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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
DISPOSAL OF ASSETS BY WULING INDUSTRIAL GROUP
TO FAURECIA INTERIOR JV COMPANY
AND
THE PROPOSED AMENDMENT TO THE ARTICLES OF
ASSOCIATION
OF FAURECIA INTERIOR JV COMPANY**

SALE AND PURCHASE AGREEMENTS

On 30 May 2018 (after trading hour), Wuling Industrial Group had entered into the Sale and Purchase Agreements (including the First Agreement, Second Agreement and Third Agreement) with Faurecia Interior JV Company, pursuant to which Wuling Industrial Group conditionally agreed to sell and Faurecia Interior JV Company conditionally agreed to purchase the necessary Assets, which are currently owned by the Wuling Industrial Group and will be used for the production of various automotive interior parts and accessories by Faurecia Interior JV Company, at the Total Consideration of RMB146,249,171 (exclusive of VAT).

AOA AMENDMENT AGREEMENT AND SUPPLEMENTAL AGREEMENT

On 30 May 2018 (after trading hour), Wuling Industrial had also entered into (i) the AOA Amendment Agreement and (ii) the Supplemental Agreement to the Faurecia Interior JV Agreement with Faurecia (China), regarding the Amendment to the articles of association of Faurecia Interior JV Company and the Amendment to the clause of the Faurecia Interior JV Agreement respectively as approved by the JV Board meeting convened on the same day.

LISTING RULES IMPLICATIONS

References are made to (i) the Company's announcements dated 3 July 2017 and 29 November 2017 in relation to, among other things, the Faurecia Car Seat JV Agreement and Faurecia Interior JV Agreement entered into between Wuling Industrial and Faurecia (China) for the establishment of Faurecia Car Seat JV Company and Faurecia Interior JV Company respectively (both owned as to 50% by each of Wuling Industrial and Faurecia (China)); and (ii) the Company's announcement dated 14 March 2018, in relation to the Previous Sale and Purchase Agreement entered into between Wuling Industrial Group and Faurecia Car Seat JV Company (a non-wholly-owned subsidiary of Faurecia (China)), pursuant to which Wuling Industrial Group conditionally agreed to sell and Faurecia Car Seat JV Company conditionally agreed to purchase certain machinery and equipment for the production and operation of car seat product at a consideration of RMB24,300,096 (exclusive of VAT of RMB4,131,016).

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Previous Sale and Purchase Agreement and the Sale and Purchase Agreements were entered into between (i) Wuling Industrial Group and (ii) Faurecia (China) or its subsidiaries (being Faurecia Car Seat JV Company and Faurecia Interior JV Company) within a 12-month period, all transactions respectively contemplated under those agreements are considered and be aggregated as one transaction. The transactions contemplated under the Previous Sale and Purchase Agreement and the Sale and Purchase Agreements involves disposals of assets by Wuling Industrial Group at a total consideration of RMB170,549,267 (exclusive of VAT). Having taken into account the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the transactions contemplated under the Previous Sale and Purchase Agreement and the Sale and Purchase Agreements is more than 5% but less than 25%, the disposal of the Assets by the Group under the Sale and Purchase Agreements constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

Reference is made to the Company's announcement dated 29 November 2017 relating to the Faurecia Interior JV Agreement entered into between Wuling Industrial (a non-wholly owned subsidiary of the Company) and Faurecia (China) (a wholly-owned subsidiary of Faurecia) and the establishment of Faurecia Interior JV Company, which would be principally engaged in manufacturing and sales of automotive interior system and related parts and accessories, pursuant to the Faurecia Interior JV Agreement. It was mentioned in the Company's announcement dated 29 November 2017 that in order to facilitate the commencement of business and operation of Faurecia Interior JV Company, the relevant parties would enter into ancillary agreements in relation to, among other things, the acquisition by Faurecia Interior JV Company of the machinery and equipment of Wuling Industrial Group which are currently used for the production of various automotive interior parts and accessories located in Liuzhou, Chongqing and Qingdao, the PRC.

Faurecia Interior JV Company was established on 5 February 2018. On 30 May 2018, the board of directors of Faurecia Interior JV Company (i.e. the JV Board), comprising two directors nominated by Wuling Industrial and three directors nominated by Faurecia (China), announced at the JV Board meeting that it had approved, among other things, (1) the Amendment, and (2) the AOA Amendment Agreement and Supplemental Agreement to be entered into between Wuling Industrial and Faurecia (China), regarding the proposed amendment to the articles of association of Faurecia Interior JV Company as well as the related amendment to the Faurecia Interior JV Agreement. It was resolved by the JV Board that any necessary procedures to effect the proposed Amendment (i.e. the execution of the AOA Amendment Agreement and Supplemental Agreement) shall be proceeded immediately.

On 30 May 2018 (after trading hours), Wuling Industrial Group entered into (1) the Sale and Purchase Agreements (including the First Agreement, Second Agreement and Third Agreement) with Faurecia Interior JV Company regarding the purchase by Faurecia Interior JV Company from Wuling Industrial Group of the necessary Assets currently owned by the Wuling Industrial Group which will be used for the production of various automotive interior parts and accessories by Faurecia Interior JV Company; and (2) the AOA Amendment Agreement as well as the Supplemental Agreement with Faurecia (China) regarding the proposed Amendment.

THE SALE AND PURCHASE AGREEMENTS

The principal terms of the Sale and Purchase Agreements are summarized below:

Date: 30 May 2018

Parties: Pursuant to the First Agreement:

the Vendors: (1) Wuling Industrial;

(2) Liuzhou Zhuoda;

(3) Liuzhou Zhuotong; and

the Purchaser: (4) Faurecia Interior JV Company.

Pursuant to the Second Agreement:

the Vendor: (1) Chongqing Zhuotong; and

the Purchaser: (2) Faurecia Interior JV Company (*note: a wholly-owned subsidiary of Faurecia Interior JV Company, which is expected to be established in Chongqing, PRC in or about June 2018 (the “Chongqing Subsidiary”), will be assigned by Faurecia Interior JV Company as the transferee of the relevant Assets pursuant to the Second Agreement. Faurecia Interior JV Company will further enter into a supplemental agreement to the Second Agreement with the Chongqing Subsidiary after its establishment to transfer all the rights and obligations of Faurecia Interior JV Company under the Second Agreement to the Chongqing Subsidiary).*

Pursuant to the Third Agreement:

the Vendors: (1) Wuling Industrial (Shandong branch office);

(2) Qingdao Dianshi; and

the Purchaser: (3) Faurecia Interior JV Company (Qingdao branch office).

Assets which are subjects of the Sale and Purchase Agreements:

The Assets to be sold and purchased pursuant to a Sale and Purchase Agreement include the machinery and equipment as listed out in the relevant report of the Valuation appended to that Sale and Purchase Agreement. The Assets are currently owned by the relevant Vendors and shall be purchased and used by Faurecia Interior JV Company for the production of various automotive interior parts and accessories.

Conditions precedent:

Completion of a Sales and Purchase Agreement is subject to the fulfilment by the relevant Vendor(s) to the satisfaction of Faurecia Interior JV Company, or waiver granted by Faurecia Interior JV Company (save for the condition precedent (viii) which cannot be waived) of the following conditions precedent:

- (i) there having been no occurrence or existence of any material adverse effect on, among other things, the relevant Assets since the date of the relevant Sale and Purchase Agreement, and the representations and warranties given by the relevant Vendor(s) remaining true and accurate in all respects at the Delivery Date;
- (ii) there having been no threatened, instituted or pending any action or proceeding by any person which (a) may affect the ownership or operation by the relevant Vendor(s) or Faurecia Interior JV Company of all or any material portion of the relevant Assets; or (b) may impose any limitation on the ability of Faurecia Interior JV Company in exercising its rights relating to such ownership or use or handling of the relevant Assets in full after Completion;
- (iii) the relevant Vendor(s) having provided Faurecia Interior JV Company with the bank and wiring information relating to its/their receipt of the relevant consideration from Faurecia Interior JV Company (from, or on behalf of, Chongqing Subsidiary for the Second Agreement);
- (iv) the relevant Assets (a) having been maintained in good condition as at the Delivery Date, (b) the conditions of which having been satisfied by Faurecia Interior JV Company after carrying out all inspection of the Assets considered as necessary by Faurecia Interior JV Company, and (c) having been delivered by the relevant Vendor(s) and accepted by Faurecia Interior JV Company (or the Chongqing Subsidiary, as the case maybe) on the Delivery Date;

- (v) the relevant Vendor(s) (1) having obtained ownership certificates of the factory site and buildings which will be used and occupied by Faurecia Interior JV Company (or the Chongqing Subsidiary, as the case maybe) under leasing from the relevant Vendor(s) for the purpose of carrying out the business and operation of automotive interior system and related parts and accessories production, and at which the Assets would be installed and/or located upon Completion, and (2) having provided copies of such ownership certificates to Faurecia Interior JV Company;
- (vi) confirmation from the related parties of the relevant Vendor(s) regarding the transfer of their respective rights relating to the ownership or use or handling of the relevant Assets to Faurecia Interior JV Company having been received; and
- (vii) the relevant Vendor(s) having resolved or listed out all currently known issues relating to the quality and environment protection of its/their existing products produced by the Assets; and
- (viii) all necessary procedures relating to approval, registration and other requirements (including evaluation and appraisal of the Assets by an assets appraisal firm recognized by each of the Vendor(s), Faurecia Interior JV Company and the relevant government authority(ies) regarding the sale and purchase of the relevant Assets, filing of the report of the Valuation by the appraisal firm, and execution of the Sale and Purchase Agreement pursuant to the applicable laws, rules and regulations in the PRC and Hong Kong (including but not limited to those relating to the supervision and administration of State-owned assets in Guangxi Zhuang Autonomous Region, the PRC and the Listing Rules) having been completed.

The relevant Purchaser, will promptly inform the relevant Vendor of a Sale and Purchase Agreement of its satisfaction of the fulfilment (or waiver, as the case maybe) of all conditions precedent to facilitate completion of the transactions as contemplated under the Sale and Purchase Agreement.

For the avoidance of doubt, if any Sale and Purchase Agreement(s) do(es) not become unconditional and is/are terminated by the relevant Vendor(s) or Faurecia Interior JV Company, the effectiveness of the other Sale and Purchase Agreement(s) which has/have become unconditional will not be affected by such termination.

Consideration:

The Total Consideration, comprising the (i) consideration of RMB102,115,961 (exclusive of VAT) under the First Agreement, (ii) consideration of RMB29,005,497 (exclusive of VAT) under the Second Agreement, and (iii) consideration of RMB15,127,713 (exclusive of VAT) under the Third Agreement, amounts to RMB146,249,171 (exclusive of VAT, equivalent to approximately HK\$179,593,982). The consideration payable under a Sale and Purchase Agreement will be paid in cash by Faurecia Interior JV Company (by, or on behalf of, Chongqing Subsidiary for the Second Agreement) to the relevant Vendor(s) in two phases according to the Sale and Purchase Agreement in the following manner:

(a) First instalment:

60% of the consideration (inclusive of VAT) in respect of the Sale and Purchase Agreement shall be paid within 7 days after the settlement date, being the date for relevant Vendor(s) and Faurecia Interior JV Company entering into the settlement procedures (the “**Settlement Date**”) which shall be taken place within 30 days after the Completion, after the relevant Vendor(s) having issued the invoice to Faurecia Interior JV Company (or the Chongqing Subsidiary, as the case maybe) in respect of the relevant consideration under the first instalment ; and

(b) Second instalment:

The remaining balance of the consideration (inclusive of VAT) in respect of the Sale and Purchase Agreement shall be paid within 3 months after the Settlement Date.

The Total Consideration shall be paid by Faurecia Interior JV Company to the Vendors (i) as to an aggregate amount of RMB87,749,502.60 (exclusive of VAT) (equivalent to approximately HK\$107,756,389) for the first instalment; and as to an aggregate amount of RMB58,499,668.40 (exclusive of VAT) (equivalent to approximately HK\$71,837,593) for the second instalment.

Subject to the inspection of the Assets under a Sale and Purchase Agreement by the independent appraisal firm recognized by the relevant Vendor(s) and Faurecia Interior JV Company, if there is any shortfall in value of any such Assets, the relevant Vendor(s) shall make up such shortfall or the relevant consideration in respect of the Sale and Purchase Agreement shall be reduced by the amount of such shortfall accordingly.

The relevant approval, confirmation and any other documentary supporting evidencing the completion of the condition precedents (v), (vi) and (viii) mentioned above shall have been provided by the relevant Vendor(s) to Faurecia Interior JV Company (or the Chongqing Subsidiary, as the case maybe) prior to the payment of any relevant consideration in respect of the relevant Sale and Purchase Agreement.

The consideration specified under a Sale and Purchase Agreement was determined after arm's length negotiations between the relevant Vendor(s) and Faurecia Interior JV Company after taking into account of the Valuation which was conducted by 廣西眾益資產評估土地房地產評估有限公司 (Guangxi Zhongyi Certified Public Appraisers Co., Limited*), an independent assets appraisal firm recognized by the Vendors, Faurecia Interior JV Company and the relevant government authority(ies) regarding the sale and purchase of the relevant Assets pursuant to the Sale and Purchase Agreement by adopting the cost approach. According to the Valuation, the values of the machinery and equipment to be disposed of under the First Agreement, Second Agreement and Third Agreement, which amounted to RMB102,116,000, RMB29,005,500 and RMB15,127,700 respectively, are approximately the same as the corresponding consideration (exclusive of VAT) of such Assets.

Completion:

Completion of a Sale and Purchase Agreement shall take place when all conditions precedent of the respective Sale and Purchase Agreement have been fulfilled (or have been waived, as the case maybe) in full as notified by Faurecia Interior JV Company (or the Chongqing Subsidiary, as the case may be) to the relevant Vendor(s).

Termination:

A Sale and Purchase Agreement may be terminated:

- (a) by mutual agreement of the relevant parties to the Sale and Purchase Agreement;
- (b) if any condition precedent of the relevant Sale and Purchase Agreement has not been fulfilled or waived before the 120th day from the signing date of the Sale and Purchase Agreement (the “**Long Stop Date**”);
- (c) by the Purchaser prior to the date of Completion if there has been any material inaccuracy or breach of any representations and warranties or breach of undertakings or other obligation under the Sale and Purchase Agreement on the part of the relevant Vendor(s);
- (d) by the Purchaser if the Completion has not been consummated on or before the Long Stop Date, unless one of the parties to the Sale and Purchase Agreement has reasonable evidence to prove that Completion could not be consummated was due to the intentional breach of any terms of the Sale and Purchase Agreement by the other party(ies) thereto. In such event, such breaching party(ies) shall not be entitled to terminate the Sale and Purchase Agreement;
- (e) by either the Purchaser or the relevant Vendor(s) prior to the date of Completion or the Long Stop Date, whichever is earlier if consummation of the transactions contemplated under the Sale and Purchase Agreement would result in violation of any non-appealable final order, decree or judgment of any governmental authority having competent jurisdiction; and
- (f) if an event of force majeure is lasting for a period in excess of 90 days and the parties to the Sale and Purchase Agreement have been unable to find an equitable solution.

Termination of a Sale and Purchase Agreement as set forth above may be effected by the terminating party giving the other party(ies) a seven days’ prior written notice specifying the reason for such termination and shall become effective upon the expiration of such seven-day period, unless such notice of termination is withdrawn with the consent of the terminating party.

If a Sale and Purchase Agreement is terminated, any amount paid by Faurecia Interior JV Company (or the Chongqing Subsidiary, as the case may be) to the relevant Vendor(s) shall immediately be returned to Faurecia Interior JV Company (or the Chongqing Subsidiary, as the case may be) and any Assets delivered by the relevant Vendor(s) to Faurecia Interior JV Company (or the Chongqing Subsidiary, as the case may be) shall immediately be returned by Faurecia Interior JV Company (or the Chongqing Subsidiary, as the case may be).

Prior to issuing a notice to terminate a Sale and Purchase Agreement by any party(ies) thereto, the relevant party(ies) agree(s) to carry out negotiation for the purpose of considering the effect of such termination on the Faurecia Interior JV Agreement and to take any further action that is considered necessary to ensure that the viability of Faurecia Interior JV Company will not be adversely affected.

INFORMATION ON THE GROUP AND THE PURCHASER

The Group

The Group, including Wuling Industrial and its subsidiaries (which include Liuzhou Zhuotong, Liuzhou Zhuoda, Chongqing Zhuotong and Qingdao Dianshi), 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 electric vehicles), as well as the trading of raw materials, water and power supply services.

Faurecia Interior JV Company

Faurecia Interior JV Company is a joint venture company established in the PRC on 5 February 2018 pursuant to Faurecia Interior JV Agreement. Each of Wuling Industrial and Faurecia (China) owns 50% of the equity interest in Faurecia Interior JV Company. According to the business license granted to it, Faurecia Interior JV Company is principally engaged in (i) development, manufacture and sales of automotive interior system and related parts and accessories, including cockpit, instrument panel, auxiliary instrument panel, door trim panel, acoustics and soft trim; (ii) agency and operation of import and/or export of technology and goods relating to the automotive interior parts and accessories; and (iii) provision of after sale and technical consultancy services in the PRC. As the majority members of the JV Board are nominated by Faurecia (China), Faurecia Interior JV Company's financial statements would be consolidated by Faurecia (China), it is classified as a non-wholly-owned subsidiary of Faurecia (China).

Save for Faurecia Interior JV Company, another two joint venture companies, namely Faurecia Car Seat JV Company and Faurecia Car Seat Sale JV Company, both owned as to 50% by each of Wuling Industrial and Faurecia (China), have been established on 26 September 2017 and 15 December 2017 respectively. Faurecia Car Seat JV Company is principally engaged in the development and manufacturing of automotive car seat products. As the majority members of its board of directors are nominated by Faurecia (China), Faurecia Car Seat JV Company is classified as a non-wholly-owned subsidiary and its financial statements would be consolidated by Faurecia (China). Faurecia Car Seat Sale JV Company is intended to be principally engaged in the sales of the automotive parts which include car seats and automotive interior parts. As the majority members of the board of directors of Faurecia Car Seat Sale JV Company are nominated by the Group, its financial statements would be consolidated by the Company and it is classified as a non-wholly-owned subsidiary of the Company. However, given Faurecia Car Seat Sale JV Company recorded no business revenue for the financial year ended 31 December 2017 and for the period from 1 January 2018 until the date of this announcement, it is regarded as an insignificant subsidiary of the Company as at the date of this announcement. On that basis and according to Rule 14A.09 of the Listing Rules, Faurecia (China), which is a substantial shareholder of an insignificant subsidiary of the Company (i.e. Faurecia Car Seat Sale JV Company) is not be regarded as a connected person as defined in Rule 14A.07 of the Listing Rules. Accordingly, the transactions contemplated under the Sale and Purchase Agreements entered into amongst various subsidiaries of the Company as vendors and Faurecia Interior JV Company (which is a subsidiary of Faurecia (China)) as purchaser will not be subject to the requirements relating to connected transactions under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE SALE AND PURCHASE AGREEMENTS

As set out in the Company's announcement dated 29 November 2017, Wuling Industrial currently supplies various kinds of automotive interior parts and accessories to SGMW, including cockpit, instrument panel, auxiliary instrument panel, door trim panel, acoustics and soft trim, etc which are grouped under the automotive components and other industrial services division of Wuling Industrial Group. However, as the scale of the relevant operation is relatively small and the products are primarily focused on the commercial vehicle market, the contribution to the Group's revenue from the sales of automotive interior parts and accessories remained insignificant, whereas, its profitability performance experienced certain decline in recent year.

Having considered that SGMW has been shifting its focus from the commercial vehicle market to the passenger vehicle models while the such expansion in the production of passenger vehicles by SGMW would provide Wuling Industrial Group with business opportunities in manufacturing and sales of the automotive interior parts and accessories for the passenger vehicles of SGMW, it is expected by the Directors that the establishment of Faurecia Interior JV Company will provide essential technical support to Wuling Industrial Group and further promote its automotive interior parts and accessories businesses in order to satisfy such changes of SGMW and to satisfy the needs and demands of other existing customers as well as new customers.

Having taken into account those benefits of the establishment of Faurecia Interior JV Company (i.e. the Purchaser) set out in the Company's announcements dated 29 November 2017 (among other things, the facts that Faurecia, the ultimate holding company of Faurecia (China), is a global leading manufacturer in the business of automotive parts and components and is able to provide essential technical support to the Group in further promoting the business opportunities in relation to the automotive interior parts and accessories businesses for the Group's existing customers (including SGMW) as well as other new customers), Wuling Industrial and Faurecia (China) established Faurecia Interior JV Company for the purpose of manufacturing automotive interior parts and accessories for SGMW or other automakers in the PRC.

Faurecia Interior JV Company was established on 5 February 2018 and has commenced operation since 1 April 2018. Faurecia Interior JV Company, Wuling Industrial Group and Faurecia (China) are of the opinion that it would be in the interest of all parties to speed up the operation of Faurecia Interior JV Company by utilising the machinery, equipment and other assets which are currently owned by Wuling Industrial Group for the automotive interior parts and accessories manufacturing and operation. On that basis and after arm's length negotiation between Wuling Industrial and certain subsidiaries of it as Vendors and Faurecia Car Seat JV Company as Purchaser of the Assets by making reference to the Valuation, the parties entered into the Sale and Purchase Agreements. It is also expected by the parties that by taking over the Assets relating to the business and production of automotive interior parts and accessories from Wuling Industrial Group, Faurecia Interior JV Company can leverage on the experience of Wuling Industrial Group and its industry knowhow as well as the relevant resources and networks of Wuling Industrial Group in the manufacturing of automotive interior parts and accessories.

The following is a summary of the unaudited financial information relating to the Assets based on the management information prepared for analyses purposes:

	For the year ended 31 December 2016	For the year ended 31 December 2017
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Revenue	433,970	539,099
Profit before tax	37,850	33,732
Profit after tax	32,986	29,517

Based on (i) the total net book values of the Assets of RMB114,396,600 (equivalent to approximately HK\$140,479,025) as at 31 March 2018 as recorded in the respective unaudited management accounts of the Vendors for the three-month period ended 31 March 2018; (ii) the Total Consideration (exclusive of VAT) of RMB146,249,171 (equivalent to approximately HK\$179,593,982); and (iii) the costs and expenses incurred by the Group in relation to the Sale and Purchase Agreements, it is expected by the Group that a gain of approximately RMB31,500,000 (equivalent to approximately HK\$38,682,000) will be recognized by the Group. The Group intends to apply the Total Consideration (after deduction of the related costs and expenses) as the general working capital of the Group.

Having considered (i) the factors and benefits in respect of the establishment of Faurecia Interior JV Company set out above and in the Company's announcement dated 29 November 2017; (ii) the opinion of the parties to the Sale and Purchase Agreements that the transfer of the Assets relating to the production of automotive interior parts and accessories would facilitate a smooth commencement of the business and operation of Faurecia Interior JV Company, which in turn would be in the interest of Faurecia Interior JV Company and the owners of its equity interest (each of Wuling Industrial and Faurecia (China) owns 50% of the equity interest in Faurecia Interior JV Company); (iii) the Sale and Purchase Agreements were entered into by Wuling Industrial Group and Faurecia Interior JV Company after arm's length negotiation; and (iv) the Total Consideration were determined after taking into account the Valuation, the Directors consider that the respective terms of the Sale and Purchase Agreements, including the Total Consideration and the payment terms thereof are on normal commercial terms and the Sale and Purchase Agreements, together with the respective transactions contemplated thereunder, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

SUPPLEMENTAL AGREEMENT REGARDING THE AMENDMENT OF THE INTERIOR JV AGREEMENT

On 30 May 2018, the board of directors of Faurecia Interior JV Company (i.e. the JV Board), comprising two directors nominated by Wuling Industrial and three directors nominated by Faurecia (China), announced at the JV Board meeting that it had approved, among other things, (1) the Amendment, and (2) the AOA Amendment Agreement and Supplemental Agreement to be entered into between Wuling Industrial and Faurecia (China), regarding the amendment to the articles of association of Faurecia Interior JV Company as well as the related amendment to the Faurecia Interior JV Agreement. It was resolved at the JV Board that any necessary procedures to effect the proposed Amendment (i.e. the execution of the AOA Amendment Agreement and Supplemental Agreement) shall be proceeded with immediately.

On 30 May 2018, Wuling Industrial and Faurecia (China) entered into (1) the AOA Amendment Agreement to amend the Article 4.3 of the articles of association of Faurecia Interior JV Company, and (2) the Supplemental Agreement to amend the clause 5.3 of the Faurecia Interior JV Agreement, both regarding the period for making capital contribution to Faurecia Interior JV Company by each of Wuling Industrial and Faurecia (China) as the JV parties thereto (collectively referenced to as the "JV Parties" and either/each one of them as the "JV Party"). The AOA Amendment Agreement and Supplemental Agreement set out the rights and obligations of each of Wuling Industrial and Faurecia (China), which have been simultaneously incorporated in the articles of association of Faurecia Interior JV Company. Details of the Amendment are as follows:

Original Article 4.3 of the articles of association of Faurecia Interior JV Company and Clause 5.3 of the Faurecia Interior JV Agreement:

"Within **6 months** from the date of establishment of Faurecia Interior JV Company, each JV Party hereto shall pay all of its contribution in cash to the registered capital of Faurecia Interior JV Company."

Be amended to:

“Within **5 years** from the date of establishment of Faurecia Interior JV Company, each JV Party hereto shall pay all of its contribution by instalments in cash to the registered capital of Faurecia Interior JV Company.”

Save for the amendment mentioned above, the other clauses of the Faurecia Interior JV Agreement as well as the existing articles of association of Faurecia Interior JV Company remain unchanged and fully valid, and the AOA Amendment Agreement and the Supplemental Agreement shall enter into force upon its registration with the competent administration for industry and commerce.

The Directors are of the view that the Amendment under the AOA Amendment Agreement and the Supplemental Agreement is on normal commercial terms, and that the terms of the AOA Amendment Agreement and the Supplemental Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

References are made to (i) the Company’s announcements dated 3 July 2017 and 29 November 2017 in relation to, among other things, the Faurecia Car Seat JV Agreement and Faurecia Interior JV Agreement entered into between Wuling Industrial and Faurecia (China) for the establishment of Faurecia Car Seat JV Company and Faurecia Interior JV Company respectively (both owned as to 50% by each of Wuling Industrial and Faurecia (China)); and (ii) the Company’s announcement dated 14 March 2018, in relation to the Previous Sale and Purchase Agreement entered into between Wuling Industrial Group and Faurecia Car Seat JV Company (a non-wholly-owned subsidiary of Faurecia (China)), pursuant to which Wuling Industrial Group conditionally agreed to sell and Faurecia Car Seat JV Company conditionally agreed to purchase certain machinery and equipment for the production and operation of car seat product at a consideration of RMB24,300,096 (exclusive of VAT of RMB4,131,016).

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Previous Sale and Purchase Agreement and the Sale and Purchase Agreements were entered into between (i) Wuling Industrial Group and (ii) Faurecia (China) or its subsidiaries (being Faurecia Car Seat JV Company and Faurecia Interior JV Company) within a 12-month period, all transactions respectively contemplated under those agreements are considered and be aggregated as one transaction. The transactions contemplated under the Previous Sale and Purchase Agreement and the Sale and Purchase Agreements involves disposals of assets by Wuling Industrial Group at a total consideration of RMB170,549,267 (exclusive of VAT). Having taken into account the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the transactions contemplated under the Previous Sale and Purchase Agreement and the Sale and Purchase Agreements is more than 5% but less than 25%, the disposal of the Assets by the Group under the Sale and Purchase Agreements constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“ Amendment ”	the amendment of article 4.3 of the existing articles of association of Faurecia Interior JV Company or clause 5.3 of Faurecia Interior JV Agreement (as the case maybe) relating to the extension of the period for making capital contribution from six (6) months to five (5) years
“ AOA Amendment Agreement ”	the agreement relating to amendment to articles of association of Faurecia Interior JV Company dated 30 May 2018 entered into between Wuling Industrial and Faurecia (China) relating to the Amendment
“ Assets ”	the Assets in respect of each of the Sale and Purchase Agreements, which include the machinery and equipment as listed out in the report of the Valuation appended to the each of the Sale and Purchase Agreements and which are currently owned by the relevant Vendor(s) for the production of various automotive interior parts and accessories
“ Board ”	the board of Directors
“ Chongqing Zhuotong ”	重慶卓通汽車工業有限公司 (Chongqing Zhuotong Motors Industrial Company Limited*), a company established in the PRC and a wholly-owned subsidiary of Wuling Industrial as at the date of this announcement
“ 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)
“ Completion ”	completion of the sale and purchase of the Assets pursuant to the Sale and Purchase Agreements
“ Delivery Date ”	the date of delivery of the Assets by Wuling Industrial Group to Faurecia Interior JV Company (or Chongqing Subsidiary, as the case maybe) pursuant to each of the Sale and Purchase Agreements, which should be a date within 90 days after the date of the Sale and Purchase Agreements
“ Director(s) ”	the director(s) of the Company

<p>“Faurecia”</p>	<p>Faurecia, the ultimate holding company of Faurecia (China), a leading manufacturer in the global automobile industry with headquarter in Nanterre, France. Faurecia and its subsidiaries is a world renowned group of companies engaging in the automobile industry specializing in the business segments of automotive seating, interior systems and emissions control technologies</p>
<p>“Faurecia (China)”</p>	<p>Faurecia (China) Holding Co. Ltd., a wholly-owned subsidiary of Faurecia established in the PRC in 2008</p>
<p>“Faurecia Car Seat JV Agreement”</p>	<p>the joint venture agreement dated 3 July 2017 entered into between Wuling Industrial and Faurecia (China) for the purpose of the establishment of Faurecia Car Seat JV Company</p>
<p>“Faurecia Car Seat JV Company”</p>	<p>佛吉亞（柳州）汽車座椅有限公司 (Faurecia Liuzhou Automotive Seating Co., Limited*), a joint venture company established in the PRC on 26 September 2017, the equity interest of which is owned as to 50% by Wuling Industrial and 50% by Faurecia (China) pursuant to the Faurecia Car Seat JV Agreement, which is the purchaser under the Previous Sale and Purchase Agreement</p>
<p>“Faurecia Car Seat Sale JV Company”</p>	<p>佛吉亞（柳州）汽車座椅銷售有限公司 (Faurecia Liuzhou Automotive Seating Sales Co. Limited*), a joint venture company established in the PRC on 15 December 2017 with a registered capital of RMB1,000,000, which is owned as to 50% by Wuling Industrial and 50% by Faurecia (China), which will be responsible for the sale functions of the car seat and automotive interior parts products manufactured by the Faurecia Car Seat JV Company and Faurecia Interior JV Company respectively</p>
<p>“Faurecia Interior JV Company”</p>	<p>佛吉亞(柳州)汽車內飾系統有限公司 (Faurecia (Liuzhou) Automotive Interior System Co., Limited*), a joint venture company established in the PRC on 5 February 2018, the equity interest of which is owned as to 50% by Wuling Industrial and 50% by Faurecia (China) pursuant to the Faurecia Interior JV Agreement</p>
<p>“Faurecia Interior JV Agreement”</p>	<p>the joint venture agreement dated 29 November 2017 entered into between Wuling Industrial and Faurecia (China) for the purpose of the establishment of Faurecia Interior JV Company</p>

“First Agreement”	the Sales and Purchase Agreement entered into between Wuling Industrial, Liuzhou Zhuoda and Liuzhou Zhuotong (as vendors) and Faurecia Interior JV Company (as purchaser) on 30 May 2018, pursuant to which Wuling Industrial, Liuzhou Zhuoda and Liuzhou Zhuotong have conditionally agreed to sell and Faurecia Interior JV Company has conditionally agreed to purchase the relevant Assets subject to the First Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JV Board”	the board of directors of Faurecia Interior JV Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Liuzhou Zhuoda”	柳州卓達汽車部件有限公司 (Liuzhou Zhuoda Automotive Parts Company Limited*), a company established in the PRC and a wholly-owned subsidiary of Wuling Industrial as at the date of this announcement
“Liuzhou Zhuotong”	柳州卓通汽車零部件有限公司 (Liuzhou Zhuotong Automotive Parts and Components Company Limited*), a company established in the PRC and a wholly-owned subsidiary of Wuling Industrial as at the date of this announcement
“PRC”	the People’s Republic of China
“Previous Sale and Purchase Agreement”	the sale and purchase agreement dated 14 March 2018 entered into between Wuling Industrial and Faurecia Car Seat JV Company relating to the sale of certain machinery and equipment for the production and operation of car seat product by Wuling Industrial to Faurecia Car Seat JV Company
“Purchaser”	Faurecia Interior JV Company (or Chongqing Subsidiary, as the case maybe)
“Qingdao Dianshi”	青島點石汽車配件有限公司 (Qingdao Dianshi Motor Accessories Company Limited*), a company established in the PRC and a wholly-owned subsidiary of Wuling Industrial as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreements”	include the First Agreement, the Second Agreement and the Third Agreement; and “Sale and Purchase Agreement” refers to any of such agreements

“Second Agreement”	the Sales and Purchase Agreement entered into between Chongqing Zhuotong (as vendor) and Faurecia Interior JV Company (as purchaser) on 30 May 2018, pursuant to which Chongqing Zhuotong has conditionally agreed to sell and Faurecia Interior JV Company (or the Chongqing Subsidiary, as the case may be) has conditionally agreed to purchase the relevant Assets subject to the Second Agreement
“Shareholder(s)”	holder(s) of the Share(s)
“Supplemental Agreement”	the supplemental agreement to the Faurecia Interior JV Agreement dated 30 May 2018 entered into between Wuling Industrial and Faurecia (China) relating to the Amendment
“SGMW”	上汽通用五菱汽車股份有限公司 (SAIC-GM-Wuling Automobile Co., Limited*), a company established in the PRC and a joint venture formed among Shanghai Automobile Industry (Group) Company Limited, GM (China) Investment Co., Limited and 廣西汽車集團有限公司 (Guangxi Automobile Group Co., Limited*) (which is a state-controlled enterprise established in the PRC and the ultimate beneficial controlling Shareholder), and is currently a major customer of Wuling Industrial Group’s businesses in engines and automotive components
“Third Agreement”	the Sale and Purchase Agreement entered into between Wuling Industrial (Shandong branch office) and Qingdao Dianshi (as vendors) and Faurecia Interior JV Company (Qingdao branch office) (as purchaser) on 30 May 2018, pursuant to which Wuling Industrial (Shandong branch office) and Qingdao Dianshi have conditionally agreed to sell and Faurecia Interior JV Company (Qingdao branch office) has conditionally agreed to purchase the relevant Assets subject to the Third Agreement
“Total Consideration”	being the aggregated amount of consideration of the Assets specified under each of the Sale and Purchase Agreements agreed by the respective Vendors and Faurecia Interior JV Company of RMB146,249,171 (exclusive of VAT) (equivalent to approximately HK\$179,593,982), payable by Faurecia Interior JV Company (as purchaser) to the Vendors (i.e. Wuling Industrial Group) as a whole

“Valuation”	the evaluation and appraisal of the Assets as at 31 March 2018 by adopting the cost approach based on the valuation report issued on 7 May 2018 by 廣西眾益資產評估土地房地產評估有限公司 (Guangxi Zhongyi Certified Public Appraisers Co., Limited*), being an independent appraisal firm recognized by the Vendors, Faurecia Interior JV Company and the relevant government authority(ies)
“VAT”	the value-added tax
“Vendor(s)”	including Wuling Industrial, Liuzhou Zhuotong, Liuzhou Zhuoda, Chongqing Zhuotong and Qingdao Dianshi; and “Vendor” refers to any of such vendors
“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

Hong Kong, 30 May 2018

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.

In this announcement, unless otherwise specified, conversion of RMB into Hong Kong dollars is, based on the exchange rate of RMB1 to HK\$1.228, for information purpose only. Such conversion 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.

* For identification purposes only