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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)

VOLUNTARY ANNOUNCEMENT

ESTABLISHMENT OF A NEW PRODUCTION FACILITY IN INDONESIA

This is a voluntary announcement made by Wuling Motors Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to provide the following update on the progress of the establishment of the Group’s first overseas production base located in Indonesia (the “**Indonesian Production Base**”) as mentioned in the chairman’s statement set out in the Company’s annual report for the year ended 31 December 2015 (the “**Chairman’s Statement**”).

FORMATION OF WULING INDONESIA

On 17 March 2016, PT. LZWL Motors Indonesia (“**Wuling Indonesia**”) was formally registered and set up in Indonesia as an indirect non-wholly owned subsidiary of the Company, which would act as the principal operating entity of the Indonesian Production Base. Wuling Indonesia is an indirect wholly-owned subsidiary of Liuzhou Wuling Motors Industrial Company Limited* (柳州五菱汽車工業有限公司) (“**Wuling Industrial**”), which in turn is a direct non-wholly owned subsidiary of the Company and is currently owned as to approximately 54.86% by the Company and as to approximately 45.14% by Guangxi Automobile Holdings Limited* (廣西汽車集團有限公司), the ultimate controlling shareholder of the Company.

Wuling Industrial and its subsidiaries are principally engaged in the manufacturing and trading of engines and parts, automotive components and accessories, specialized vehicles and the trading of raw materials, water and power supply services in the People’s Republic of China (the “**PRC**”). It is currently planned that the principal activities of Wuling Indonesia, on commencement of its operations, will be the manufacturing and trading of automotive components and accessories in Indonesia, serving primarily the demands of a major customer of the Group (the “**Main Customer**”), which is also establishing its own production base in Indonesia.

LEASING OF THE FACTORY PREMISES AND CONSTRUCTION AND INSTALLATION OF THE PRODUCTION LINES AND FACILITIES

The Group is currently in negotiations with the Main Customer for the leasing of certain factory premises located in Jakarta, Indonesia from an associate of the Main Customer, which factory premises are currently under construction and will be occupied by Wuling Indonesia for the establishment of the Indonesian Production Base (the “**Factory Premises**”). It is expected that a formal tenancy of the Factory Premises will be entered into by the relevant parties in the near future.

Based on the current plan, construction and installation of the production lines and facilities in the Factory Premises will commence in the second half of 2016 and will take about one year to complete. The production lines and facilities planned to be installed and constructed will comprise a number of welding, stamping and assembly production lines for manufacturing of the automotive components for the rear suspension, front axle parts of vehicles, with a planned production volume of 150,000 sets/units per annum. Based on the Group’s current estimation, the total capital expenditure of the machinery and equipment for the construction and installation of these production lines and facilities will amount to approximately RMB170 million. Individual contracts for the acquisition and installation of the machinery and equipment will be entered into with respective suppliers and service providers in due course following completion of the required tendering and approval procedures by the Group. Announcements will be made by the Company upon the entering into of these contracts as and when necessary in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REASONS FOR THE ESTABLISHMENT OF THE INDONESIAN PRODUCTION BASE

As mentioned in the Chairman’s Statement, over the past few years, the Group has taken strategic steps in the PRC to transform from a single production point operation in Liuzhou into an inter-provincial production group with facilities in Guangxi, Shandong and Chongqing, accomplishing a synchronized expansion and improvement in terms of corporate size and core competitiveness, meanwhile establishing a sound foundation for the Group’s business growth and sustainable development in the future. These strategic steps, accompanied with the satisfactory growth in the business volume of the Main Customer and other customers over the past few years, have benefited the business performance of the Group. Total revenue of the Group was increased from approximately RMB 7,112 million for the year ended 31 December 2008 to approximately RMB 13,451 million for the year ended 31 December 2015, whereas, gross profit of the Group was also increased from approximately RMB 772 million for the year ended 31 December 2008 to approximately RMB 1,521 million for the year ended 31 December 2015.

Apart from the improvement in business performance, these strategic steps over the past few years have strengthened the commercial collaboration between the Group and the Main Customer in pursuing current businesses as well as other future business opportunities. As the Main Customer has been actively promoting its overseas business activities by establishing its production plant in Indonesia, as mentioned in the Chairman’s Statement, the Group has kept pace with such development of the Main Customer and decided to develop its overseas businesses concurrently with the Main Customer. As such, the project for the construction of the Indonesian Production Base to cope with the potential business activities of the Main Customer was therefore considered and formulated recently.

Being the fourth largest population country in the world and in consideration of its recent economic development, the Directors are of the view that there is great business potential for the automobile industry in Indonesia and consider that the geographical expansion of the Group's automotive components businesses in Indonesia is an appropriate expansion strategy for the Group for the time being. The Directors also consider the co-operation with the Main Customer in Indonesia will further strengthen the commercial collaboration between the Group and the Main Customer, which will be beneficial to the business performance of the Group.

On behalf of the Board
Wuling Motors Holdings Limited
Wei Hongwen
Chairman

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

Hong Kong, 23 May 2016