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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 12 January 2018 (after trading hours), Wuling Industrial, an indirect 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 RMB54,330,000 (exclusive of VAT) in accordance with the terms and conditions of the Equipment Purchase Agreement.

**LISTING RULES IMPLICATIONS**

Reference is made to the announcement dated 26 May 2017, Wuling Industrial and JIER Machine-Tool entered into the Previous Equipment Purchase Agreement, pursuant to which Wuling Industrial agreed to purchase and JIER Machine-Tool agreed to sell an automatic pressing production-line at the consideration of RMB53,670,000 (exclusive of VAT) in accordance with the terms and conditions of the Previous Equipment Purchase Agreement.

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Previous Equipment Purchase Agreement and the Equipment Purchase Agreement were entered into between Wuling Industrial and JIER Machine-Tool within a 12-month period, all transactions respectively contemplated under those agreements are considered and be aggregated as one transaction at a total consideration of RMB108,000,000 (exclusive of VAT).

As one of the highest applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the aggregate transactions under the Previous Equipment Purchase Agreement and Equipment Purchase Agreement is more than 5% but less than 25%, the entering into of the Equipment Purchase Agreement by Wuling Industrial constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## THE EQUIPMENT PURCHASE AGREEMENT

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### PRINCIPAL TERMS OF THE EQUIPMENT PURCHASE AGREEMENT

- Date:** 12 January 2018
- Parties:**
- (a) The Vendor: JIER Machine-Tool Group Co., Limited\* (濟南二機床集團有限公司); 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).
- Equipment to be purchased:** The Equipment to be purchased from and set up by the Vendor comprises primarily an automatic pressing production-line to be used for the production of automotive components by Wuling industrial at its Qingdao Production Facility.
- Consideration:** The consideration payable by the Purchaser to the Vendor amounted to RMB54,330,000 (exclusive of VAT). The Purchaser will also pay an amount of RMB9,236,100, being the relevant VAT at the rate of 17% of the consideration.
- Basis of consideration:** The Equipment Purchase Agreement was entered into through the Group's standard tender process with reference to the market prices of equipment similar to the Equipment. The tender price finally offered by JIER Machine-Tool in respect of the Equipment was the lowest price in the relevant tender process among all qualified bidders. Besides, the delivery term offered by JIER Machine-Tool was also considered as the most desirable among all qualified bidders.
- Having considered the above, the Directors are of the view that the consideration for the Equipment is fair and reasonable and in the interests of the Company as a whole.

**Payment terms:**

The consideration of RMB54,330,000 and the relevant VAT of RMB9,236,100 will be paid by the Purchaser to the Vendor in accordance with the following phases:

- (i) RMB16,299,000 (being 30% of the consideration) will be paid before the 30th day of the month following the date of the Equipment Purchase Agreement;
- (ii) RMB16,299,000 (being 30% of the consideration), together with an amount of RMB5,541,660 (being the VAT in the respect of 60% of the consideration payable under the above phase (i) and this phase (ii)), will be paid before the 30th day of the month following the completion of the design drawing of the Equipment and the presentation of the relevant VAT invoice to the Purchaser;
- (iii) RMB16,299,000 (being 30% of the consideration), together with an amount of RMB3,694,440 (being the VAT in the respect of 40% of the consideration payable under this phase (iii) and phase (iv) below), will be paid after the Purchaser having received the delivery advice of the Equipment issued by the Vendor and the presentation of the relevant VAT invoice to the Purchaser; and
- (iv) RMB5,433,000 (being 10% of the consideration), will be paid before the 30th day of the month following the issue by the Purchaser of the final notice of acceptance/satisfaction of relevant tests on the Equipment.

**Quality guarantee:**

A bank guarantee with an amount equal to 5% of the consideration of RMB54,330,000 (equivalent to RMB2,716,500) shall be provided by the Vendor as quality guarantee (the “**Bank Guarantee**”) within a month after it having received the final payment of the consideration as stated in the payment phase (iv) above.

The Purchaser shall return the Bank Guarantee to the Vendor within one month upon expiry of the one year warranty period commencing from the date of the final acceptance of the Equipment, which is subject to the fulfilment of the quality standard and the maintenance service for the Equipment as guaranteed and provided by the Vendor under the Equipment Purchase Agreement.

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

### **The Group**

The Group, including Wuling Industrial and its subsidiaries, is principally engaged in the manufacturing and trading of engines and parts, automotive components and accessories, specialized vehicles (which covers the new energy vehicles, represented primarily by the electrical vehicles), as well as the trading of raw materials, water and power supply services.

### **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 certain technology improvement and expand the production capacity due to the launches of the new passenger vehicles by SGMW. There are currently five pressing production-lines at the Qingdao Production Facility which have been in operation for seven to ten years. All of these five pressing production-lines are hydraulic or mechanical pressing production lines which performances and efficiencies had been gradually declined. Reference is made to the announcement of the Company dated 26 May 2017 relating to the acquisition (“**Previous Acquisition**”) by Wuling Industrial of an equipment, which involves the construction of an automatic pressing production-line at the Qingdao Production Facility, also from the Vendor and is expected to be completed and delivered in the first half of 2018. The acquisition of the Equipment involving the construction of another automatic pressing production-line at the Qingdao Production Facility, together with the Previous Acquisition, is an essential part of the 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, mainly comprising certain vehicle frame structures of the passenger vehicles, including the new passenger vehicles which will be launched by SGMW in 2019.

The Equipment Purchase Agreement was entered into through the Group's standard tender process with reference to the market price of equipment similar to the Equipment. JIER Machine-Tool was concluded as the Vendor based on the overall evaluation of the technical capability and the terms offered by all qualified bidders, in particular as the tender price and the delivery term offered by JIER Machine-Tool in respect of the Equipment were respectively the lowest price and the most desirable in the relevant tender process among all qualified bidders.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Equipment Purchase Agreement, including the consideration of the Equipment and the payment terms thereof, 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**

Reference is made to the Company's announcement dated 26 May 2017. Wuling Industrial and JIER Machine-Tool entered into the Previous Equipment Purchase Agreement, pursuant to which Wuling Industrial agreed to purchase and JIER Machine-Tool agreed to sell an automatic pressing production-line at the consideration of RMB53,670,000 (exclusive of VAT) in accordance with the terms and conditions of the Previous Equipment Purchase Agreement.

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Previous Equipment Purchase Agreement and the Equipment Purchase Agreements were entered into between Wuling Industrial and JIER Machine-Tool within a 12-month period, all transactions respectively contemplated under those agreements are considered and be aggregated as one transaction at a total consideration of RMB108,000,000 (exclusive of VAT).

As one of the highest applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the aggregate transactions under the Previous Equipment Purchase Agreement and the Equipment Purchase Agreement is more than 5% but less than 25%, the entering into of the Equipment Purchase Agreement by Wuling Industrial constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 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”	The Equipment to be purchased from and set up by the Vendor comprises primarily an automatic pressing production-line to be used for the production of automotive components at the Qingdao Production Facility by Wuling Industrial
“Equipment Purchase Agreement”	an equipment purchase agreement entered into between Wuling Industrial and JIER Machine-Tool on 12 January 2018, pursuant to which Wuling Industrial agreed to purchase and JIER machine-Tool agreed to sell the Equipment
“Group”	the Company and its subsidiaries
“Guangxi Automobile”	廣西汽車集團有限公司 (Guangxi Automobile Holdings Limited*), a state-controlled enterprise established in the PRC, being the ultimate controlling Shareholder
“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, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Equipment Purchase Agreement”	as detailed in the Company’s announcement dated 26 May 2017, an equipment purchase agreement entered into between Wuling Industrial and JIER Machine-Tool on 26 May 2017, pursuant to which Wuling Industrial agrees to purchase and JIER Machine-Tool agreed to sell an equipment which comprises primarily an automatic pressing production-line to be used for the production of automotive components at the Qingdao Production Facility by Wuling Industrial
“Qingdao Production Facility”	The production facilities operated by the Shandong branch office of Wuling Industrial
“RMB”	Renminbi, the lawful currency of the PRC

“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
“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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, 12 January 2018

*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. Ye Xiang, Mr. Wang Yuben and Mr. Mi Jianguo as independent non-executive Directors.*

\* *For identification purpose only*