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五菱汽車集團控股有限公司
WULING MOTORS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability) (股份代號 Stock Code : 305)

CONNECTED TRANSACTION
ACQUISITION OF 2% EQUITY INTEREST IN
WULING SPECIALIZED VEHICLES
AND ABSORPTION AND MERGER OF SUBSIDIARIES

THE ACQUISITION

The Board is pleased to announce that on 23 January 2013 after trading hours, Wuling Industrial, a non-wholly owned subsidiary of the Company, (as the transferee) and Liuzhou Wuling, a substantial shareholder of the Company (as the transferor), entered into the Equity Transfer Agreement pursuant to which Wuling Industrial has agreed to acquire and Liuzhou Wuling has agreed to sell the 2% equity interest in Wuling Specialized Vehicles at a consideration of RMB1,792,408 payable in cash (equivalent to approximately HK\$2,241,000).

ABSORPTION AND MERGER OF WULING SPECIALIZED VEHICLES BY
WULING INDUSTRIAL FOLLOWING COMPLETION OF THE ACQUISITION

Wuling Industrial is undergoing process to absorb and merge all the business, assets and liabilities (including but not limited to the approximately 4.67% equity interest in Wuling Specialized Vehicles currently beneficially owned by Wuling United) of Wuling United, which is a direct wholly-owned subsidiary of Wuling Industrial. It is proposed that following completion of the Acquisition, all the business, assets and liabilities of Wuling Specialized Vehicles, which shall be an indirect wholly-owned subsidiary of Wuling Industrial upon completion of the Acquisition, shall be absorbed by and merged with Wuling Industrial.

IMPLICATIONS OF THE LISTING RULES

As at the date of this announcement, Liuzhou Wuling is the ultimate holding company of Wuling HK which holds 433,651,975 Shares, representing approximately 37.05% of the total issued share capital of the Company, accordingly Liuzhou Wuling is a connected person of the Company. In addition, Wuling Industrial is a non-wholly owned subsidiary of the Company, the equity interest of which is beneficially owned as to approximately 50.98% and approximately 49.02% by the Company and Liuzhou Wuling, respectively. The Acquisition contemplated under the Equity Transfer Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios as set out in Rule 14.08 of the Listing Rules are more than 0.1% but less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE EQUITY TRANSFER AGREEMENT

Date:

23 January 2013 (after trading hours)

Parties:

- (i) Liuzhou Wuling, as the transferor; and
- (ii) Wuling Industrial, a non-wholly owned subsidiary of the Company, as the transferee.

As at the date of this announcement, Liuzhou Wuling is the ultimate holding company of Wuling HK, the controlling Shareholder, which is currently interested in approximately 37.05% of the total issued share capital of the Company, and thus Liuzhou Wuling is a connected person of the Company. In addition, Wuling Industrial is a non-wholly owned subsidiary of the Company, the equity interest of which is beneficially owned as to approximately 50.98% and approximately 49.02% by the Company and Liuzhou Wuling, respectively.

The Acquisition:

Pursuant to the Equity Transfer Agreement, Wuling Industrial has agreed to acquire and Liuzhou Wuling has agreed to sell 2% equity interest in Wuling Specialized Vehicles held by Liuzhou Wuling for a cash consideration of RMB1,792,408 (equivalent to approximately HK\$2,241,000).

The Consideration

The Consideration of the Acquisition is RMB1,792,408 (equivalent to approximately HK\$2,241,000). The Consideration was arrived at after arm's length negotiations between Wuling Industrial and Liuzhou Wuling after taking into account the appraised fair value of the net asset of Wuling Specialized Vehicles (which was arrived at based on market value

approach) in the amount of approximately RMB89,620,400 (equivalent to approximately HK\$112,026,000) as at the valuation date on 31 March 2012, which valuation was conducted by an independent valuer and approved by the State-owned Assets Supervisions and Administration Commission of The People's Government of Guangxi Zhuang Autonomous Region* (廣西壯族自治區人民政府國有資產監督管理委員會) on 4 January 2013. The cost of investment of the aforementioned 2% equity interest in Wuling Specialized Vehicles, represented by the cash and net assets contributed by Liuzhou Wuling to the respective paid up capital since the establishment of Wuling Specialized Vehicles on 10 December 2003, was RMB1,180,904.

The Consideration shall be settled by Wuling Industrial in full by its internal resources within fifteen (15) days upon execution of the Equity Transfer Agreement.

Conditions Precedent

The Company confirms that approval of the Acquisition has been obtained from the State-owned Assets Supervisions and Administration Commission of The People's Government of Guangxi Zhuang Autonomous Region* (廣西壯族自治區人民政府國有資產監督管理委員會) and no other approvals regarding to the Acquisition, including but not limited to approvals from government authorities in the PRC are required. Accordingly, the Equity Transfer Agreement was entered into by the parties thereto on an unconditional basis and the agreement has become effective upon execution.

Completion

Completion of the Acquisition shall take place within fifteen (15) days from the date of execution of the Equity Transfer Agreement and upon payment of the Consideration by Wuling Industrial pursuant to the terms of the Equity Transfer Agreement.

ABSORPTION AND MERGER OF WULING SPECIALIZED VEHICLES BY WULING INDUSTRIAL FOLLOWING COMPLETION OF THE ACQUISITION

As at the date of this announcement, Wuling Specialized Vehicles is an indirect non-wholly owned subsidiary of the Company, the equity interest of which is beneficially owned as to approximately 93.33%, 2% and approximately 4.67% by Wuling Industrial, Liuzhou Wuling and Wuling United respectively. Immediately upon completion of the Acquisition under the Equity Transfer Agreement, Wuling Specialized Vehicles will be owned as to approximately 95.33% and approximately 4.67% by Wuling Industrial and Wuling United respectively.

Wuling United is also an indirect non-wholly owned subsidiary of the Company, the equity interest of which is beneficially wholly-owned by Wuling Industrial.

Wuling Industrial is undergoing process to absorb and merge all the business, assets and liabilities (including but not limited to the approximately 4.67% equity interest in Wuling Specialized Vehicles currently beneficially owned by Wuling United) of Wuling United, which is a direct wholly-owned subsidiary of Wuling Industrial. It is proposed that following completion of the Acquisition, all the business, assets and liabilities of Wuling Specialized Vehicles, which shall be an indirect wholly-owned subsidiary of Wuling Industrial upon completion of the Acquisition, shall be absorbed by and merged with Wuling Industrial. The Company confirms that as at the date of this announcement, all of the

necessary approvals relating to the WU Absorption and Merger Transaction and WSV Absorption and Merger Transaction have been obtained from the relevant government authorities in the PRC, and is under process. Upon completion of the transfer of all the business, assets and liabilities of Wuling United and Wuling Specialized Vehicles to Wuling Industrial respectively under the WU Absorption and Merger Transaction and the WSV Absorption and Merger Transaction, the Group will take all necessary steps for the purpose of dissolution of Wuling United and Wuling Specialized Vehicles accordingly.

INFORMATION ON LIUZHOU WULING

Liuzhou Wuling is a wholly stated-owned limited liability company established in the PRC with the State-owned Assets Supervisions and Administration Commission of the People's Government of Guangxi Zhuang Autonomous Region* (廣西壯族自治區人民政府國有資產監督管理委員會) being its registered shareholder empowered by the People's Government of Guangxi Zhuang Autonomous Region* (廣西壯族自治區人民政府). Liuzhou Wuling and its subsidiaries are principally engaged in the business of trading, manufacturing and design of various types of machinery, moulds and tools for the production of motor vehicles, engines and other related components, the provision of other related services and properties rental.

Liuzhou Wuling is also a substantial shareholder of the Company which is beneficially interested in approximately 37.05% of the total issued share capital of the Company, and therefore is a connected person of the Company.

INFORMATION ON THE COMPANY AND WULING INDUSTRIAL

Wuling Industrial is a sino-foreign joint venture, which is currently owned as to approximately 50.98% and approximately 49.02% by the Company and Liuzhou Wuling respectively. Accordingly, Wuling Industrial is a non-wholly owned subsidiary of the Company. The Company, through Wuling Industrial and its subsidiaries, is principally engaged in the manufacturing and trading of engines and parts, automotive components and accessories, specialized vehicles, as well as the trading of raw materials, water and power supply services in the PRC.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE ABSORPTION AND MERGER

Wuling Specialized Vehicles is an indirect non-wholly owned subsidiary of the Company. It was established on 10 December 2003 in the PRC by Liuzhou Wuling as its wholly-owned subsidiary then with a registered and paid up capital of RMB15,000,000. During 2006 and 2007, in consequence of a series of corporate restructure exercises, Wuling Specialized Vehicles changed into its current status as a Sino-Foreign equity joint venture enterprise (外商投資企業和內資合資企業), and Wuling Industrial, Wuling United and Liuzhou Wuling have become its shareholders since completion of such corporate restructure exercises. The principal activities of Wuling Specialized Vehicles are the manufacturing and sale of special vehicles including various types of multi-purpose mini-vans, redecorated vans and mini-container wagons, etc.

Wuling United is also an indirect non-wholly owned subsidiary of the Company established on 25 December 2001. It is a wholly foreign owned enterprise (外商投資企業獨資企業) principally engaged in manufacture and sale of automobile spare parts and other accessories.

The Group's automobile and related businesses are carried out by Wuling Industrial, a non-wholly owned subsidiary approximately 50.98% equity interest of which is directly held by the Company, and its subsidiaries which include Wuling United and Wuling Specialized Vehicles. As disclosed in the Company's annual report for the year ended 31 December 2011, the Group has been continuously planning and implementing appropriate operation enhancement programmes, which include certain corporate restructure exercises with the objectives of streamlining its operations and improving its management control so as to stay competitive in the automobile industry in the PRC. To facilitate the implementation of these operation enhancement programmes, Wuling Industrial entered into the Equity Transfer Agreement to acquire the 2% equity interest in Wuling Specialized Vehicles currently not directly or indirectly held by Wuling Industrial for the purpose of consolidating Wuling Industrial's control over Wuling Specialized Vehicles. Upon completion of the Equity Transfer Agreement, the entire equity interest of each of Wuling United and Wuling Specialized Vehicles will be directly or indirectly owned by Wuling Industrial.

For the purposes of further cost saving and efficiency enhancement, the Group is undertaking necessary steps to (i) integrate the operations of Wuling United and Wuling Specialized Vehicles into Wuling Industrial, and (ii) dissolve Wuling United and Wuling Specialized Vehicles after transferring all of their respective business, assets and liabilities to Wuling Industrial pursuant to the WU Absorption and Merger Transaction and the WSV Absorption and Merger Transaction respectively.

The Company is of the view that the Acquisition under the Equity Transfer Agreement and the integration of all of the business, assets and liabilities of Wuling United and Wuling Specialized Vehicles pursuant to the WU Absorption and Merger Transaction and the WSV Absorption and Merger Transaction respectively (i) will lead to a better control and management of operation of the automobile and related business of Wuling Industrial; (ii) is in line with the Group's planning to optimize its organization structure; (iii) will help to enhance the operation efficiency of the group; and (iv) will achieve cost saving for the Group.

With regard to the Acquisition which constitutes a connected transaction under the Listing Rules as detailed below, the Directors (including the independent non-executive Directors) consider that the Equity Transfer Agreement was entered into on normal commercial terms and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Mr. Sun Shaoli, Mr. Wei Hongwen and Mr. Zhong Xianhua are also directors or senior management of Liuzhou Wuling, and have abstained from voting at the related Board meeting to approve the transactions contemplated under the Equity Transfer Agreement. Other than those Directors mentioned in this paragraph, none of the Directors has a material interest in the transactions contemplated under the Acquisition.

Further, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has not entered into any connected transaction in the past 12 months that would require to be aggregated with the Acquisition to determine the Listing Rule requirements to which the Acquisition should be subject.

FINANCIAL INFORMATION ON WULING SPECIALIZED VEHICLES

In accordance with the PRC GAAP, the audited net asset value of Wuling Specialized Vehicles as of 31 December 2011 was approximately RMB80,386,000 and unaudited net asset value as of 30 June 2012 was approximately RMB78,794,000.

For the two financial years ended 31 December 2010 and 2011 and financial period ended 30 June 2012, the net profit and profit after taxation and extraordinary items of Wuling Specialized Vehicles prepared in accordance with PRC GAAP were as follows:

	For the year ended 31 December 2010 (RMB) (audited)	For the year ended 31 December 2011 (RMB) (audited)	For the period ended 30 June 2012 (RMB) (unaudited)
Profit before taxation and extraordinary items	23,784,987	6,877,365	17,633,108
Profit after taxation and extraordinary items	20,334,240	15,617,942	14,974,859

IMPLICATIONS OF THE LISTING RULES

As at the date of this announcement, Liuzhou Wuling is the ultimate holding company of Wuling HK which holds 433,651,975 Shares, representing approximately 37.05% of the total issued share capital of the Company, accordingly Liuzhou Wuling is a connected person of the Company. In addition, Wuling Industrial is a non-wholly owned subsidiary of the Company, the equity interest of which is beneficially owned as to approximately 50.98% and approximately 49.02% by the Company and Liuzhou Wuling, respectively. The Acquisition contemplated under the Equity Transfer Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios as set out in Rule 14.08 of the Listing Rules are more than 0.1% but less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition by Wuling Industrial of the 2% equity interest in Wuling Specialized Vehicles from Liuzhou Wuling for a consideration of RMB1,792,408 subject to the terms and conditions of the Equity Transfer Agreement
“Board”	the board of the Directors
“Company”	Wuling Motors Holdings Limited (五菱汽車集團控股有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the cash consideration of the Acquisition under the Equity Transfer Agreement in the amount of RMB1,792,408 (equivalent to approximately HK\$2,241,000)
“Directors”	the directors of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 23 January 2013 and entered into between Liuzhou Wuling and Wuling Industrial for the proposed acquisition of 2% equity interest in Wuling Specialized Vehicles by Wuling Industrial
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Valuer”	Guangxi Tianhua Assets Appraisal Company Limited* (廣西天華資產評估有限責任公司)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Liuzhou Wuling”	柳州五菱汽車有限責任公司 (Liuzhou Wuling Motors Company Limited*), a wholly state-owned limited enterprise established in the PRC, being the ultimate beneficial controlling Shareholder
“PRC”	The People’s Republic of China
“PRC GAAP”	The Generally Accepted Accounting Principles in the PRC

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuling HK”	Wuling (Hong Kong) Holdings Limited, a company incorporated in Hong Kong with limited liability and a controlling Shareholder which is currently beneficially interested in approximately 37.05% of the issued share capital of the Company. It is an indirect wholly-owned subsidiary of Liuzhou Wuling
“Wuling Industrial”	柳州五菱汽車工業有限公司 (Liuzhou Wuling Motors Industrial Company Limited*), a company established in the PRC and a non-wholly owned subsidiary of the Company
“Wuling Specialized Vehicles”	柳州五菱專用汽車製造有限公司 (Liuzhou Wuling Specialized Vehicles Manufacturing Company Limited*), a company established in the PRC and a non-wholly owned subsidiary of Wuling Industrial
“Wuling United”	柳州五菱汽車聯合發展有限公司 (Liuzhou Wuling Motors United Development Company Limited*), a company established in the PRC and a non-wholly owned subsidiary of Wuling Industrial as at the date of this announcement
“WSV Absorption and Merger Transaction”	transaction(s) to be entered into between Wuling Industrial and Wuling Specialized Vehicles relating to the transfer of all of the businesses, assets and liabilities of Wuling Specialized Vehicles to Wuling Industrial and the subsequent dissolution of Wuling Specialized Vehicles
“WU Absorption and Merger Transaction”	transaction(s) entered into between Wuling Industrial and Wuling United relating to the transfer of all of the businesses, assets and liabilities of Wuling United to Wuling Industrial and the subsequent dissolution of Wuling United

Conversion of RMB into Hong Kong dollars are, based on the exchange rate of RMB1 to HK\$1.25, for information purpose only. Such conversion should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

By Order of the Board
Wuling Motors Holdings Limited
Sun Shaoli
Chairman

Hong Kong, 23 January 2013

As at the date of this announcement, the Board comprises Mr. Sun Shaoli (Chairman), Mr. Lee Shing (Vice-chairman and Chief Executive Officer), Mr. Wei Hongwen, Mr. Zhong Xianhua, Ms. Liu Yaling and Mr. Zhou Sheji as executive Directors, and Mr. Yu Xiumin, Mr. Zuo Duofu and Mr. Ye Xiang as independent non-executive Directors.

** For identification purposes only*