

ASX ANNOUNCEMENT

2 July 2018

SALE OF AHG REFRIGERATED LOGISTICS TERMINATED

Automotive Holdings Group Limited (AHG) today announces that HNA International (HNA) has confirmed that it is terminating the agreement announced on 23 November 2017 to acquire the Company's Refrigerated Logistics business.

AHG recently announced that FIRB approval of the transaction had not yet been obtained by HNA but a decision from FIRB was pending. That announcement also referenced ongoing discussions with HNA related to the transaction terms and confirmed there was no certainty that any revised transaction would be agreed between the parties.

AHG Managing Director John McConnell said he was disappointed with this outcome but said it ends an extended process of engagement with HNA and would allow the Refrigerated Logistics management team to focus fully on running the business.

In early FY2017, AHG commenced a restructuring program aimed at improving the division's operating efficiency through investment in information technology and integration of the four operating businesses to realise the benefits of scale. AHG was committed to completing that transformation program and did not initiate the sale process with HNA.

"HNA made an unsolicited offer for the Refrigerated Logistics division last year and we engaged with HNA. Unfortunately since that approach HNA has run into liquidity problems which combined with the delayed FIRB process left the conditions precedent unable to be satisfied within an agreed timeframe," said Mr McConnell.

"It is a tribute to Stephen Cleary and his team that they have been able to continue to progress the transformation program while also dealing with HNA in relation to the proposed sale."

"The intent was always to complete the investment phase of the transformation program and create optionality regarding the future for Refrigerated Logistics and we will maintain our focus on that," said Mr McConnell.

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About AHG Automotive Holdings Group Limited (ASX: AHG) is a diversified automotive retailing and logistics group with operations in every Australian mainland state and in New Zealand. The Company is Australia's largest automotive retailer, with operations in Western Australia, New South Wales, Queensland and Victoria.

AHG's logistics businesses operate throughout Australia via subsidiaries Rand Transport, Harris Refrigerated Transport, Scott's Refrigerated Freightways and JAT Refrigerated Road Services (transport and cold storage), AMCAP (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), Higer Bus (bus and truck importation and distribution), and KTM Sportmotorcycles and HQVA (KTM and Husqvarna motorcycle importation and distribution in Australia and New Zealand).

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