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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)

INSIDE INFORMATION –
STRATEGIC CO-OPERATION FRAMEWORK AGREEMENT
ENTERED INTO BETWEEN WULING INDUSTRIAL AND TELD
IN RELATION TO THE BUSINESSES
OF NEW ENERGY VEHICLES

SUMMARY

This announcement is made by the Board pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

The Board announced that on 31 October 2017, Wuling Industrial (which is a non-wholly-owned subsidiary of the Company) and TELD entered into the Framework Agreement, pursuant to which and subject to the results of further discussion and analysis to be carried out by the parties, Wuling Industrial and TELD will explore the opportunity, and will enter into the Formal Agreement(s), as and when appropriate, to proceed with the Strategic Co-operation, which involves the co-operation between Wuling Industrial and TELD in promoting the business opportunities in the new energy vehicle segment, represented primarily by the electrical vehicles, on a joint effort basis on the back of their respective competitive strength in the industry of automobile and charging system.

Wuling Industrial and TELD will carry out further discussion and analysis relating to the Strategic Co-operation pursuant to the Framework Agreement. Subject to the results of such discussion and analysis, Formal Agreement(s) setting out terms of specific co-operation project(s)/transaction(s) will be entered into by Wuling Industrial and TELD as and when appropriate.

The Board wishes to emphasize that the Formal Agreement(s) may or may not be entered into by the Group and the TELD Group. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

Further announcement in respect of any Formal Agreement entered into by the Group and the TELD Group, if any, will be made by the Company in accordance with the requirements of the Listing Rules.

This announcement is made by the Board pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

STRATEGIC CO-OPERATION FRAMEWORK AGREEMENT

The Board announced that on 31 October 2017, Wuling Industrial (which is a non-wholly-owned subsidiary of the Company) and TELD entered into the Framework Agreement, pursuant to which and subject to the results of further discussion and analysis to be carried out by the parties, Wuling Industrial and TELD will explore the opportunity, and will enter into the Formal Agreement(s), as and when appropriate, to proceed with the Strategic Co-operation.

The Framework Agreement becomes effective upon the same being signed and sealed by Wuling Industrial and TELD and will continue to be effective until 31 December 2018, unless it is early terminated by any party pursuant to the terms thereof, subject to further extension if mutually agreed by the parties thereto.

THE STRATEGIC CO-OPERATION FOR PROMOTING BUSINESS OPPORTUNITIES IN THE NEW ENERGY VEHICLE SEGMENT IN THE PRC

The Framework Agreement sets out the development road map and scope of businesses of the Strategic Co-operation between Wuling Industrial and TELD in promoting the business opportunities in the new energy vehicle segment, represented primarily by the electrical vehicles, on a joint effort basis on the back of their respective competitive strength in the industry of automobile and charging system, which includes: (1) the undertaking of the unique business model of “Vehicles, Charging Facilities, Rental” through a close co-operation focusing on the sale and promotion of the electrical logistic vehicles produced by Wuling Industrial in the PRC. In particular, the charging services provided by TELD will be given priority to be packaged into the sale of the electrical logistic vehicles produced by Wuling Industrial, and at the same time TELD will prioritize the promotion of Wuling Industrial’s electrical logistic vehicles in the PRC; (2) in-depth co-operation programmes with respect to the individual market segment of different types of new energy vehicles of Wuling Industrial (including electrical sight-seeing cars, electrical passenger buses, electrical logistic vehicles, electrical vehicles for car sharing and other models of electrical vehicles to be launched in future) and the charging services of TELD in Guangxi, the PRC for implementing synchronized strategies of development and the adoption of the abovementioned mutual prioritizing promotion programmes for the sale and marketing of various models of the new energy vehicles of Wuling Industrial and the charging services of TELD in Guangxi, the PRC; and (3) the setup of a production plant in Liuzhou for manufacturing of components for charging equipment installed in electrical vehicles, when opportunity arises.

Wuling Industrial and TELD will carry out further discussion and analysis relating to the abovementioned areas of the Strategic Co-operation (amongst which, the projects involving the manufacturing and supply of the electrical vehicles and the parts and components for the production of electrical vehicles and charging equipment would be the primary focus of Wuling Industrial) pursuant to the Framework Agreement. Subject to the results of such discussion and analysis, Formal Agreement(s) setting out terms of specific co-operation project(s)/transaction(s) will be entered into by Wuling Industrial and TELD as and when appropriate.

INFORMATION ON THE GROUP AND THE OTHER PARTY TO THE STRATEGIC CO-OPERATION FRAMEWORK AGREEMENT

The Group

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

TELD

TELD is the other party to the Framework Agreement. TELD is established in the PRC in 2014 and is principally engaged in the research, manufacture and operation of the charging systems for electrical vehicles in the PRC. TELD provides a comprehensive range of electrical charging solutions through an extensive network of charging stations and terminals for electrical vehicles covering more than 250 cities in the PRC.

TELD is a wholly-owned subsidiary of 青島特銳德電氣股份有限公司 (Qingdao Teruide Electrical Company Limited)*), which is a company the capital of which is listed on the Shenzhen Stock Exchange ChiNext Market in October 2009 (stock code: 300001). According to the information provided by TELD Group, as at 30 September 2017, TELD established a total number of 71 subsidiaries and invested and/or established approximately 180,000 charging terminals on an accumulative basis, in which more than 120,000 charging terminals are currently in operation. TELD Group is ranked among the leading operators in the PRC in terms of the number of charging terminals established and in operation for electrical vehicles. Its charging service network which covers 255 cities in the PRC, is currently providing the charging services to the electrical vehicles' owners in the PRC.

TELD and its ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief and having made all reasonable enquires, third parties independent of the Company and its connected persons (as defined in the Listing Rules).

REASONS AND BENEFITS TO THE GROUP FOR ENTERING INTO THE STRATEGIC CO-OPERATION FRAMEWORK AGREEMENT

One of the key business segments of the Wuling Industrial Group is the assembly production of specialized vehicles, which include the sale and manufacturing of electrical vehicles. Wuling Industrial commenced its production of electrical vehicles back in 2008, by that time producing a small number of electrical community cars for exporting purpose.

Throughout the years, Wuling Industrial has conscientiously developed its own proprietary electrical vehicles in accordance with the national standards and government policies. In 2016, it obtained the national qualification for manufacturing new energy electrical mini-truck in the PRC for logistic and transport use. Besides, in co-operation with Guilin Bus Development Co., Limited, a non-wholly-owned subsidiary of Guangxi Automobile, Wuling Industrial also began to participate in the sale and manufacturing of new energy electrical mini-buses.

At present, the production of electrical vehicles by Wuling Industrial represents an insignificant portion of the total production of the specialized vehicle business segment. During the ten months ended 31 October 2017, Wuling Industrial produced and sold approximately 600 electrical vehicles comprising primarily electrical sight-seeing cars, electrical police patrol cars and other electrical vehicles for the government departments. With respect to the Group's own proprietary electrical logistic vehicles and electrical mini-buses with technical advantages, the Group is also actively developing suitable promotion strategies, in order to achieve satisfactory results upon their launches to the market.

As set out in the Company's annual report for the year ended 31 December 2016, in line with the supporting government policies and the growing awareness of the general public towards protection of environment, the Group aims to play an important part in the new energy vehicle segment, and to increase its efforts in controlling the amount of emissions it brings to the environment by producing clean, safe and efficient products for its customers. The Group plans to adopt the technical knowhow as developed from the existing electrical vehicles of the Group which obtained notifications of government approval as abovementioned as the platform to explore and develop a series of electrical specialized vehicles serving the needs of the market in future. The Board considers that such strategic move to the emission-free new energy vehicle market will not only allow the Group to fulfill its enterprise responsibility in reducing greenhouse gas emissions, but will also help the specialized vehicle business segment in working towards the direction of increasing the production of more profitable products which includes, inter alia, the electrical vehicles.

As mentioned above, TELD Group is principally engaged in research, manufacture and operation of the charging systems for electrical vehicles. Supported by its extensive networks and comprehensive electrical charging solutions, TELD is currently recognized as among the leading operators of public charging stations/terminals in the PRC in terms of number of public charging stations/terminals established/in operation. Furthermore, TELD Group is currently one of the largest operators of electrical bus charging stations/terminals in Guangxi, the PRC, at which the production base of the Group's new energy vehicles is situated. The Directors consider that the Strategic Co-operation, if materializes and proceeds, will benefit the Group's strategic move to the new energy vehicle segment, represented primarily by the electrical vehicles.

In view of the favourable business environment to the electrical vehicles, the Group, together with Wuling Industrial will continuously undertake active marketing and promotion programmes and appropriate investments projects in the new energy electrical vehicle business segment as and when appropriate. The Board considers that the Framework Agreement provides the Group with an opportunity to establish a strategic co-operation relationship with TELD for jointly promoting the business opportunities in the electrical vehicle business segment, which in turn will drive the sale and promotion of the Group's key products, including the electrical logistic vehicles to the market and will place the Group in a better position in sharing valuable market intelligence and identifying the most desirable opportunities, from which the business potential available to the Group in this business segment would be further expanded. In addition, the Board is of the view that there is great business potential for the specialized industry of charging stations/terminals for electrical vehicles in the PRC in view of the increasing number of electrical vehicles in the PRC and, depends on the final arrangement relating to the Strategic Co-operation to be agreed by the parties, the Group would be able to gain crucial industry and market knowledge which in turn would facilitate the Group to capture future development opportunities within this specialized industry.

The Directors believe that all of the above strategic steps in respect of the specialized industries of electrical vehicles and charging stations/terminals for electrical vehicles are particularly important in response to this fast growing and dynamic market environment. The Directors therefore consider that it is in the interest of the Group and the Shareholders as a whole by entering into the Framework Agreement, and proceeding to further discussion and analysis relating to the Strategic Co-operation by Wuling Industrial and TELD.

GENERAL

Wuling Industrial and TELD will carry out further discussion and analysis relating to the Strategic Co-operation pursuant to the Framework Agreement. Subject to the results of discussion and analysis relating to the Strategic Co-operation to be carried out by Wuling Industrial and TELD, Formal Agreement(s) setting out terms of specific co-operation project(s)/transaction(s) will be entered into by Wuling Industrial and TELD as and when appropriate.

The Board wishes to remind the Shareholders that there is no assurance that any Formal Agreement will be signed between the Group and the TELD Group. If any Formal Agreement regarding any specific co-operation project/transaction is entered into by Wuling Industrial and TELD, subject to the final terms thereof, it may constitute a notifiable transaction on the part of the Group pursuant to the Listing Rules, in which case the Company will comply with the reporting, disclosure and/or Shareholders' approval requirements under the Listing Rules.

The Board wishes to emphasize that the Formal Agreement(s) may or may not be entered into by the Group and the TELD Group. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

Further announcement in respect of any Formal Agreement entered into by the Group and the TELD Group, if any, will be made by the Company in accordance with the requirements 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 of which are listed on the Stock Exchange (stock code: 305.HK)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	Director(s) of the Company

“Group”	the Company and its subsidiaries
“Guangxi Automobile”	廣西汽車集團有限公司 (Guangxi Automobile Group Co., Limited*), a state-controlled enterprise established in the PRC, being the ultimate controlling Shareholder which is indirectly interested in approximately 56.04% of the total number of Shares in issue
“Framework Agreement”	a strategic co-operation framework agreement entered into between Wuling Industrial and TELD on 31 October 2017 relating to the Strategic Co-operation
“Formal Agreement(s)”	the formal agreement(s) in relation to any specific co-operation project(s)/transaction(s) to be entered into pursuant to the Framework Agreement as and when appropriate subject to the results of further discussion and analysis to be carried out by Wuling Industrial and TELD
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“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 the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Co-operation”	the strategic co-operation between Wuling Industrial and TELD for promoting the business opportunities in the new energy vehicle segment, represented primarily by the electrical vehicles, in the PRC on a joint effort basis on the back of their respective competitive strength in the industry of automobile and charging system

“TELD”	青島特來電新能源有限公司(Qingdao Te Lai Dian New Energy Co., Limited*), an enterprise established in the PRC, the parent company of which is 青島特銳德電氣股份有限公司 ((Qingdao Teruide Electrical Company Limited)*), which is a company the capital of which is listed on the Shenzhen Stock Exchange ChiNext Market (stock code: 300001)
“TELD Group”	TELD and its subsidiaries
“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 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

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.

Hong Kong, 31 October 2017

** For identification purpose only*