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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)*

**RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 16 November 2016 in relation to the 2017–2019 Master Agreement (the “**Announcement**”). Capitalized terms used herein shall have the same meaning as those defined in the Announcement unless otherwise stated.

On 16 November 2016, Wuling Industrial, a non-wholly owned subsidiary of the Company, entered into the 2017–2019 Master Agreement with Guangxi Automobile to, among other things, renew the provision of power supply services by Wuling Industrial Group to Guangling under the 2014–2016 Master Agreement (the “**GL Power Supply Services**”) for a term of three years commencing from 1 January 2017 to 31 December 2019.

As at 16 November 2016 and up to the date of this announcement, Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in approximately 56.04% of the total number of Shares in issue of the Company, and is the ultimate controlling Shareholder of the Company. In this regard, Guangxi Automobile is a connected person of the Company under the Listing Rules. The GL Power Supply Services contemplated under the 2017–2019 Master Agreement constitute continuing connected transactions for the Company under the Listing Rules.

As one of the applicable percentage ratios (as set out in the Listing Rules) for the GL Power Supply Services under the 2017–2019 Master Agreement, on an annual basis, is more than 0.1% and less than 5%, the GL Power Supply Services under the 2017–2019 Master Agreement are subject to the announcement and annual review requirements, but exempt from circular and independent shareholders’ approval requirements under Rule 14A.76(2) of the Listing Rules.

Reference is made to the Announcement. On 16 November 2016, Wuling Industrial, a non-wholly owned subsidiary of the Company, entered into the 2017–2019 Master Agreement with Guangxi Automobile to, among other things, renew the GL Power Supply Services for a term of three years commencing from 1 January 2017 to 31 December 2019.

## GL POWER SUPPLY SERVICES

The principal terms of the GL Power Supply Services under the 2017–2019 Master Agreement are summarized as follows:

- Date: 16 November 2016
- Parties: (a) Wuling Industrial, a non-wholly owned subsidiary of the Company; and
- (b) Guangxi Automobile, being the ultimate controlling Shareholder, is indirectly interested in approximately 56.04% of the total number of Shares in issue of the Company and a connected person of the Company under the Listing Rules.
- Scope of products and services to be provided: Wuling Industrial Group agreed to provide power supply services to Guangling, a company established in the PRC of which Guangxi Automobile is beneficially interested in approximately 50.1% of its total registered capital as at 16 November 2016 and up to the date of this announcement.
- Term: Three years from 1 January 2017 to 31 December 2019 (both dates inclusive).
- Pricing principles: The pricing of the GL Power Supply Services will be determined on terms which are no less favourable than those available to Independent Third Parties from the Group and after arm's length negotiation between Wuling Industrial and Guangxi Automobile on the following principles in order of priority:
- (i) the market prices which are offered to Independent Third Parties in the ordinary and usual course of business with reference to, among others, any prices prescribed by the government of the PRC from time to time; and
- (ii) the agreed prices based on the actual cost incurred thereof plus a reasonable profit margin.
- Payment terms: Payments for the services supplied to Guangxi Automobile Group will be settled by way of cash or such other manner as agreed by the parties and in accordance with the agreed timing and manners as specified in the actual service contracts to be entered into between Wuling Industrial Group and Guangxi Automobile Group. The payment terms will be on market terms which are no less favourable than those offered by the Group to Independent Third Parties.

## HISTORICAL TRANSACTION AMOUNTS AND ANNUAL CAPS

Set out below are the historical transaction amounts of the GL Water and Power Supply Services under the 2014–2016 Master Agreement for the years ended 31 December 2014 and 2015 and the nine months ended 30 September 2016, and the annual caps for each of the three years ending 31 December 2019 in respect of the GL Power Supply Services under the 2017–2019 Master Agreement.

	Historical transaction amounts of GL Water and Power Supply Services			Annual caps of GL Power Supply Services		
	Year ended 31 December		Nine months ended 30 September	Year ending 31 December		
	2014	2015	2016	2017	2018	2019
	<i>RMB'000</i> (audited)	<i>RMB'000</i> (audited)	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
GL Water and Power Supply Services/ GL Power Supply Services	2,913	2,688	1,660	6,000	6,500	6,500

The annual caps for the GL Power Supply Services were determined by reference to (a) the historical transaction amounts of the GL Water and Power Supply Services during the nine months ended 30 September 2016, which was primarily attributable to the provision of power supply services; and (b) the target production volume of Guangling for each of the three years ending 31 December 2019. The provision of power supply services to Guangling are expected to increase from 2017 due to the expansion of operations of Guangling, while the provision of water supply services was ceased in late 2016 after the relocation of production facilities of Guangling in 2016.

## INFORMATION ON 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.

## **INFORMATION ON GUANGXI AUTOMOBILE**

Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in 1,028,846,806 Shares, representing approximately 56.04% of the total number of Shares in issue of the Company, and is the ultimate controlling Shareholder of the Company as at 16 November 2016 and up to the date of this announcement. Guangxi Automobile is currently a state-controlled company established in the PRC with the State-owned Assets Supervision and Administration Commission of the People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府國有資產監督管理委員會), being the registered shareholder empowered by the People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府). Guangxi Automobile, together with its subsidiaries, including the Group, is mainly engaged in the trading, manufacturing and design of (i) various types of vehicles, primarily passenger coaches and mini-buses, automotive components and accessories; (ii) various types of machinery, moulds and tools for production of automobiles, engines, and other relevant parts; (iii) the provision of related services, including the technical advisory, information, production, after sales services and the supply of power and water services, etc, in relation to the aforementioned products and equipment; and (iv) rental of property and other related services.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE GL POWER SUPPLY SERVICES**

As disclosed in the circular of Company dated 31 December 2013 in relation to 2014–2016 Master Agreement and the Announcement, the Group has been providing centralized procurement services to its group companies, customers and suppliers for the provision of water and power for many years. Such centralized 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 operation. The GL Power Supply Services under the 2017–2019 Master Agreement will also ensure the smooth operation of Guangling, which is a supplier and customer of Wuling Industrial Group, and would help to further strengthen the Group's ability to carry out a stable and sustainable business operation which is in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at 16 November 2016 and up to the date of this announcement, Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in approximately 56.04% of the total number of Shares in issue of the Company, and is the ultimate controlling Shareholder of the Company. In this regard, Guangxi Automobile is a connected person of the Company under the Listing Rules. The GL Power Supply Services contemplated under the 2017–2019 Master Agreement constitute continuing connected transactions for the Company under the Listing Rules.

As one of the applicable percentage ratios (as set out in the Listing Rules) for the GL Power Supply Services under the 2017–2019 Master Agreement, on an annual basis, is more than 0.1% and less than 5%, the GL Power Supply Services under the 2017–2019 Master Agreement are subject to the announcement and annual review requirements, but exempt from circular and independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

As disclosed in the Announcement, Mr. Yuan Zhijun, Mr. Zhong Xianhua and Mr. Yang Jianyong, being the Directors and the directors and/or senior executives of Guangxi Automobile, have abstained from voting on the board resolutions passed to approve the 2017–2019 Master Agreement. Save as disclosed above, no other Director is regarded having a material interest in the in the 2017–2019 Master Agreement and required to abstain from voting on the board resolutions to approve the 2017–2019 Master Agreement.

On behalf of the Board  
**Wuling Motors Holdings Limited**  
**Mr. Yuan Zhijun**  
*Chairman*

Hong Kong, 24 November 2016

*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.*