out of the operating activities, the Group will require more funds as a supplement.

LETTER FROM GUANGDONG SECURITIES

As mentioned under the section headed “Business overview of the Group” of this letter, the Group has been recording increasing turnover and cost of sales in recent years. Given the expansion of the business of Group, the Directors expected that the amount of cash in-flows and out-flows from operation and investing activities of the Group will rise. Accordingly, the Directors are of the view that the Revised Caps are necessary for supporting the Group’s operation and investing activities.

Having considered all of the above, we concur with the Directors that the Revised Caps are in the interests of the Company and the Shareholders as a whole.

(3) Basis of the Revised Caps

The original caps, historical amount and the Revised Caps of the CCT 1 and the CCT 2 for each of the period from 1 January 2009 to 31 December 2011 are set out as below:

	The existing annual cap approved by the Independent Shareholders (for the three years from 1 January 2009 to 31 December 2011)	Historical amount for the year of 2009	Historical amount for the period from 1 January 2010 to 31 March 2010	The Revised Caps (for the two years from 1 January 2010 to 31 December 2011)
CCT 1 (the maximum amount of loan outstanding (including interests) on a daily basis)	100,000,000	50,608,000	0	300,000,000
CCT 2 (the maximum amount of deposit (including interest) on a daily basis)	100,000,000	98,856,000	97,189,312	300,000,000

CCT 1

We have enquired into the Directors regarding the basis for determination of the Revised Caps under CCT 1 and were advised by the Directors that they have taken into account (i) the funding requirements for operation and investing activities of the Company; and (ii) the expected net in-flows of cash out of the operating activities for the two years ending 31 December 2011, when setting the Revised Caps under CCT 1. In this regard, we noted from the 2009 Annual Report that (i) the Group had capital commitment in relation to “property, plant and equipment contracted but not provided for” of approximately RMB18 million as at 31 December 2009; and (ii) the Group’s cash and cash equivalents were approximately RMB314 million while its total current liabilities (consisted of mainly trade and other payables) were approximately RMB555 million as at 31 December 2009.

We noted that the original caps of the CCT 1 is not fully utilised for the period from 1 January 2009 to 31 March 2010 and enquired into the Directors regarding the same. As advised by the Directors, the cash out-flows and funding requirements out of the Group’s operating and investment activities are subject to actual need and may not be constant throughout the year. The low utilisation rate of the original caps does not obviate the future needs of the Group for the Revised Caps.

Taking into account the foregoing basis for determining the Revised Caps under CCT 1 and the relevant figures as extracted from the 2009 Annual Report, we consider that the Revised Caps under CCT 1 are fair and reasonable so far as the Independent Shareholders are concerned.

CCT 2

As mentioned under the section headed “Reasons for the Revised Caps” of this letter, following successive expansions in the asset scale of the Group, the in-flows and out-flows of cash out of the Group’s operating activities has become more frequent and the amounts have also increased continuously, resulting in an increase in deposit amounts. As advised by the Directors, a number of major customers of the Group have already set up accounts with Zhuangbei Finance and the settlement time for payment by those customers to the Group would be shortened through Zhuangbei Finance and the transaction cost could possibly be saved. Based on (i) the historical transaction amounts between the Group and those customers who have set up accounts with Zhuangbei Finance; (ii) the anticipated future amount of such transactions; and (iii) the historical utilisation of the original caps of the CCT 2 for the period from 1 January 2009 to 31 March 2010, the Directors set the Revised Caps under CCT 2.

Taking into account the foregoing basis for determining the Revised Caps under CCT 2, we consider that the Revised Caps under CCT 2 are fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that the Revised Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the INED Committee to advise the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Annual General Meeting to approve the Supplemental Agreement and the Revised Caps and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. EXPERT'S CONSENT AND QUALIFICATION

The following is the qualification of the professional adviser who has given opinion or advice which is contained in this circular:

Name	Qualification
Guangdong Securities Limited	A licensed corporation under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO

Guangdong Securities has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and all reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, Guangdong Securities was not beneficially interested in the share capital of any member of the Group nor did it has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since 31 December 2009, being the date to which the latest published audited accounts of the Company, were made up, acquired, disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

3. DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, none of the Directors, chief executive and the Supervisors have any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required 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 the Directors and the Supervisors is taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, the Directors, chief executive and the Supervisors were not beneficially interested in the share capital of any member of the Group nor did it has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since 31 December 2009 were made up, acquired, disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

4. SUBSTANTIAL SHAREHOLDERS AND PARTIES HOLDING INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, so far as is known to the directors, chief executive and the supervisors of the Company, the following persons, other than a director, supervisor, or chief executive 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
Changan Industry Co. (Note 2)	Beneficial owner	39,029,088(L)	36.45%	—	24.08%
Changan Industry Co. (Note 2)	Interest of a controlled corporation	796,512(L)	0.74%	—	0.49%
Changan Industrial (Note 2)	Beneficial owner	796,512(L)	0.74%	—	0.49%
APLL	Beneficial owner	33,619,200(L)	31.40%	—	20.74%
Minsheng Industrial (Group) Co., Ltd. ("Minsheng Industrial")	Beneficial owner	25,774,720(L)	24.07%	—	15.90%
Minsheng Industrial (Note 3)	Interest of a controlled corporation	7,844,480(L)	7.33%	—	4.84%
Ming Sung Industrial Co., (HK) Limited ("Ming Sung (HK)")	Beneficial owner	7,844,480(L)	7.33%	—	4.84%
Atlantis Investment Management Limited	Investment manager	10,403,000(L)	—	18.91%	6.42%
Liu Yang (Note 4)	Investment manager	10,403,000(L)	—	18.91%	6.42%
The Northern Trust Company (ALA)	Others	5,403,000(P)	—	9.82%	3.33%
788 China Fund Ltd.	Investment manager	4,000,000(L)	—	7.27%	2.47%
Braeside Investments, LLC (Note 5)	Investment manager	3,423,000(L)	—	6.22%	2.11%
Braeside Management, LP (Note 5)	Investment manager	3,423,000(L)	—	6.22%	2.11%
McIntyre Steven (Note 5)	Interest of a controlled corporation	3,423,000(L)	—	6.22%	2.11%

Note 1: (L) – long position, (S) – short position, (P) - Lending Pool.

Note 2: Changan Industrial is Changan Industry Co.'s wholly owned subsidiary.

Note 3: Ming Sung (HK) is the subsidiary of Minsheng Industrial.

Note 4: Liu Yang is the controlling shareholder of Atlantis Investment Management Limited.

Note 5: McIntyre Steven is the controller of Braeside Investments, LLC and Braeside Investments, LLC is the controller of Braeside Management, LP.

Save as disclosed in this circular, as at the Latest Practicable Date, so far as is known to the directors and chief executive of the Company, there is no other person (other than the directors, supervisors, or chief executive of the Company) who 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 had a direct or indirect interest amounting to 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 and/or any subsidiaries of the Company; or are required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

5. DIRECTOR'S INTEREST IN CONTRACT AND/OR ARRANGEMENT

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group as a whole.

6. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

No Director has a service contract with the Company which is not terminable by the Company within one year without payment other than statutory compensation.

Each of the directors and supervisors has entered into a service contract with the Company for term of three years ending the date of the general meeting held in 2011.

Each of the non-executive directors will not receive any directors' remuneration for his/her services. Each of independent non-executive directors will be paid a fixed amount of director's fee per annum.

7. MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the Group's latest published audited accounts were made up.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and so far as the Directors are aware, no litigation or claim of material importance are pending or threatened by or against the Company or any of its subsidiaries.

9. COMPETING INTEREST

The Company's shareholders, namely APLL, Minsheng Industrial, Ming Sung (HK) and Changan Industry Co., have all entered into non-competition undertakings in favour of the Company. For details of the non-competition undertakings, please refer to the prospectus of the Company dated 16 February 2006. As at the Latest Practicable Date, so far as the Directors are aware of, except as disclosed in the 2009 annual report of the Company that each of APLL, Minsheng Industrial, Ming Sung (HK) and Changan Industry Co. have all signed a confirmation regarding the non-competition undertakings with the Company in favour of the Company, none of themselves or the management Shareholders (as defined in the GEM Listing Rules) or their respective associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Company or its subsidiaries or any other conflicts of interest with the Company or its subsidiaries. No contract or arrangement is subsisting at the date of the circular in which a director of the Company is materially interested and which is significant in relation to the business of the Company or its subsidiaries.

10. DIRECTORS' INTEREST IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of or leased by any member of the Group since 31 December 2009, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.

There was no contract or arrangement subsisting at the Latest Practicable Date in which any of the Directors was materially interest and which was significant in relation to the business of the Group.

11. MISCELLANEOUS

- (a) The registered office of the Company is at Liangjing Village, Yuanyang Town, Yubei District, Chongqing, the PRC. The principal place of business in China is at No.561 Hongjin Road, Yubei District, Chongqing, the PRC.
- (b) The principal place of business in Hong Kong is at 16/F., 144-151 Singga Commercial Centre, Connaught Road West, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The Company secretary of the Company is Mr. Joseph Au Yeung Wai Ki, a fellow member of Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants.
- (e) The compliance officer of the Company is Mr. Shi Chaochun.

- (f) The Company has established an audit committee with written terms of reference in compliance with rule 5.28 of the GEM Listing Rules. The audit committee is mainly responsible for overseeing the Company's internal audit system and its implementation; reviewing the Company's financial information and its disclosure; reviewing the Company's internal control system; auditing major connected transactions; and communication, supervision and verification of the Company's internal and external audit. The audit committee comprises the independent non-executive Directors, namely Mr. Peng Qifa, Ms. Wang Xu and Mr. Chong Teck Sin. Their respective biographies are set out below:

Mr. Peng Qifa (彭啓發) was born in 1964, joined the Company as an independent non-executive director in December 2004. In 1998, he obtained a master's degree in Economics from the faculty of Business Administration at Sichuan University. Mr. Peng has been approved to be a professor of Economics in the Chongqing University of Technology and was qualified in 1996 to teach in tertiary institution in China. Mr. Peng is a Certified Public Accountant in the PRC.

Ms. Wang Xu (王旭) was born in 1963, joined the Company as an independent non-executive director in December 2004. Ms. Wang received her PhD from Chongqing University in 2001. She is a professor at Chongqing University and a member of the decision-making consultative committee of the Chongqing government in China.

Mr. Chong Teck Sin (張鐵沁) was born in 1955, joined the Company as an independent non-executive director in July 2005. Mr. Chong was the group managing director (commercial) of Seksun Corporation Limited ("Seksun"), which was listed on Singapore Stock Exchanges, until May 2004. Prior to his appointment at Seksun, he was the strategic development director for China of Glaxo Wellcome Asia Pacific Pte Ltd. and before that, the senior general manager of China-Singapore Suzhou Industrial Park Development Co., Ltd., the Singapore Suzhou Industrial Park developer. He was with the Singapore Economic Development Board from 1986 to 1989. Since April 2004, Mr. Chong sits on the Board of the Accounting and Corporate Regulatory Authority (ACRA) of Singapore. He is also the independent non-executive director of British-American Tobacco (Singapore) Pte Ltd. In addition, Mr. Chong is also the independent nonexecutive director of the companies following-mentioned which were listed on Singapore Stock Exchanges: Beyonics Technology Ltd., Wanxiang International Pte Ltd., Sihuan Pharmaceutical Holdings Group Ltd. And JES International Holdings Ltd. Since October 2008, Mr. Chong is also the director of Singapore's largest folk charitable organization National Kidney Foundation Singapore. He obtained the bachelor of engineering at the University of Tokyo in 1981, and subsequently obtained a Master of Business Administration degree from the National University of Singapore.

- (g) The English text of this circular shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) at 23/F., Gloucester Tower, 15 Queen's Road, Central, Hong Kong from the date of this circular up to and including 30 June 2010:

- (a) the existing Articles of Association;
- (b) the letter from Guangdong Securities, the text of which is set out on pages 16 to 20 of this circular;
- (c) the written consent from Guangdong Securities referred to in paragraph 2 of this appendix;
- (d) the letter of recommendation from the INED Committee to the Shareholders, the text of which is set out on pages 15 of this circular;
- (e) the directors and supervisors service contracts referred to in paragraph 6 of this appendix;
- (f) the framework agreement dated 30 March 2009 between the Company and Zhuangbei Finance relating to the provision of settlement, deposits and loans and note discounting services by Zhuangbei Finance to the Group; and
- (g) Supplementary Agreement dated 26 April 2010 between the Company and Zhuangbei Finance for revising the existing caps for the relevant continuing connected transactions.



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: 8217)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting ("AGM") of Changan Minsheng APLL Logistics Co., Ltd. (the "Company") will be held at the Company's meeting room, No.561, Hongjin Road, Yubei District, Chongqing, the PRC, at 10:00 a.m. on 30 June 2010, to consider and approve (if thinks fit) the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the Report of the Board of Directors for the year ended 31 December 2009;
2. To consider and approve the Report of the Supervisory Committee for the year ended 31 December 2009;
3. To consider and approve the audited consolidated accounts and the Report of the Auditors for the year ended 31 December 2009;
4. To consider and approve the Financial Report for the year ended 31 December 2009;
5. To decide the declaration of a final dividend of RMB0.09 (including tax) per share of the Company for the year ended 31 December 2009;
6. To consider and approve the Fixed Assets Investment Plan for 2010 and authorize the Board to adjust such annual plans according to the actual situations;
7. To consider and approve the re-appointment of PricewaterhouseCoopers as the 2010 international auditor of the Company for a term to expire by the next AGM, and to authorize the board of directors of the Company (the "Board") to determine its remuneration; and the re-appointment of PricewaterhouseCoopers Zhong Tian Certified Public Accountants Ltd. Co. as the 2010 PRC auditor of the Company for a term to expire by the next AGM, and to authorize the Board to determine its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

8. To approve the appointment of the members of the Board of the Company (for biography of candidates for directorship, please refer to note 9 to this notice).
- 8.1 To approve the appointment of Mr. William K Villalon as the executive director of the Company with a term commencing from the conclusion of the AGM until the expiry of the term of the current session of the Board and to authorize the board of directors of the Company to fix the remuneration and to enter into service or employment contracts with Mr. William K Villalon on and subject to such terms and conditions as the board of directors of the Company shall think fit and to do all such acts and things to give effect to such matters;
- 8.2 To approve the appointment of Mr. Danny Goh Yan Nan as the non-executive director of the Company with a term commencing from the conclusion of the AGM until the expiry of the term of the current session of the Board and to authorize the board of directors of the Company to fix the remuneration and to enter into service or employment contracts with Mr. Danny Goh Yan Nan on and subject to such terms and conditions as the board of directors of the Company shall think fit and to do all such acts and things to give effect to such matters;
9. To consider and approve the proposal to approve the Supplementary Agreement entered into between the Company and Binqi Zhuangbei Group Financial Limited Liability Company on 26 April 2010 and the Revised Caps for Certain Existing Continuing Connected Transactions;
10. To consider and approve the change in shareholding by Chongqing Changan Industrial Company Limited to Chongqing Changan Industry (Group) Co., Ltd. (such change in shareholding shall also be subject to approval by the relevant authorities).

SPECIAL RESOLUTION

11. To consider and approve (on basis that the change in shareholding is approved by the relevant government organizations in China and becomes effective) the amendments to the Articles of Association of the Company to reflect the change in shareholding (such amendments also need to be approved by the relevant government organizations in China) (please refer to note 10 to this notice).

By Order of the Board of Directors
Changan Minsheng APLL Logistics Co., Ltd.
Yin Jiaxu
Chairman

Chongqing, the PRC
14 May 2010

** For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) The Company's register of members will be closed from 31 May 2010 to 30 June 2010 (both days inclusive), during which period no transfer of H Shares will be registered. Holders of H Shares who wish to be eligible for voting and final dividend, will have to return all their instruments of transfer together with the relevant Share certificates to Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on 28 May 2010.

Pursuant to the "Enterprise Income Tax Law of the PRC" 《中華人民共和國企業所得稅法》 and the relevant implementing rules which came into effect on 1 January 2008 and the "Notice of the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which are Overseas non-resident Enterprises" 《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》 issued by the State Administration of Taxation on 6 November 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H share register of members of the Company. Any shares registered in the names of non-individual registered shareholders (including HKSCC Nominees Limited, other corporate nominees, trustees or other entities and organizations) will be treated as being held by non-resident enterprise shareholder and will therefore be subject to the withholding of the corporate income tax. Shareholders and investors should peruse the contents above carefully. If shareholders' names appear on the H Shares register of members, please refer to nominees or trust organization for details of the relevant arrangements. The Company has no obligation and shall not be responsible for confirming the identities of the shareholders.

The Company will strictly comply with the law, and if the AGM approves the ordinary resolution No. 5 (that is to decide the declaration of a final dividend of RMB0.09 (including tax) per share of the Company for the year ended 31 December 2009), the Company will withhold and pay the corporate income tax on behalf of the relevant shareholders based on the H Shares register of members of the Company as at 29 June 2010. The Company will not accept any requests relating to any delay in confirming the identity of the shareholders or any errors in the identity of the shareholders.

- (2) Shareholders who intend to attend the AGM will have to return the completed reply slip to the Company's H share registrar Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (in respect of H Shares) or the office of the Board of the Company at No. 561, Hongjin Road, Yuebei District, Chongqing, the PRC (postal code 401121) (in respect of domestic Shares, including non-H foreign Shares, same hereinafter) on or before 9 June 2010. The reply slip may be delivered by post, telegram or facsimile (Fax No. for H shareholders is (852) 2865 0990 or Fax No. for domestic shareholders is (8623) 89182265).
- (3) A shareholder who has the right to attend and vote at the AGM is entitled to appoint a proxy or proxies (whether or not a member) to attend and vote on his or behalf (if only one proxy is appointed, when voting by show of hands and by poll; and if more than one proxy are appointed, then only when voting by poll). 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.
- (4) Shareholders and their proxies should show their documents of identity when attending the meeting.
- (5) 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.

NOTICE OF ANNUAL GENERAL MEETING

- (6) The instrument of appointment must be delivered to the Company's share registry Computershare Hong Kong Investor Services Limited (in respect of H Shares) or the office of the Board of the Company (in respect of domestic Shares) 24 hours before the commencement of the AGM.
- (7) After the completion and delivery of the form of proxy, a shareholder may still attend and vote at the AGM.
- (8) Shareholders attending the AGM will be responsible for their own traveling and accommodation expenses.
- (9) Biographical details of the candidates of the Board are set out in the Circular dated 14 May 2010.
- (10) Details of Amendments to the Articles Association are set out in the Circular dated 14 May 2010.

As at the date of this notice, the directors of the Company are:

Executive directors:

Yin Jiaxu
Cui Xiaomei
Lu Xiaozhong
Shi Chaochun
James H McAdam

Non-executive directors:

Lu Guoji
Zhang Lungang
Joseph F Lee
Li Ming
Wu Xiaohua
Lau Man Yee, Vanessa

Independent non-executive directors:

Wang Xu
Peng Qifa
Chong Teck Sin