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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
LOAN AGREEMENTS

LOAN AGREEMENTS

On 23 November 2018, each of Wuling Industrial and Wuling Liuji, subsidiaries of the Company, as borrowers, entered into a Loan Agreement with Guangxi Automobile, the controlling Shareholder as lender. The obligations of each of the Wuling Industrial and Wuling Liuji under the respective Loan Agreements will be secured by the bill receivables of Wuling Industrial and Wuling Liuji.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in approximately 60.64% of the total number of Shares in issue, and is the controlling Shareholder. Therefore, Guangxi Automobile is a connected person of the Company under the Listing Rules. In addition, Guangxi Automobile directly holds 39.10% equity interest in Wuling Industrial and Wuling Liuji is a subsidiary of Wuling Industrial. Therefore, Wuling Industrial and Wuling Liuji are also the connected subsidiaries of the Company under the Listing Rules. The provision of the Loans constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loans exceed 5%, the provision of the Loans, which are secured by the bill receivables of Wuling Industrial and Wuling Liuji, constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules which is subject to the reporting, announcement, circular and independent Shareholders' approval requirements.

GENERAL

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 Loan.

An independent board committee comprising all the independent non-executive Directors has been formed to advise the independent Shareholders on the terms of the Loans.

Gram Capital has been appointed as the Independent Financial Adviser to advise the independent board committee and the independent Shareholders regarding, among other things, the terms of the Loans.

A circular containing, among other things, (i) further details about the Loans; (ii) the recommendations of the independent board committee in relation to the Loans; (iii) a letter of advice from Gram Capital to the independent board committee and the independent Shareholders in relation to the Loans; and (iv) the notice convening the SGM, will be dispatched to the Shareholders on or before 14 December 2018.

THE LOAN AGREEMENTS

The principal terms of the Loan Agreements are summarized below.

Date:	23 November 2018
Parties:	
(a) Wuling Industrial Loan	Guangxi Automobile as the lender and Wuling Industrial as the borrower
(b) Wuling Liuji Loan	Guangxi Automobile as the lender and Wuling Liuji as the borrower
Facility amount of the Wuling Industrial Loan:	Maximum limits of RMB3,000,000,000, RMB3,300,000,000 and RMB3,600,000,000 respectively for the year ended 31 December, 2019, 2020 and 2021 respectively, subject to the fulfilment of the condition precedent (as appropriate) and the approval of Guangxi Automobile (as the lender) from time to time. The maximum limits were determined by reference to the estimated bill receivables of Wuling Industrial to be utilised as the collateral of the Wuling Industrial Loan in 2019, 2020 and 2021

Facility amount of the Wuling Liuji Loan:	Maximum limits of RMB1,600,000,000, RMB1,800,000,000 and RMB2,000,000,000 respectively for the year ended 31 December, 2019, 2020 and 2021 respectively, subject to the fulfilment of the condition precedent (as appropriate) and the approval of Guangxi Automobile (as the lender) from time to time. The maximum limits were determined by reference to the estimated bill receivables of Wuling Liuji to be utilised as the collateral of the Wuling Liuji Loan in 2019, 2020 and 2021
Usage:	General working capital
Types of facilities:	Loans and advances pledged with bill receivables
Interest rate and payment:	The lowest interest rate offered by banks as obtained by Wuling Industrial and Wuling Liuji, respectively, for similar type of facilities pledged with bill receivables at the time of drawdown. Interest will be accrued on a monthly basis and payment of which will be made by Wuling Industrial or Wuling Liuji to Guangxi Automobile within 10 days in the following month upon presentation of the relevant VAT invoice by Guangxi Automobile
Term:	Not more than six (6) months from the date of each drawdown
Availability period:	From 1 January 2019 to 31 December 2021
Condition precedent:	The Company having duly performed and complied with its obligations under to the Listing Rules which include the issue of the related announcement(s) and circular(s) and the obtaining of the independent Shareholder's approval with respect to the relevant transactions contemplated under the Loan Agreements
Security:	The drawdown amount of the Wuling Industrial Loan and the Wuling Liuji Loan will be secured by the same amount of bill receivables of Wuling Industrial and Wuling Liuji to be assigned to Guangxi Automobile

REASONS AND BENEFITS FOR THE PROVISION OF THE LOAN

Taking into account the Loans will provide an alternative source of finance (in addition to the general banking facilities) and that the interest rate is the lowest market interest rate available to each of Wuling Industrial and Wuling Liuji and that the provision of the equivalent amount of bill receivables as collateral for the Loans is a normal term and condition in regard to the similar type of facilities offered in the market, the Directors considered that the Loan Agreements are on normal commercial terms and in the ordinary and usual course of business of the Company, and are fair and reasonable having considered the current market norm in relation to similar transactions and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group, including the 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. As at the date of this announcement, the Company holding 60.90% equity interest of Wuling Industrial which makes Wuling Industrial a non-wholly-owned subsidiary of the Company.

Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in 1,243,132,520 Shares, representing approximately 60.64% of the total number of Shares in issue of the Company, and is the ultimate controlling Shareholder as at the date of this announcement. Furthermore, Guangxi Automobile directly holds 39.10% equity interest in Wuling Industrial. 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.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in approximately 60.64% of the total number of Shares in issue of the Company, and is the controlling Shareholder. Therefore, Guangxi Automobile is a connected person of the Company under the Listing Rules. In addition, Guangxi Automobile directly holds 39.10% equity interest in Wuling Industrial and Wuling Liuji is a subsidiary of Wuling Industrial. Therefore, Wuling Industrial and Wuling Liuji are also the connected subsidiaries of the Company under the Listing Rules. The provision

of the Loans, which are secured by the bill receivables of Wuling Industrial and Wuling Liuji constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loans exceed 5%, the provision of the Loans constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules which is subject to the reporting, announcement, circular and independent Shareholders' approval requirements.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of the directors of the Company
“Company”	Wuling Motors Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 305)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to be appointed by the Company to advise the independent board committee of the Company and the independent Shareholders in respect of the Loans
“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 company established in the PRC, being the ultimate beneficial controlling Shareholder which is indirectly interested in approximately 60.64% of the total number of Shares in issue of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	the Wuling Industrial Loan and Wuling Liuji Loan

“Loan Agreements”	the loan agreements dated 23 November 2018 entered into between (i) Guangxi Automobile as lender and Wuling Industrial as borrower and (ii) Guangxi Automobile as lender and Wuling Liuji as borrower respectively
“PRC”	the People’s Republic of China and for the purpose of this announcement, exclude Hong Kong, Taiwan and Macau
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering the Loan Agreements and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VAT”	the value-added tax
“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 (including Wuling Liuji)
“Wuling Industrial Loan”	the loan in a maximum amount (calculated as the aggregate amount of drawdowns) of RMB3,000,000,000, RMB3,300,000,000 and RMB3,600,000,000 respectively for the year ending 31 December 2019, 2020 and 2021 each drawdown for a term of not more than six (6) months from the date of each drawdown granted by Guangxi Automobile to Wuling Industrial
“Wuling Liuji”	柳州五菱柳機動力有限公司 (Liuzhou Wuling Liuji Motors Company Limited*), a company established in the PRC and a wholly-owned subsidiary of Wuling Industrial

“Wuling Liuji Loan” the loan in a maximum amount (calculated as the aggregate amount of drawdowns) of RMB1,600,000,000, RMB1,800,000,000 and RMB2,000,000,000 respectively for the year ending 31 December 2019, 2020 and 2021 each drawdown for a term of not more than six (6) months from the date of each drawdown granted by Guangxi Automobile to Wuling Liuji

“%” per cent.

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

Hong Kong, 23 November 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.

* *For identification purposes only*