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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)

PROFIT WARNING

This announcement is made by Wuling Motors Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018 and information currently available to the Board, net profit of the Group and profit attributable to the owners of the Company for the six months ended 30 June 2018 are both expected to be decreased by approximately 60% as compared with the respective figures for the six months ended 30 June 2017.

The Board wishes to further inform that based on information currently available, decreases in net profit of the Group and profit attributable to the owners of the Company for the period were mainly attributable to: (1) a decrease in the Group’s total revenue during the six months ended 30 June 2018 as compared to the corresponding period in last year; and (2) a decrease in the gross profit margin as compared to the corresponding period in last year.

Decrease in the Group’s total revenue for the period was mainly due to a substantial reduction in the volume of businesses of the engines and related parts division. As mentioned in the 2017 annual report of the Company, owing to the shift of the marketing focus of the major customer in intensively promoting the vehicle models installed with their in-house produced 1.5T engine (Capacity 1.5L), purchase volume of our Group supplied NP18 model experienced a drastic decrease in the second half of 2017. Despite a gradual alleviation of the situation since the second quarter of 2018, a significant decrease in the total sale volume for the first half of 2018 was recorded as compared to the corresponding period in 2017, which resulted in a substantial decrease in the revenue of the engines and related parts division during the period. Meanwhile, revenue from the automotive components and other industrial services division also registered a relatively moderate decrease, whereas, revenue from the specialized vehicles division continued to grow steadily.

With respect to the gross profit margin, cost of production maintained at a high level due to the prevailing high raw materials prices (especially steel price) during the period, which resulted in a decrease in the gross profit margin in the automotive components and other industrial services division to a greater extent as compared to the corresponding period in 2017.

The Group will continue to actively monitoring the changing business environment in implementing stable and effective operation strategies and measures in co-operation with the business strategies of our key customers to ensure the continuous upgrading and the long term development of the Group's businesses.

The Company is currently commencing the related review work of the interim results of the Group for the six months ended 30 June 2018. The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018 and the information currently available. The related review work is yet to be completed, and will also be subject to the final review and confirmation by the Company's audit committee and external auditors. The actual interim results for the Group may be different from what is disclosed in this announcement. Details of the Group's interim results for the six months ended 30 June 2018 will be disclosed as and when the interim results of the Group for the six months ended 30 June 2018 is announced.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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, 16 July 2018