



Media Contact:
Sean McCabe
703.969.7975

mccabe@pinkstongroup.com

Smith Electric Vehicles and Wanxiang Group Announce Investment and Joint Venture

Smith and Wanxiang sign letter of intent for \$25M investment in Smith and up to \$75M investment for a joint venture to develop and commercialize Smith all-electric commercial vehicles in China

KANSAS CITY, Mo., Feb. 17, 2011.--(BUSINESS WIRE)-- Smith Electric Vehicles Corp. (Smith), a global leader in all-electric commercial vehicles, announced today that it has signed a letter of intent with Wanxiang Group, a global leader in automotive parts manufacturing and supply. The principal terms include a \$25 million equity investment in Smith by Wanxiang and up to a \$75 million investment in a joint venture between Smith and Wanxiang to develop, manufacture and commercialize all-electric school buses and commercial vehicles for multiple industries in China. Under the Smith brand, these vehicles will combine Wanxiang's EV componentry technologies with Smith's proprietary platform vehicle designs, including its Smith Drive™ and Smith Power™ systems. Both the investment and the joint venture are subject to the execution of definitive agreements and receipt of regulatory and other third party approvals.

"Wanxiang's high quality precision manufacturing capabilities and purchasing relationships bring significant value to our business in our current stage of development," commented Bryan Hansel, chief executive officer and chairman of Smith. "Wanxiang is one of China's most respected companies and we look forward to a long, mutually beneficial relationship that advances the global commercial electric vehicle industry."

"Smith's market leadership in the U.S. and Europe bring valuable experience and technology to address the significant opportunity for all-electric commercial vehicles in China," said Pingyi Li, the executive director of Wanxiang EV Co. Ltd. "Working together, we see tremendous opportunity to serve this growing market and to leverage volume and cost synergies back into Smith's global business. We are pleased to have them as our partner."

Smith and Wanxiang signed a letter of intent this morning in Los Angeles, CA at the U.S.-China Economic and Trade Cooperation Forum, in connection with a meeting of prominent business leaders from the U.S. and China and a state visit by Chinese Vice President XI Jinping.

About Smith Electric Vehicles

Smith Electric Vehicles Corp. (www.smithelectric.com) develops, produces and sells zero-emission commercial electric vehicles that are designed to be an alternative to traditional diesel trucks,

providing higher efficiency and lower total cost of ownership. Smith's vehicle designs leverage more than 80 years of market knowledge from selling and servicing electric vehicles in the United Kingdom. Smith Electric Vehicles produces the Newton™ and the Edison™. The company operates manufacturing facilities in Kansas City, Mo., and outside of Newcastle, U.K.

About Wanxiang Group Corporation

Established in 1969 in China, Wanxiang Group is one of the largest non-government-owned companies in China, the country's largest automotive components manufacturer, and a conglomerate with more than 12 billion USD revenue covering businesses including financial services, renewable energies, agricultural products, international trading, natural resources, real estate, private equity and venture capital investment, and other areas. Wanxiang Group currently employs more than 30,000 employees worldwide, with 19 companies in 8 countries and a sales and marketing network covering over 50 countries. The Boston Consulting Group has listed Wanxiang Group as one of the 100 most challenging and successful companies in China.

SOURCE Smith Electric Vehicles Corp.