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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE EQUIPMENT PURCHASE AGREEMENT**

THE EQUIPMENT PURCHASE AGREEMENT

On 26 May 2017, Wuling Industrial, a non-wholly owned subsidiary of the Company, entered into the Equipment Purchase Agreement with JIER Machine-Tool, pursuant to which Wuling Industrial agreed to purchase and JIER Machine-Tool agreed to sell the Equipment at the consideration of RMB53,670,000 (exclusive of VAT) in accordance with the terms and conditions of the Equipment Purchase Agreement.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the consideration payable under the Equipment Purchase Agreement is more than 5% but less than 25%, therefore, the execution of the Equipment Purchase Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

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PRINCIPAL TERMS OF THE EQUIPMENT PURCHASE AGREEMENT

Date: 26 May 2017

Parties: (a) The Vendor: JIER Machine-Tool; and

(b) The Purchaser: Shandong branch office of Liuzhou Wuling Motors Industrial Company Limited* (柳州五菱汽車工業有限公司山東分公司), a non-wholly owned subsidiary of the Company, which operations are located at the Qingdao Production Facility

Equipment to be purchased The Equipment to be purchased comprises primarily an automatic pressing production-line to be used for the production of automotive components at the Qingdao Production Facility.

Consideration: The consideration for the Equipment payable by the Purchaser to the Vendor amounted to RMB53,670,000 (exclusive of VAT).

The Group's standard tender process has been applied to determine the Vendor of the Equipment and the Consideration for the Equipment Purchase Agreement, in which JIER Machine-Tool was concluded as the Vendor based on the overall evaluation of the technical capability and market reputation of and the terms offered by the respective tendered vendors.

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 consideration of RMB53,670,000 shall be paid by the Purchaser to the Vendor in accordance with the following phases:

- (i) 30% of the consideration (RMB16,101,000) and the related VAT of RMB2,737,170 shall be paid within 30 days after the entering of the Equipment Purchase Agreement;
- (ii) 30% of the consideration (RMB16,101,000) and the related VAT of RMB2,737,170 shall be paid within 20 days upon presentation of the relevant VAT invoice after the confirmation of the design drawing of the Equipment;
- (iii) 30% of the consideration (RMB16,101,000) and the related VAT of RMB2,737,170 shall be paid within 20 days upon presentation of the relevant VAT invoice after receiving the delivery advice of the Equipment issued by the Vendor; and

(iv) 10% of the consideration (RMB5,367,000) and the related VAT of RMB912,390 shall be paid within 20 days upon presentation of the relevant VAT invoice after the final acceptance of the Equipment.

Quality guarantee:

A bank guarantee with the amount of 5% of the consideration (RMB2,683,500) shall be provided by the Vendor as quality guarantee (“**Guarantee**”) within a month after receiving the final payment as stated in the payment phase (iv) above.

The Purchaser shall return the Guarantee to the Vendor after the one year warranty period commencing from the final acceptance of the Equipment, which is subject to the fulfilment of the maintenance service for the Equipment provided 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

JIER Machine-Tool is principally engaged in the business of design, manufacture, and installation of large scale mechanical pressing machine as well as the related after-sales services.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, JIER Machine-Tool, and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF THE EQUIPMENT PURCHASE AGREEMENT

As disclosed in the annual report 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 Qingdao Production Facility, are 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 which involves the construction of an automatic pressing production-line is an essential part of these technology enhancement and capacity expansion programmes at the Qingdao Production Facility. The Equipment to be acquired will be

utilized for the production of automotive components, comprising certain vehicle frame structures of the new passenger vehicles manufactured by SGMW, which orders have been gradually commenced from May 2017.

The Equipment Purchase Agreement was entered into through the Group's standard tender process with reference to the market price of similar equipment. JIER Machine-Tool was concluded as the Vendor based on the overall evaluation of the technical capability and market reputation of and the terms offered by the respective tendered vendors.

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 one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the consideration payable under the Equipment Purchase Agreement is more than 5% but less than 25%, therefore, the execution of the Equipment Purchase Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under 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”	an automatic pressing production-line to be used for the production of automotive components at the Qingdao Production Facility
“Equipment Purchase Agreement”	the equipment purchase agreement entered in between Wuling Industrial and JIER Machine-Tool, pursuant to which Wuling Industrial agreed to purchase and JIER Machine-Tool agreed to sell the Equipment
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“JIER Machine-Tool” or “Vendor”	濟南二機床集團有限公司(JIER Machine-Tool Group Co., Limited*) a company incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Qingdao Production Facility”	The production facilities operated by the Shandong branch office of Wuling Industrial
“RMB”	Renminbi, the lawful currency of the PRC
“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, 26 May 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