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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)

CONTINUING CONNECTED TRANSACTIONS
— GH TRADING TRANSACTIONS,
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
— GL WATER AND POWER SUPPLY SERVICES
AND KE PURCHASE TRANSACTIONS

GH TRADING TRANSACTIONS

On 30 December 2011, Wuling Industrial and Guihua entered into the GH Trading Agreements, which govern the GH Trading Transactions (the sales of raw materials to and purchase of automotive components and related accessories from Guihua by the Wuling Industrial Group) for a term of three years from 1 January 2012 to 31 December 2014.

As each of the applicable percentage ratios (as defined in the Listing Rules) for the transactions contemplated under the GH Trading Agreements is, on an annual basis, less than 5% under Rule 14A.34 of the Listing Rules, such transactions are subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GL WATER AND POWER SUPPLY SERVICES

Reference is made to the announcement of the Company dated 23 January 2009 in relation to the First Renewed GL Supply Agreement which shall expire on 31 December 2011. As the GL Water and Power Supply Services will continue after the expiration, on 30 December 2011, Wuling Industrial and Guangling entered into the New GL Supply Agreement for a term of three years from 1 January 2012 to 31 December 2014.

As each of the applicable percentage ratios (as defined in the Listing Rules) for the transactions contemplated under the New GL Supply Agreement is, on an annual basis, less than 5% under Rule 14A.34 of the Listing Rules, such transactions are subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

KE PURCHASE TRANSACTIONS

Reference is made to the announcement of the Company dated 23 January 2009 in relation to the First Renewed KE Purchase Agreement which shall expire on 31 December 2011. As the KE Purchase Transactions will continue after the expiration, on 30 December 2011, Wuling Industrial and KE Digital entered into the New KE Purchase Agreement for a term of three years from 1 January 2012 to 31 December 2014.

As each of the applicable percentage ratios (as defined in the Listing Rules) for the transactions contemplated under the New KE Purchase Agreement is, on an annual basis, less than 5% under Rule 14A.34 of the Listing Rules, such transactions are subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GH TRADING AGREEMENTS

The Directors announce that on 30 December 2011, Wuling Industrial, which is a non-wholly owned subsidiary of the Company, and Guihua, which is a non-wholly owned subsidiary of Liuzhou Wuling, entered into the GH Trading Agreements, which govern the GH Trading Transactions (the sales of raw materials to and purchase of automotive components and related accessories from Guihua by the Wuling Industrial Group) for a term of three years from 1 January 2012 to 31 December 2014.

Pursuant to the GH Trading Agreements, the parties thereto have conditionally agreed that for each of the three years ending 31 December 2014, the maximum aggregate value of the GH Purchase Transactions shall be RMB8 million (equivalent to approximately HK\$9.83 million), and the maximum aggregate value of the GH Sale Transactions shall be RMB7 million (equivalent to approximately HK\$8.60 million).

It was also set out in the GH Trading Agreements that Wuling Industrial and Guihua have agreed that:

1. each GH Trading Transactions will be conducted (i) in the ordinary and usual course of the business of the Group; (ii) on an arm's length basis; and (iii) either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms to the Group no less favourable than terms available to or from (as appropriate) Independent Third Parties;
2. the GH Trading Transactions will be reviewed by the independent non-executive Directors and the auditors of the Company annually, and their respective relevant reports, together with information on the GH Trading Transactions, will be set out in the Company's next annual report following the occurrence of the relevant GH Trading Transactions; and
3. Guihua will provide its relevant records for the auditors of the Company and Wuling Industrial during their course of review of the GH Trading Transactions.

Annual Caps

Wuling Industrial entered into the GH Trading Transactions with an annual cap of RMB8 million (equivalent of approximately HK\$9.83 million) for each of the three years ending 31 December 2014 for GH Purchase Transactions; and an annual cap of RMB7 million (equivalent of approximately HK\$8.60 million) for each of the three years ending 31 December 2014 for GH Sale Transactions. There were no GH Trading Transactions before the GH Trading Agreements.

The basis of the above annual caps are determined with reference to the initial business plan formulated between Wuling Industrial and Guihua, in respect of expected production which would require specific components from Guihua during the three years ending 31 December 2014.

The Directors are of the view that the GH Trading Transactions are virtually a kind of subcontracting services provided by Guihua for the Group's automotive components manufacturing activities as the raw materials sourced by Guihua from the Group under the GH Sale Transactions will be used by Guihua for its production of automotive components which will be subsequently sold back to the Wuling Industrial Group after processing under the GH Purchase Transactions.

Reasons for the GH Trading Agreements

Guihua is principally engaged in manufacturing and trading of tractors, farm transport vehicles, storage machines and agriculture machines. Due to certain idle capacity, Guihua has recently established a subcontracting division for manufacturing automotive components. Liuzhou Wuling is beneficially interested in approximately 62.24% of the equity interest of Guihua. In this regard, Guihua is a connected person of the Company under the Listing Rules.

The Group, including Wuling Industrial Group, is principally engaged in the business of manufacturing and trading of engines, automotive components and specialised vehicles in the PRC as well as the trading of raw materials, water and power supply services. The Group, through Wuling Industrial Group, would like to supply raw materials, including steel, to Guihua for its automotive components production operation, which is newly-established and plans to perform the subcontracting services of some automotive components for Wuling Industrial Group. In consideration of the competitive business environment, enterprises in the automobile industry are under pressure to lower its cost and at the same time have to ensure the reliability of supplies of components from the vendors. The Group considers it will be in the best interests for the Group in entering into the GH Sale Transactions having regard to the price quoted by Guihua for the specific automotive components to be supplied by them is among the most competitive and the affiliation of Guihua with the Group where continuous supplies of components are considered to be more reliable.

Mr. Sun Shaoli, Mr. Wei Hongwen and Mr. Zhong Xianhua, who hold positions in Liuzhou Wuling and Guihua, have abstained from voting on the board resolution passed to approve the GH Trading Transactions. Save as disclosed above, no other Director is regarded as having a material interest in the GH Trading Transactions, and hence no other Director has abstained from voting on the board resolution to approve the GH Trading Transactions.

The Directors, including the independent non-executive Directors, consider that the GH Trading Transactions will be conducted in the ordinary and usual course of the business of the Group. In addition, each GH Trading Transactions will be negotiated on an arm's length basis and will be conducted on normal commercial terms or on terms to the Group no less favourable than those available to or from (as appropriate) Independent Third Parties. Therefore, the Directors, including the independent non-executive Directors, consider that the terms, including the annual caps, of the GH Trading Transactions are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Group and the Shareholders as a whole.

THE NEW GL SUPPLY AGREEMENT

Reference is made to the announcement of the Company dated 23 January 2009 in relation to, among others, the First Renewed GL Supply Agreement. The First Renewed GL Supply Agreement shall expire on 31 December 2011. On 30 December 2011, Wuling Industrial and Guangling entered into the New GL Supply Agreement in relation to the GL Water and Power Supply Services (being the provision of water and power supply services by the Wuling Industrial Group to Guangling) to renew the term of the First Renewed GL Supply Agreement for three years from 1 January 2012 to 31 December 2014. Pursuant to the New GL Supply Agreement, the parties thereto have agreed that the maximum aggregate value for the GL Water and Power Supply Services shall be RMB2 million (equivalent to approximately HK\$2.46 million) for each of the three years ending 31 December 2014.

It was also set out in the New GL Supply Agreement that Wuling Industrial and Guangling have agreed that:

1. each of GL Water and Power Supply Services under the New GL Supply Agreement will be conducted (i) in the ordinary and usual course of business of the Wuling Industrial Group; (ii) on an arm's length basis; and (iii) either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms to the Wuling Industrial Group no less favourable than terms available to Independent Third Parties;
2. the GL Water and Power Supply Services under the New GL Supply Agreement will be reviewed by the independent non-executive Directors and the auditors of the Company annually, and their respective relevant reports, together with information on the GL Water and Power Supply Services under the New GL Supply Agreement, will be set out in the Company's next annual report following the occurrence of the relevant GL Water and Power Supply Services under the New GL Supply Agreement; and
3. Guangling will provide its relevant records for the auditors of the Company and Wuling Industrial during their course of review of the GL Water and Power Supply Services under the New GL Supply Agreement.

Annual Caps

It is proposed that the annual caps in respect of the GL Water and Power Supply Services under the New GL Supply Agreement for each of the three years ending 31 December 2014 is RMB2 million (equivalent to approximately HK\$2.46 million). During the years ended 31 December 2009, 2010 and eleven months ended 30 November 2011, the aggregate amount

of the GL Water and Power Supply Services under the First Renewed GL Supply Agreement amounted to RMB1,148,660, RMB1,188,106 and RMB1,699,717 respectively (equivalent to approximately HK\$1,411,000, HK\$1,459,000 and HK\$2,088,000 respectively) and was within the annual cap of RMB1.4 million, RMB1.7 million and RMB2 million respectively (equivalent to approximately HK\$1.72 million, HK\$2.09 million and HK\$2.46 million respectively) as disclosed in the announcement of the Company dated 23 January 2009.

The basis of the above annual caps for each of the three years ending 31 December 2014 is determined with reference to (a) the historical amounts of the GL Water and Power Supply Services for the years ended 31 December 2009, 2010 and eleven months ended 30 November 2011; and (b) the expected production volume of Guangling for the three years ending 31 December 2014.

Reasons for the New GL Supply Agreement

Guangling is principally engaged in (i) the trading and manufacturing and sale of mould tools and parts, including the pressing moulds and pressing parts for automotive components and other related products; and (ii) the provision of maintenance service on related equipment and facilities. Liuzhou Wuling, being a Substantial Shareholder of the Company, is beneficially interested in approximately 50.1% of the equity interest of Guangling.

The Wuling Industrial Group, the principal subsidiaries of the Group, is principally engaged in the business of manufacturing and trading of engines, automotive components and specialised vehicles in the PRC as well as the trading of raw materials, water and power supply services.

With regard to its trading and supply services, Wuling Industrial provides centralised procurement services to its group companies, customers and suppliers for the supply of raw materials, water and power. This centralised procurement mechanism strengthens the business relationships among the entities and enhances the efficiency and productivity of the entities' operations through the benefits of bulk purchases and scale operations. As a supplier to the Wuling Industrial Group, Guangling also participates in and enjoys the benefits from this centralised procurement mechanism.

Mr. Sun Shaoli, Mr. Wei Hongwen and Mr. Zhong Xianhua, who hold positions in Liuzhou Wuling, where Mr. Zhong Xianhua who also holds position in Guangling, have abstained from voting on the board resolution passed to approve the GL Water and Power Supply Services. Save as disclosed above, no other Director is regarded as having a material interest in the GL Water and Power Supply Services, and hence no other Director has abstained from voting on the board resolution to approve the GL Water and Power Supply Services.

The Directors, including the independent non-executive Directors, consider that the GL Water and Power Supply Services under the New GL Supply Agreement will be negotiated on an arm's length basis and will be provided on normal commercial terms or on terms to the Group no less favourable than those available to Independent Third Parties. Therefore, the Directors, including the independent non-executive Directors, consider that the terms, including the annual caps, of the GL Water and Power Supply Services are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Group and the Shareholders as a whole.

Apart from the GL Water and Power Supply Services, the Group, through the Wuling Industrial Group, is also engaged in the sales of raw materials to and purchases of automotive components and related accessories from Guangling for the three years ending 31 December 2013, details of which have been announced by the Company on 31 January 2011 and the Shareholders' approval has been obtained on 10 March 2011.

THE NEW KE PURCHASE AGREEMENT

Reference is made to the announcement of the Company dated 23 January 2009 in relation to the First Renewed KE Purchase Agreement. The First Renewed KE Purchase Agreement shall expire on 31 December 2011. On 30 December 2011, Wuling Industrial and KE Digital entered into the New KE Purchase Agreement in relation to the KE Purchase Transactions (being the purchases of certain electronic devices and components by the Wuling Industrial Group from KE Digital) to renew the term of the First Renewed KE Purchase Agreement for three years from 1 January 2012 to 31 December 2014. Pursuant to the New KE Purchase Agreement, the parties thereto have agreed that the maximum aggregate value for the KE Purchase Transactions shall be RMB7 million (equivalent to approximately HK\$8.60 million) for each of the three years ending 31 December 2014.

It was also set out in the New KE Purchase Agreement that Wuling Industrial and KE Digital have agreed that:

1. each of the KE Purchase Transactions under the New KE Purchase Agreement will be conducted (i) in the ordinary and usual course of business of the Wuling Industrial Group; (ii) on an arm's length basis; and (iii) either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms to the Wuling Industrial Group no less favourable than terms available from Independent Third Parties;
2. the KE Purchase Transactions under the New KE Purchase Agreement will be reviewed by the independent non-executive Directors and the auditors of the Company annually, and their respective relevant reports, together with information on the KE Purchase Transactions under the New KE Purchase Agreement, will be set out in the Company's next annual report following the occurrence of the relevant KE Purchase Transactions under the New KE Purchase Agreement; and
3. KE Digital will provide its relevant records for the auditors of the Company and Wuling Industrial during their course of review of the KE Purchase Transactions under the New KE Purchase Agreement.

Annual Caps

It is proposed that the annual caps in respect of the KE Purchase Transactions under the New KE Purchase Agreement for each of the three years ending 31 December 2014 is RMB7 million (equivalent to approximately HK\$8.60 million). During the years ended 31 December 2009, 2010 and eleven months ended 30 November 2011, the aggregate amount of the KE Purchase Transactions under the First Renewed KE Purchase Agreement amounted to RMB1,759,498, RMB2,782,970 and RMB1,477,391 respectively (equivalent to approximately HK\$2,161,000, HK\$3,418,000 and HK\$1,815,000 respectively) and the transaction amounts for the year ended 31 December 2009, 2010 and eleven months ended

30 November 2011 was within the annual cap of RMB2.5 million, RMB5 million and RMB7 million respectively (equivalent to approximately HK\$3.07 million, HK\$6.14 million and HK\$8.60 million respectively) as disclosed in the announcement of the Company dated 23 January 2009.

The basis of the above annual caps for the three years ending 31 December 2014 is determined with reference to (a) the historical amounts of the KE Purchase Transactions for the years ended 31 December 2009, 2010 and eleven months ended 30 November 2011; and (b) the expected production of electric vehicles of the Group that require specific electronic devices and components from KE Digital during the three years ending 31 December 2014.

Reasons for the New KE Purchase Agreement

KE Digital is principally engaged in (i) the research, development and the provision of various kinds of services involving the digital technology as well as other computer hardware and software knowhow and technology; (ii) the design and production of various kinds of specialised moulds and equipment; and (iii) the design and production of various kinds of electronic devices and components for motor vehicles. Liuzhou Wuling, being a Substantial Shareholder of the Company, is beneficially interested in approximately 98% of the equity interest of KE Digital.

The Group, including the Wuling Industrial Group, is principally engaged in the business of manufacturing and trading of engines, automotive components and specialised vehicles in the PRC as well as the trading of raw materials, water and power supply services. As certain products (including the electric vehicles) of the Group require the specific electronic devices and components designed and produced by KE Digital, the Group has to purchase such electronic devices and components from KE Digital.

Mr. Sun Shaoli, Mr. Wei Hongwen and Mr. Zhong Xianhua, who hold positions in Liuzhou Wuling, have abstained from voting on the board resolution passed to approve the KE Purchase Transactions. Save as disclosed above, no other Director is regarded having a material interest in the KE Purchase Transactions and were required to abstain from voting on the board resolution to approve the KE Purchase Transactions.

The Directors, including the independent non-executive Directors, consider that the KE Purchase Transactions under the New KE Purchase Agreement will be negotiated on an arm's length basis and will be provided on normal commercial terms or on terms to the Group no less favourable than those available from Independent Third Parties. Therefore, the Directors, including the independent non-executive Directors, consider that the terms, including the annual caps, of the KE Purchase Transactions under the New KE Purchase Agreement are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As each of the applicable percentage ratios (as defined in the Listing Rules) for the transactions contemplated under each of the GH Trading Agreements, the New GL Supply Agreement and the New KE Purchase Agreement is, on an annual basis, less than 5% under Rule 14A.34 of the Listing Rules, such transactions are subject to the reporting and

announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The GH Trading Agreements, the New GL Supply Agreement and the New KE Purchase Agreement are not conditional upon each other.

In the event that any of the respective annual caps applicable to the GH Trading Transactions, the GL Water and Power Supply Services and the KE Purchase Transactions as stated above is exceeded or if the Group enters into any new agreement relating to continuing connected transactions with any connected persons in the future, the Company must re-comply with Chapter 14A of the Listing Rules dealing with continuing connected transactions.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Company”	Wuling Motors Holdings Limited (五菱汽車集團控股有限公司), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“First Renewed GL Supply Agreement”	the agreement dated 23 January 2009 entered into between Wuling Industrial and Guangling in relation to the GL Water and Power Supply Services for a term of three years from 1 January 2009 to 31 December 2011
“First Renewed KE Purchase Agreement”	the agreement dated 23 January 2009 entered into between Wuling Industrial and KE Digital in relation to the KE Purchase Transactions for a term of three years from 1 January 2009 to 31 December 2011
“GH Purchase Transactions”	purchases of automotive components and related accessories by Wuling Industrial Group from Guihua which are regarded as continuing connected transactions under the Listing Rules
“GH Sale Transactions”	sales of raw materials by Wuling Industrial Group to Guihua which are regarded as continuing connected transactions under the Listing Rules

“GH Trading Agreements”	the agreements dated 30 December 2011 entered into between Wuling Industrial and Guihua in relation to the GH Trading Transactions
“GH Trading Transactions”	the GH Purchase Transactions and the GH Sale Transactions
“GL Water and Power Supply Services”	the provisions of water and power supply services by the Wuling Industrial Group to Guangling which are regarded as continuing connected transactions for the Company under the Listing Rules
“Group”	the Company and its subsidiaries
“Guangling”	柳州廣菱模具技術有限公司 (Liuzhou Guangling Moulds & Tools Technology Limited*), a company established in the PRC of which Liuzhou Wuling is beneficially interested in approximately 50.1% of its total issued share capital
“Guihua”	南寧五菱桂花車輛有限公司 (Nanning Wuling-Guihua Vehicle Co., Ltd.*), a company established in the PRC of which Liuzhou Wuling is beneficially interested in approximately 62.24% of its total issued share capital
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than Liuzhou Wuling and its associates
“Independent Third Party(ies)”	a person(s) or entity(ies) who/which is(are) not a connected person(s) of the Company
“KE Digital”	柳州科爾數字化製造技術有限公司 (Liuzhou Keer Digital Manufacturing Co., Limited*), a company established in the PRC of which Liuzhou Wuling is beneficially interested in approximately 98% of its total issued share capital
“KE Purchase Transactions”	purchases of certain electronic devices and components by the Wuling Industrial Group from KE Digital which are regarded as continuing connected transactions for the Company under the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Liuzhou Wuling”	柳州五菱汽車有限責任公司 (Liuzhou Wuling Motors Company Limited*), a wholly state-owned limited enterprise established in the PRC and a Substantial Shareholder which is beneficially interested in approximately 37.05% of the total issued share capital of the Company

“New GL Supply Agreement”	the agreement dated 30 December 2011 entered into between Wuling Industrial and Guangling in relation to the GL Water and Power Supply Services for a term of three years from 1 January 2012 to 31 December 2014
“New KE Purchase Agreement”	the agreement dated 30 December 2011 entered into between Wuling Industrial and KE Digital in relation to the KE Purchase Transactions for a term of three years from 1 January 2012 to 31 December 2014
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Wuling Industrial”	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 subsidiary of the Company
“Wuling Industrial Group”	Wuling Industrial and its subsidiaries
“%”	per cent

Translations of RMB into Hong Kong dollars are, based on the exchange rate of RMB1 to HK\$1.2283, for information purpose only. Such translations should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

By Order of the Board
Sun Shaoli
Chairman

Hong Kong, 30 December 2011

As at the date of this announcement, the Board comprises Mr. Sun Shaoli (Chairman), Mr. Lee Shing (Vice-chairman and Chief Executive Officer), Mr. Wei Hongwen, Mr. Zhong Xianhua, Ms. Liu Yaling and Mr. Zhou Sheji as executive Directors, and Mr. Yu Xiumin, Mr. Zuo Duofu and Mr. Ye Xiang as independent non-executive Directors.

* For identification purpose only