

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 IN RELATION TO  
THE EQUIPMENT PURCHASE AGREEMENT**

**EQUIPMENT PURCHASE AGREEMENT**

On 31 March 2017, Wuling Industrial, a non-wholly owned subsidiary of the Company, entered into the Equipment Purchase Agreement with Shanghai Yipu, pursuant to which Wuling Industrial (as the purchaser) agrees to purchase and Shanghai Yipu (as the vendor) agrees to sell the Equipment at the consideration of RMB3,076,923 (exclusive of VAT) in accordance with the terms and conditions of the Equipment Purchase Agreement.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Shanghai Yipu was held as to approximately 40% by Guangxi Automobile, while Guangxi Automobile, being the ultimate controlling Shareholder, through its direct and indirect wholly owned subsidiaries, holds approximately 56.04% of the total number of Shares in issue of the Company. In this regard, Shanghai Yipu is a connected person of the Company under Rule 14A.07 of the Listing Rules. The transaction contemplated under the Equipment Purchase Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Reference is also made to the announcement dated 25 January 2017, the Purchaser and Vendor entered into the equipment purchase agreement, pursuant to which the Purchaser agrees to purchase and the Vendor agrees to sell the equipment at the consideration of RMB34,829,060 (exclusive of VAT) in accordance with the terms and conditions of the then equipment purchase agreement. Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, the connected transactions entered into between Wuling Industrial and Shanghai Yipu within a 12-month period will be considered to aggregate as one connected transaction at a total consideration of RMB 37,905,983 (exclusive of VAT).

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for the aggregate transactions under the Equipment Purchase Agreement is/are more than 0.1% but less than 5%, therefore, it is subject to reporting and announcement requirements but exempt from the independent shareholders' approval under Chapter 14A.76 of the Listing Rules.

## **EQUIPMENT PURCHASE AGREEMENT**

On 31 March 2017, Wuling Industrial, a non-wholly owned subsidiary of the Company, entered into the Equipment Purchase Agreement with Shanghai Yipu, pursuant to which Wuling Industrial as the Purchaser agrees to purchase and Shanghai Yipu as the Vendor agrees to sell the Equipment at the consideration of RMB3,076,923 (exclusive of VAT) in accordance with the terms and conditions of the Equipment Purchase Agreement.

### **PRINCIPAL TERMS OF THE EQUIPMENT PURCHASE AGREEMENT**

**Date:** 31 March 2017

**Parties:** (a) The Vendor: Shanghai Yipu Automatic Equipment Co., Limited\* (上海詣譜自動化裝備有限公司); and  
(b) The Purchaser: Liuzhou Wuling Motors Industrial Company Limited\* (柳州五菱汽車工業有限公司), a non-wholly owned subsidiary of the Company.

**Assets to be purchased and the period of completion and installation:** The Equipment to be purchased comprises primarily three new sets of industrial robotic workstation designated and installed and the modification work of two existing workstations for the production of vehicle's exhaust silencers by Wuling Industrial for supplying to the new passenger vehicles manufactured by its customer, SGMW, which will be delivered to the Liuzhou factory of Wuling Industrial in the PRC before 25 April 2017 and installed before 30 April 2017.

**Consideration:** The gross and net consideration for the Equipment payable by the Purchaser to the Vendor amounted to RMB3,600,000 (inclusive of VAT) and RMB3,076,923 (exclusive of VAT) respectively.

The Group's standard tender process has been applied to determine the Consideration for the Equipment, which is the lowest tender price.

Having considered the above, the Directors are of the view that the consideration of the Equipment Purchase Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**Payment terms:** The amount of gross consideration of RMB3,600,000 shall be paid by the Purchaser to the Vendor in accordance with the following phases:

- (i) 30% of the consideration (RMB1,080,000) shall be paid immediately after the signing of the Equipment Purchase Agreement;
- (ii) 40% of the consideration (RMB1,440,000) shall be paid before the delivery of the products; and
- (iii) 30% of the consideration (RMB1,080,000) shall be paid after receiving the relevant value-added tax invoice and the acceptance report of the Equipment issued by the Vendor.

**Quality guarantee:** An additional 5% of the Consideration (RMB180,000) as quality guarantee fee will be paid by the Purchaser after the one year warranty period subject to the fulfilment of the maintenance service for the Equipment provided by the Vendor.

**Other conditions:**

- (a) The Vendor is obliged to follow the technical specifications as required by the Purchaser in designing and manufacturing the Equipment such that the automotive parts and components to be manufactured from the Equipment could meet the required production and quality standard of the Group and its customers;
- (b) The Vendor is required to comply with the standards of the Group including but not limited to the safety and environmental control standards during the designing and installation processes of the Equipment; and
- (c) One year warranty period will commence from the final acceptance of the Equipment and the completion of operation training session offered by the Vendor.

## **INFORMATION ON THE GROUP AND THE VENDOR**

### **The Group**

The Group, including Wuling Industrial Group, 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.

## **The Vendor**

The Vendor, 上海詣譜自動化裝備有限公司 (Shanghai Yipu Automatic Equipment Co., Ltd\*), is a company established in the PRC and is principally engaged in the design, construction and integration work of automatic production lines and welding fixture devices, as well as the manufacturing of molds, tooling and components for machinery and motor vehicles. It was incorporated in March 2014 by Independent Third Parties and became an associated company of Guangxi Automobile following the completion of the acquisition of 40% interests by Guangxi Automobile in September 2016.

## **DIRECTORS' CONFIRMATION**

Messrs. Yuan Zhijun, Zhong Xianhua and Yang Jianyong, who are the executive Directors and also directors or senior management of Guangxi Automobile Group, have abstained from voting on the related Board resolutions to approve the Equipment Purchase Agreement and the transactions contemplated thereunder.

Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Equipment Purchase Agreement and is required to abstain from voting on the relevant Board resolutions relating to the Equipment Purchase Agreement.

## **REASONS FOR AND BENEFITS OF THE AGREEMENTS**

As disclosed in the interim report of the Company for the six months ended 30 June 2016 and the final results announcement of the Company for the year ended 31 December 2016, the Group has planned to expand and upgrade its production capacity to meet the customer demands in view of the anticipated growth of business of SGMW from the existing vehicle models and the launches of new vehicle models. As such, the production facilities of Wuling Industrial, including the factories located in Liuzhou, the PRC, will be required to undertake the certain technology improvement and expand the production capacity due to the launches of the new passenger vehicles by SGMW. The acquisition of the Equipment under the Equipment Purchase Agreement involves the establishment of the requisite industrial robotic workstations for the production of the vehicle's exhaust silencers for supplying to the new passenger vehicles manufactured by SGMW, which is planned to commence production in May 2017.

The Equipment Purchase Agreement was entered into through the Group's standard tender process with reference with the market price of similar equipment. The Purchaser received four tender offers from the Vendor and three other Independent Third Parties. The tender price, i.e. the Consideration, finally offered by the Vendor was the lowest price through the tender process. Furthermore, the Vendor, as an associate of Guangxi Automobile, would be familiar with standards and specifications of Wuling Industrial's products. In this regard, the Directors believe that the Vendor would provide a quicker and more direct response to any problem or additional requirement on the Equipment to be acquired.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Equipment Purchase Agreement are on normal commercial terms and in the ordinary and usual course of business of the Company. Therefore, it is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Shanghai Yipu was held as to approximately 40% by Guangxi Automobile, while Guangxi Automobile, being the ultimate controlling Shareholder, through its direct and indirect wholly owned subsidiaries, holds approximately 56.04% of the total number of Shares in issue of the Company. In this regard, Shanghai Yipu is a connected person of the Company under Rule 14A.07 of the Listing Rules. The transaction contemplated under the Equipment Purchase Agreement constitutes a connected transaction for the Company under Rule 14A.25 of the Listing Rules.

Reference is also made to the announcement dated 25 January 2017, the Purchaser and Vendor entered into the equipment purchase agreement, pursuant to which the Purchaser agrees to purchase and the Vendor agrees to sell the equipment at the consideration of RMB34,829,060 (exclusive of VAT) in accordance with the terms and conditions of the then equipment purchase agreement. Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, the connected transactions entered into between Wuling Industrial and Shanghai Yipu within a 12-month period will be considered to aggregate as one connected transaction at a total consideration of RMB 37,905,983 (exclusive of VAT).

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the aggregate transactions under the Equipment Purchase Agreement is/are more than 0.1% but less than 5%, therefore, it is subject to reporting and announcement requirements but exempt from the independent shareholders' approval under Chapter 14A.76(2) of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Wuling Motors Holdings Limited, a company incorporated in Bermuda with limited liability and the shares which are listed on the Stock Exchange (stock code: 305.HK)
“connect person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	Director(s) of the Company
“Equipment”	comprises primarily three new sets of industrial robotic workstation designated and installed and the modification work two existing workstations for the production of specific automotive components to be supplied by Wuling Industrial to SGMW
“Equipment Purchase Agreement”	the equipment purchase agreement entered in between Wuling Industrial and Shanghai Yipu, pursuant to which Wuling Industrial agrees to purchase and Shanghai Yipu agrees to sell the Equipment

“Group”	the Company and its subsidiaries
“Guangxi Automobile”	廣西汽車集團有限公司 (Guangxi Automobile Group Co., Limited*), a state-controlled company established in the PRC with the State-owned Assets Supervision 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 the registered shareholder empowered by the People’s Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府), being the ultimate beneficial controlling Shareholder which is indirectly interested in approximately 56.04% of the total number of Shares in issue of the Company as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Yipu” or “Vendor”	上海詣譜自動化裝備有限公司 (Shanghai Yipu automatic equipment Co., Ltd*), a company established in the PRC and held as to approximately 40% by Guangxi Automobile
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	Holder(s) of the share(s) of the Company
“SGMW”	上汽通用五菱汽車股份有限公司 (SAIC-GM-Wuling Automobile Co., Limited*), a company established in the PRC and a joint venture formed among Shanghai Automobile Industry (Group) Company Limited, GM (China) Investment Co., Limited and Guangxi Automobile and is currently a major customer of Wuling Industrial Group’s businesses in engines and automotive components
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VAT”	the value-added tax
“Wuling Industrial” or “Purchaser”	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 Industrial Group” Wuling Industrial and its subsidiaries

“%” per cent

On behalf of the Board  
**Wuling Motors Holdings Limited**  
**Yuan Zhijun**  
*Chairman*

Hong Kong, 31 March 2017

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

\* *For identification purposes only*