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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)

CONNECTED TRANSACTIONS

EQUIPMENT PURCHASE AGREEMENTS

On 26 November 2018 (after trading hours), (i) Wuling Industrial, a non-wholly-owned subsidiary of the Company, as purchaser and Shanghai Yipu as vendor entered into the First Agreement for the sale and purchase of Equipment 1 at the net consideration of RMB11,077,586.20 (exclusive of VAT) (equivalent to approximately HK\$12,517,672); and (ii) Liuzhou Zhuotong, an indirect non-wholly-owned subsidiary of the Company, as purchaser and Shanghai Yipu as vendor entered into:

- (a) the Second Agreement for the sale and purchase of Equipment 2 at the net consideration of RMB3,000,000 (exclusive of VAT) (equivalent to approximately HK\$3,390,000);
- (b) the Third Agreement for the sale and purchase of Equipment 3 at the net consideration of RMB3,100,000 (exclusive of VAT) (equivalent to approximately HK\$3,503,000);
- (c) the Fourth Agreement for the sale and purchase of Equipment 4 at the net consideration of RMB3,800,000 (exclusive of VAT) (equivalent to approximately HK\$4,294,000);
- (d) the Fifth Agreement for the sale and purchase of Equipment 5 at the net consideration of RMB3,410,000 (exclusive of VAT) (equivalent to approximately HK\$3,853,300);
- (e) the Sixth Agreement for the sale and purchase of Equipment 6 at the net consideration of RMB1,213,700 (exclusive of VAT) (equivalent to approximately HK\$1,371,481); and
- (f) the Seventh Agreement for the sale and purchase of Equipment 7 at the net consideration of RMB470,000 (exclusive of VAT) (equivalent to approximately HK\$531,100).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shanghai Yipu was held as to approximately 40% by Guangxi Automobile, while Guangxi Automobile, being the ultimate controlling Shareholder, through its direct and indirect wholly-owned subsidiaries, holds approximately 60.64% of the total number of Shares in issue. In this regard, Shanghai Yipu is a connected person of the Company under Rule 14A.07 of the Listing Rules. The respective transactions contemplated under the Equipment Purchase Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for the aggregate consideration under the Equipment Purchase Agreements is more than 0.1% but less than 5%, the Equipment Purchase Agreements and the transactions contemplated thereunder are subject to reporting and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

INTRODUCTION

On 26 November 2018 (after trading hours), (i) Wuling Industrial, a non-wholly-owned subsidiary of the Company, as purchaser and Shanghai Yipu as vendor entered into the First Agreement for the sale and purchase of Equipment 1 at the net consideration of RMB11,077,586.20 (exclusive of VAT) (equivalent to approximately HK\$12,517,672); and (ii) Liuzhou Zhuotong, an indirect non-wholly-owned subsidiary of the Company, as purchaser and Shanghai Yipu as vendor entered into:

- (a) the Second Agreement for the sale and purchase of Equipment 2 at the net consideration of RMB3,000,000 (exclusive of VAT) (equivalent to approximately HK\$3,390,000);
- (b) the Third Agreement for the sale and purchase of Equipment 3 at the net consideration of RMB3,100,000 (exclusive of VAT) (equivalent to approximately HK\$3,503,000);
- (c) the Fourth Agreement for the sale and purchase of Equipment 4 at the net consideration of RMB3,800,000 (exclusive of VAT) (equivalent to approximately HK\$4,294,000);
- (d) the Fifth Agreement for the sale and purchase of Equipment 5 at the net consideration of RMB3,410,000 (exclusive of VAT) (equivalent to approximately HK\$3,853,300);
- (e) the Sixth Agreement for the sale and purchase of Equipment 6 at the net consideration of RMB1,213,700 (exclusive of VAT) (equivalent to approximately HK\$1,371,481); and
- (f) the Seventh Agreement for the sale and purchase of Equipment 7 at the net consideration of RMB470,000 (exclusive of VAT) (equivalent to approximately HK\$531,100).

EQUIPMENT PURCHASE AGREEMENTS

The First Agreement

Set out below is the summary of the principal terms of the First Agreement:

- Date:*** 26 November 2018
- Parties:***
- (a) The vendor: Shanghai Yipu Automatic Equipment Co., Limited* (上海詣譜自動化裝備有限公司); and
 - (b) the purchaser: Liuzhou Wuling Motors Industrial Company Limited* (柳州五菱汽車工業有限公司)
- Assets to be purchased:*** a welding production-line designated and installed for certain welded and stamped automotive components to be produced by the factory of Wuling Industrial located in India for supplying to the vehicles manufactured by its customer in India (“**Equipment 1**”).
- Period of completion and installation of the equipment:*** Equipment 1 should be delivered to and installed at the factory of Wuling Industrial in Gujarat, India and be ready for use by Wuling Industrial within 120 days upon the First Agreement becoming effective.
- Consideration and payment terms:***
- (1) The gross and net consideration payable by Wuling Industrial to Shanghai Yipu for Equipment 1 amounted to RMB12,850,000 (inclusive of VAT) and RMB11,077,586.20 (exclusive of VAT) respectively.
 - (2) The gross consideration of RMB12,850,000, comprising the net consideration of approximately RMB11,077,586 and the VAT of approximately RMB1,772,414, will be paid by Wuling Industrial to Shanghai Yipu either by telegraph transfer or banker’s acceptances in four phases as follows:
 - (a) RMB3,855,000, being 30% of the gross consideration, will be paid before the last day of the month following the date on which the First Agreement becoming effective;

- (b) RMB3,855,000, being 30% of the gross consideration, will be paid (i) after Wuling Industrial having issued the preliminary notice of acceptance/satisfaction of relevant tests on Equipment 1; (ii) after Shanghai Yipu having delivered Equipment 1 to the factory of Wuling Industrial in Gujarat, India or such other place as specified by Wuling Industrial; and (iii) before the last day of the month following the date on which Shanghai Yipu presenting the VAT invoice in the respect of 60% of the consideration payable under the above phase (a) and this phase (b) to Wuling Industrial;
- (c) RMB3,855,000, being 30% of the gross consideration, will be paid after Wuling Industrial having issued the final notice of acceptance/satisfaction of the relevant tests on Equipment 1 and before the last day of the month following the date on which Shanghai Yipu presenting the VAT invoice in the respect of the remaining 40% of the consideration payable under the this phase (c) and phase (d) below to Wuling Industrial; and
- (d) RMB1,285,000, being the remaining 10% of the gross consideration will be retained by Wuling Industrial as warranty amount and will be paid upon expiry of a one-year warranty period commencing from the issuance of the final notice of acceptance/satisfaction of relevant tests on Equipment 1 by Wuling Industrial, provided that there will be no issue relating to the quality of Equipment 1 occurred during such one-year period.

Basis of Consideration:

The First Agreement was entered into through Wuling Industrial Group's standard tender process with reference to the market price of equipment similar to Equipment 1. Shanghai Yipu was ranked first according to the evaluation basis set out in the relevant tender document of Equipment 1, which included the overall evaluation of the technical capability and the terms (including the tender price in respect of Equipment 1) offered by the bidders, and therefore was selected as the successful bidder and concluded as the vendor of the First Agreement. The tender price finally offered by Shanghai Yipu in respect of Equipment 1 was the lowest price among the qualified bidders according to the evaluation basis in the relevant tender process.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the consideration for the First Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent:

The completion of the First Agreement is subject to the satisfaction of the following two conditions precedent:

- (1) Wuling Industrial having obtained all necessary authorizations, consents and approvals internally and from regulatory bodies (including but not limited to the Stock Exchange) for the First Agreement and the transactions contemplated thereunder; and
- (2) If applicable, the Company having obtained the approval from the Independent Shareholders in respect of the entering into of the First Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

If any of the above conditions precedent of the First Agreement is not satisfied on or before 30 November 2018, Wuling Industrial may, by notice in writing to Shanghai Yipu, terminate that First Agreement. In such event, Shanghai Yipu should refund all amounts paid to it (without any deduction or reduction and without interest) under the First Agreement to Wuling Industrial within 10 days upon receipt of such notice.

For the avoidance of doubt, if the First Agreement does not become unconditional and is terminated by Wuling Industrial, the effectiveness of the other Equipment Purchase Agreement(s) shall not be affected by such termination.

Other conditions:

There will be one-year warranty period commencing from the date of issuance of the final notice of acceptance/satisfaction of relevant tests on Equipment 1 by Wuling Industrial.

The Second Agreement, the Third Agreement, the Fourth Agreement, the Fifth Agreement and the Sixth Agreement

Set out below is the summary of the principal terms of the Second Agreement, the Third Agreement, the Fourth Agreement, the Fifth Agreement and the Sixth Agreement:

Date: 26 November 2018

Parties:

- (a) The vendor: Shanghai Yipu Automatic Equipment Co., Limited* (上海詣譜自動化裝備有限公司); and
- (b) the purchaser: Liuzhou Zhuotong Automotive Components Company Limited* (柳州卓通汽車零部件有限公司)

Assets to be purchased: Pursuant to the Second Agreement:

the services to be rendered and the equipment to be purchased from and set up by the Vendor for the modification of the existing welding production-line designated for the front-floor components (for sport utility vehicle) to be produced by Liuzhou Zhuotong for supplying to the vehicles manufactured by its customer, SGMW (“**Equipment 2**”).

Pursuant to the Third Agreement:

the services to be rendered and the equipment to be purchased from and set up by the Vendor for the modification of the existing welding production-line designated for the left and right side rear main-frame components (for sport utility vehicle) to be produced by Liuzhou Zhuotong for supplying to the vehicles manufactured by its customer, SGMW (“**Equipment 3**”).

Pursuant to the Fourth Agreement:

the services to be rendered and the equipment to be purchased from and set up by the Vendor for the modification of the existing welding production-line designated for the left and right side rear main-frame components (for multi-purpose vehicle) to be produced by Liuzhou Zhuotong for supplying to the vehicles manufactured by its customer, SGMW (“**Equipment 4**”).

Pursuant to the Fifth Agreement:

the services to be rendered and the equipment to be purchased from and set up by the Vendor for the modification of the existing welding production-line designated for front-floor components (for multi-purpose vehicle) to be produced by Liuzhou Zhuotong for supplying to the vehicles manufactured by its customer, SGMW (“**Equipment 5**”).

Pursuant to the Sixth Agreement:

the services to be rendered and the equipment to be purchased from and set up by the Vendor for the modification of the existing production-line designated for the assembly of lower-rear-body torsion beam suspension components to be produced by Liuzhou Zhuotong for supplying to the vehicles manufactured by its customer, SGMW (“**Equipment 6**”).

Period of completion and installation of the equipment:

Each of Equipment 2, Equipment 3, Equipment 4, Equipment 5 and Equipment 6 should be delivered to and installed at the factory of Liuzhou Zhuotong in Liuzhou, Guangxi, the PRC and be ready for use by Liuzhou Zhuotong within 60 days upon the respective Equipment Purchase Agreement becoming effective.

Consideration:

Pursuant to the Second Agreement:

The gross and net consideration payable by Liuzhou Zhuotong to Shanghai Yipu for Equipment 2 amounted to RMB3,480,000 (inclusive of VAT) and RMB3,000,000 (exclusive of VAT) respectively.

Pursuant to the Third Agreement:

The gross and net consideration payable by Liuzhou Zhuotong to Shanghai Yipu for Equipment 3 amounted to RMB3,596,000 (inclusive of VAT) and RMB3,100,000 (exclusive of VAT) respectively.

Pursuant to the Fourth Agreement:

The gross and net consideration payable by Liuzhou Zhuotong to Shanghai Yipu for Equipment 4 amounted to RMB4,408,000 (inclusive of VAT) and RMB3,800,000 (exclusive of VAT) respectively.

Pursuant to the Fifth Agreement:

The gross and net consideration payable by Liuzhou Zhuotong to Shanghai Yipu for Equipment 5 amounted to RMB3,955,600 (inclusive of VAT) and RMB3,410,000 (exclusive of VAT) respectively.

Pursuant to the Sixth Agreement:

The gross and net consideration payable by Liuzhou Zhuotong to Shanghai Yipu for Equipment 6 amounted to RMB1,407,892 (inclusive of VAT) and RMB1,213,700 (exclusive of VAT) respectively.

Payment terms

The net consideration (exclusive of VAT) for each of Equipment 2, Equipment 3, Equipment 4, Equipment 5 and Equipment 6 will be paid by Liuzhou Zhuotong to Shanghai Yipu either by telegraph transfer or banker's acceptances in three phases as follows:

- (a) 30% of the net consideration, will be paid before the last day of the month following the date on which the respective Equipment Purchase Agreement becoming effective;
- (b) 40% of the net consideration, together with an amount being the VAT in the respect of 70% of the consideration for the respective Equipment payable under the above phase (a) and this phase (b) will be paid after Shanghai Yipu having delivered the respective Equipment to Shanghai Yipu and before the last day of the month following the date on which Shanghai Yipu presenting the respective relevant VAT invoice to Liuzhou Zhuotong; and

- (c) the remaining 30% of the net consideration, together with an amount equal to the VAT in the respect of 30% of the respective consideration payable under the this phase (c) will be paid after Liuzhou Zhuotong having issued the final notice of acceptance/satisfaction of the relevant tests on the respective Equipment and before the last day of the month following the date on which Shanghai Yipu presenting the respective relevant VAT invoice to Liuzhou Zhuotong.

Basis of Consideration:

Each of the Second Agreement, the Third Agreement, the Fourth Agreement, the Fifth Agreement and the Sixth Agreement was entered into through the Wuling Industrial Group's standard tender process with references to the respective market price of equipment similar to Equipment 2, Equipment 3, Equipment 4, Equipment 5 and Equipment 6. Shanghai Yipu was ranked first according to the evaluation basis set out in the relevant tender document of each of Equipment 2, Equipment 3, Equipment 4, Equipment 5 and Equipment 6, which included the overall evaluation of the technical capability and the terms (including the tender price in respect of each of the Equipment) offered by the qualified bidders, and therefore was selected as the successful bidder and concluded as the vendor of each of Equipment 2, Equipment 3, Equipment 4, Equipment 5 and Equipment 6 under the respective Equipment Purchase Agreement. The tender price finally offered by Shanghai Yipu in respect of each of Equipment 2, Equipment 3 and Equipment 4, Equipment 5 and Equipment 6 was the lowest price among the qualified bidders in the relevant tender process.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the consideration for each of the Second Agreement, the Third Agreement, the Fourth Agreement, the Fifth Agreement and the Sixth Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent:

The completion of each of the Second Agreement, the Third Agreement, the Fourth Agreement, the Fifth Agreement and the Sixth Agreement is subject to the satisfaction of the following two conditions precedent:

- (1) Liuzhou Zhuotong having obtained all necessary authorizations, consents and approvals internally and from regulatory bodies (including but not limited to the Stock Exchange) for the respective Equipment Purchase Agreement and the transactions contemplated thereunder; and
- (2) If applicable, the Company having obtained the approval from the Independent Shareholders in respect of the entering into of respective Equipment Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

If any of the above conditions precedent of an Equipment Purchase Agreement is not satisfied on or before 30 November 2018, Liuzhou Zhuotong may, by notice in writing to Shanghai Yipu, terminate that Equipment Purchase Agreement. In such event, Shanghai Yipu should refund all amounts paid to it (without any deduction or reduction and without interest) under that Equipment Purchase Agreement to Liuzhou Zhuotong within 10 days upon receipt of such notice.

For the avoidance of doubt, if any Equipment Purchase Agreement does not become unconditional and is terminated by Liuzhou Zhuotong, the effectiveness of the other Equipment Purchase Agreement(s) shall not be affected by such termination.

Other conditions:

There will be a one-year warranty period commencing from the date of issuance of the final notice of acceptance/satisfaction of relevant tests on the respective Equipment by Liuzhou Zhuotong.

The Seventh Agreement

Set out below is the summary of the principal terms of the Seventh Agreement:

Date: 26 November 2018

Parties:

- (a) The vendor: Shanghai Yipu Automatic Equipment Co., Limited* (上海詣譜自動化裝備有限公司); and
- (b) the purchaser: Liuzhou Zhuotong Automotive Components Company Limited* (柳州卓通汽車零部件有限公司)

Assets to be purchased:

The services to be rendered for the modification work on the transportation support tooling for the back auxiliary frame (“**Equipment 7**”).

Period of completion and installation of the equipment:

Equipment 7 should be delivered to and installed at the factory of Liuzhou Zhuotong in Liuzhou, Guangxi, the PRC and be ready for use by Liuzhou Zhuotong within 30 days upon the Seventh Agreement becoming effective.

Consideration and payment terms:

- (1) The gross and net consideration payable by Liuzhou Zhuotong to Shanghai Yipu for Equipment 7 amounted to RMB545,200 (inclusive of VAT) and RMB470,000 (exclusive of VAT) respectively.
- (2) The gross consideration of RMB545,200, comprising the net consideration of approximately RMB470,000 and the VAT of approximately RMB75,200, will be paid by Liuzhou Zhuotong to Shanghai Yipu by banker’s acceptances in three phases as follows:
 - (a) RMB141,000 being 30% of the net consideration, will be paid before the last day of the month following the date on which the Seventh Agreement becoming effective;
 - (b) RMB188,000, being 40% of the net consideration, together with an amount of RMB 52,640 (being the VAT in the respect of 70% of the consideration payable under the above phase (a) and this phase (b)) will be paid after Liuzhou Zhuotong having issued the preliminary notice of acceptance/satisfaction of the relevant tests on the Equipment 7 or delivery notice for the same and before the last day of the month following the date on which Shanghai Yipu presenting the relevant VAT invoice to Liuzhou Zhuotong; and

- (c) RMB141,000, being the remaining 30% of the net consideration, together with an amount of RMB 22,560 (being the VAT in the respect of 30% of the consideration payable under the this phase (c)) will be paid after Liuzhou Zhuotong having issued the final notice of acceptance/ satisfaction of the relevant tests on the Equipment 7 and before the last day of the month following the date on which Shanghai Yipu presenting the relevant VAT invoice to Liuzhou Zhuotong.

Basis of Consideration:

The Seventh Agreement was entered into through the Group's standard tender process with reference to the market price of equipment similar to Equipment 7. Shanghai Yipu was ranked first according to the evaluation basis set out in the relevant tender document of Equipment 7, which included the overall evaluation of the technical capability and the terms (including the tender price in respect of Equipment 7) offered by the bidders, and therefore was selected as the successful bidder and concluded as the vendor of the Seventh Agreement. The tender price finally offered by Shanghai Yipu in respect of Equipment 7 was the lowest price among the qualified bidders according to the evaluation basis in the relevant tender process.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the consideration for the Seventh Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent:

The completion of the Seventh Agreement is subject to the satisfaction of the following two conditions precedent:

- (1) Liuzhou Zhuotong having obtained all necessary authorizations, consents and approvals internally and from regulatory bodies (including but not limited to the Stock Exchange) for the Seventh Agreement and the transactions contemplated thereunder; and
- (2) If applicable, the Company having obtained the approval from the Independent Shareholders in respect of the entering into of the Seventh Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

If any of the above conditions precedent of the Seventh Agreement is not satisfied on or before 30 November 2018, Liuzhou Zhuotong may, by notice in writing to Shanghai Yipu, terminate that Seventh Agreement. In such event, Shanghai Yipu should refund all amounts paid to it (without any deduction or reduction and without interest) under the Seventh Agreement to Liuzhou Zhuotong within 10 days upon receipt of such notice.

For the avoidance of doubt, if the Seventh Agreement does not become unconditional and is terminated by Liuzhou Zhuotong, the effectiveness of the other Equipment Purchase Agreement(s) shall not be affected by such termination.

Other conditions:

There will be a six-month warranty period commencing from the date of issuance of the final notice of acceptance/satisfaction of relevant tests on Equipment 7 by Liuzhou Zhuotong.

INFORMATION ON THE GROUP AND THE VENDOR

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. 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 and Liuzhou Zhuotong a indirectly non-wholly-owned subsidiary of the Company.

The Vendor

上海詣譜自動化裝備有限公司 (Shanghai Yipu Automatic Equipment Co., Limited*), the vendor of each of the Equipment Purchase Agreements, is a company established in the PRC and is principally engaged in the design, construction and integration work of automatic production lines and welding fixture devices, as well as the manufacturing of molds, tooling and components for machinery and motor vehicles. It was incorporated in March 2014 by independent third parties and became an associated company of Guangxi Automobile following the completion of the acquisition of 40% interests by Guangxi Automobile in September 2016.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUIPMENT PURCHASE AGREEMENTS

As disclosed in the interim report of the Company for the six months ended 30 June 2018, Wuling Industrial Group has been actively undertaking certain expansion and upgrading projects in its production facilities so as to meet the customer demands in view of the

anticipated growth of business of SGMW (which is a major customer of Wuling Industrial Group's businesses in engines and automotive components) from the existing vehicle models and the launches of new vehicle models. Over the recent years, SGMW has been shifting its focus from the commercial-type mini-vehicle market to the passenger vehicle market in the PRC. As such, Wuling Industrial Group, being the direct and indirect manufacturers of various automotive components for SGMW, is required to undertake certain technology improvement in order to satisfy such changes of SGMW and provide SGMW with high-end products. As such, the production facilities of Wuling Industrial will be required to undertake certain technology improvement and expansion of production capacity to cope with the customer demands from time to time. The acquisitions of Equipment 2, Equipment 3, Equipment 4, Equipment 5, Equipment 6 and Equipment 7 under the respective Equipment Purchase Agreements involve the modification work on various existing production lines of the Wuling Industrial Group in Liuzhou, Guangxi, the PRC to cope with the production and technical specifications as required by SGMW for the production of various parts and components for supplying to certain new models of sport utility vehicle (SUV) and multi-purpose vehicle (MPV) to be launched by SGMW. Meanwhile, for expanding its business to the overseas markets, the Group has recently decided to establish a production facility in India for supplying certain automotive components to a new customer located in India. The acquisition of Equipment 1 which involves the establishment of a welding production-line in India is therefore entered into to prepare for the commencement of the Group's operation in India during the year of 2019.

Each of the Equipment Purchase Agreements was entered into through the Group's standard tender process with reference to the market price of similar equipment. Wuling Industrial and Liuzhou Zhuotong received the following tender offers relating to the supply of the Equipment:

Bidders	Equipment 1	Equipment 2	Equipment 3	Equipment 4	Equipment 5	Equipment 6	Equipment 7
Shanghai Yipu	1	1	1	1	1	1	1
Independent third parties	3	3	3	3	3	3	3
Total no. of tender offers received	4	4	4	4	4	4	4

Each of the Equipment Purchase Agreements was entered into through the Group's standard tender process. Shanghai Yipu was ranked first according to the evaluation basis set out in the relevant tender document of each Equipment, which included the overall evaluation of the technical capability and the terms (including the tender price in respect of each of the Equipment) offered by the qualified bidders, and therefore was selected as the successful bidder and concluded as the vendor of each of the Equipment under the respective Equipment Purchase Agreements. All of the tender offers in respect of the supply of Equipment 2, Equipment 3, Equipment 4, Equipment 5 and Equipment 7, two out of four tender offers in respect of the supply of Equipment 1 and three out of four tender offers in respect of the supply of Equipment 6 submitted were classified as qualified tender offers according to the evaluation basis set out in the relevant tender documents and the tender price finally offered by Shanghai Yipu relating to supply of each of the Equipment was the lowest price among the respective qualified tender offers through the tender process. Furthermore, Shanghai Yipu, as an associate of Guangxi Automobile and one of the vendors

in building certain production-lines and workstations of Wuling Industrial, would be familiar with the standards and the specifications of Wuling Industrial's products. In this regard, the Directors (including the independent non-executive Directors) believe that Shanghai Yipu would provide a quicker and more direct response to any problem or additional requirement on the Equipment to be acquired.

In view of the above, the Directors (including the independent non-executive Directors) consider that the entering into of the Equipment Purchase Agreements are on normal commercial terms and in the ordinary and usual course of business of the Group, and the respective terms of each Equipment Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Yuan Zhijun, Mr. Zhong Xianhua and Mr. Yang Jianyong, who are the executive Directors and also directors or senior management of Guangxi Automobile Group, have abstained from voting on the related Board resolutions to approve each of the Equipment Purchase Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under each of the Equipment Purchase Agreements and is required to abstain from voting on the relevant Board resolution(s) relating to the each of the Equipment Purchase Agreements.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shanghai Yipu was held as to approximately 40% by Guangxi Automobile, while Guangxi Automobile, being the ultimate controlling Shareholder, through its direct and indirect wholly-owned subsidiaries, holds approximately 60.64% of the total number of Shares in issue. In this regard, Shanghai Yipu is a connected person of the Company under Rule 14A.07 of the Listing Rules. The respective transactions contemplated under the Equipment Purchase Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for the aggregate consideration under the Equipment Purchase Agreements is more than 0.1% but less than 5%, the Equipment Purchase Agreements and the transactions contemplated thereunder are subject to reporting and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.76 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 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
“Equipment”	include Equipment 1, Equipment 2, Equipment 3, Equipment 4, Equipment 5, Equipment 6 and Equipment 7, or any of them as the case maybe
“Equipment Purchase Agreements”	include the First Agreement, the Second Agreement, the Third Agreement, the Fourth Agreement, the Fifth Agreement and the Sixth Agreement and the Seventh Agreement and “Equipment Purchase Agreement” refers to any of such agreements
“First Agreement”	the equipment purchase agreement entered into between Wuling Industrial and Shanghai Yipu on 26 November 2018, pursuant to which Wuling Industrial has conditionally agreed to purchase and Shanghai Yipu has conditionally agreed to sell the Equipment 1
“Fifth Agreement”	the equipment purchase agreement entered into between Liuzhou Zhuotong and Shanghai Yipu on 26 November 2018, pursuant to which Liuzhou Zhuotong has conditionally agreed to purchase and Shanghai Yipu has conditionally agreed to sell the Equipment 5
“Fourth Agreement”	the equipment purchase agreement entered into between Liuzhou Zhuotong and Shanghai Yipu on 26 November 2018, pursuant to which Liuzhou Zhuotong has conditionally agreed to purchase and Shanghai Yipu has conditionally agreed to sell the Equipment 4
“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 beneficial controlling Shareholder which is indirectly interested in approximately 60.64% of the total number of Shares in issue of the Company.
“Guangxi Automobile Group”	Guangxi Automobile and its subsidiaries (excluding the Group)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholder(s) other than Guangxi Automobile and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Liuzhou Zhuotong”	柳州卓通汽車零部件有限公司 (Liuzhou Zhuotong Automotive Components Company Limited*), a company incorporated in the PRC with limited liability on 21 November 2013 and a wholly-owned subsidiary of Wuling Industrial and an indirect non-wholly owned subsidiary of the Company;
“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
“Second Agreement”	the equipment purchase agreement entered into between Liuzhou Zhuotong and Shanghai Yipu on 26 November 2018, pursuant to which Liuzhou Zhuotong has conditionally agreed to purchase and Shanghai Yipu has conditionally agreed to sell the Equipment 2
“Seventh Agreement”	the equipment purchase agreement entered into between Liuzhou Zhuotong and Shanghai Yipu on 26 November 2018, pursuant to which Liuzhou Zhuotong has conditionally agreed to purchase and Shanghai Yipu has conditionally agreed to sell the Equipment 7
“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 Guangxi Automobile and is currently a major customer of Wuling Industrial Group’s businesses in engines and automotive components
“Shanghai Yipu”	上海詣譜自動化裝備有限公司 (Shanghai Yipu automatic equipment Co., Ltd*), a company established in the PRC and held as to approximately 40% by Guangxi Automobile
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Sixth Agreement”	the equipment purchase agreement entered into between Liuzhou Zhuotong and Shanghai Yipu on 26 November 2018, pursuant to which Liuzhou Zhuotong has conditionally agreed to purchase and Shanghai Yipu has conditionally agreed to sell the Equipment 6
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Third Agreement”	the equipment purchase agreement entered into between Liuzhou Zhuotong and Shanghai Yipu on 26 November 2018, pursuant to which Liuzhou Zhuotong has conditionally agreed to purchase and Shanghai Yipu has conditionally agreed to sell the Equipment 3
“VAT”	valued-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 Liuzhou Zhuotong)
“%”	per cent

In this announcement, unless otherwise specified, conversion of RMB into HK\$, is based on the exchange rate of RMB1 to HK\$1.13, 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.

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

Hong Kong, 26 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*