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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)

**SUPPLEMENTAL ANNOUNCEMENT —
MAJOR TRANSACTION IN RELATION TO
DISPOSAL OF ASSETS RELATED TO EMISSIONS CONTROL SYSTEM**

Reference is made to the announcement of the Company dated 24 October 2018 (the “**Announcement**”) in relation to, inter alia, the entering into of the JV Agreement between Wuling Industrial, an indirect wholly-owned subsidiary of the Company, and Faurecia (China) in relation to the establishment of the JV Company. According to the term of the JV Agreement, after the establishment of the JV Company, the JV Party(ies) and the JV Company shall enter into the Ancillary Agreements (which include the Sale and Purchase Agreement). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

As disclosed in the Announcement, the Consideration of the Assets would be determined based on the final list of the Assets and their respective final valuation as at 31 October 2018 and such final valuation would be confirmed and released by the Valuer on or before the issue of the circular relating to and the approval in writing by Wuling HK of the transactions contemplated under, inter alia, the Sale and Purchase Agreement.

The Company announces that the JV Parties had confirmed the final list of the Assets to be disposed of by Wuling Industrial and/or its subsidiaries to the JV Company under the Sale and Purchase Agreement and the Valuer had on 7 December 2018 released a valuation report (the “**Valuation Report**”) in respect of the final list of the Assets and confirmed the final valuation of the Assets as at 31 October 2018 to be RMB53,713,177 (equivalent to approximately HK\$61,233,022), which were confirmed and agreed by the JV Parties to be adopted as the Consideration of the Assets (i.e. RMB53,713,177 (equivalent to approximately HK\$61,233,022)) under the Sale and Purchase Agreement.

Based on (i) the unaudited total net book values of the final list of Assets of RMB53,713,164 (equivalent to approximately HK\$61,233,007) as at 31 October 2018 as recorded in the management accounts of Wuling Industrial for the ten-month period ended 31 October 2018; (ii) the Consideration of RMB53,713,177 (equivalent to approximately HK\$61,233,022); and (iii) the costs and expenses of approximately RMB200,000 (equivalent to approximately HK\$228,000) in total incurred by the Group in relation to the Sale and Purchase Agreement, it is expected by the Group that a loss of approximately RMB200,000 (equivalent to approximately HK\$228,000) will be recognized by the Group.

The Company wishes to further explain that due to the changes and exclusions of certain machinery and equipment (as compared to the preliminary list of Assets) as agreed by the JV Parties for transferring by the Wuling Industrial Group to the JV Company under the Sale and Purchase Agreement for the purpose of manufacturing and operating the automotive emissions control system products, and the final valuation of the Assets as assessed by the Valuer as at 31 October 2018, a reduction in the total valuation of the Assets was recorded which gave rise to the abovementioned expected loss of approximately RMB200,000 from the disposal, as compared to an expected gain of approximately RMB4,791,000 as disclosed in the Announcement.

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, all transactions respectively contemplated under the Sale and Purchase Agreement and the Previous Sales and Purchase Agreements are considered and be aggregated as one transaction. Having taken into account the highest of the applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the aggregate consideration (not including VAT) of the transactions contemplated under the Sale and Purchase Agreement (based on the Consideration as determined with reference to the Valuation Report) and the Previous Sale and Purchase Agreements is more than 25% but less than 75%, the disposal of the Assets by the Group under the Sale and Purchase Agreement constitutes a major transaction of the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As stated in the Announcement, to the best of the Directors' knowledge, information and belief after making all reasonable enquiries, no Shareholder has any material interest in the transaction contemplated under the JV Agreement and the Sale and Purchase Agreement. Therefore, no Shareholder will be required to abstain from voting at the general meeting on the resolutions to approve the respective transactions contemplated thereunder the JV Agreement and the Sale and Purchase Agreement. Since no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the JV Agreement and the Sale and Purchase Agreement, the Company intends to seek a written approval of the JV Agreement and the Sale and Purchase Agreement from Wuling HK, the immediate controlling Shareholder, which currently holds approximately 60.64% shareholding interest in the Company. Accordingly, such written Shareholder's approval, if obtained, will be accepted in lieu of holding a general meeting for the approval of the JV Agreement and the Sale and Purchase Agreement, pursuant to Rule 14.44 of the Listing Rules. As such, no general meeting of the Company will be convened to approve the JV Agreement and the Sale and Purchase Agreement if such written Shareholder's approval is obtained.

Reference is also made to the announcement of the Company dated 14 November 2018, a circular containing, among other things, further details of the JV Agreement, the Sale and Purchase Agreement and the respective transactions contemplated thereunder is expected to be despatched to the Shareholders on or before 24 December 2018.

Closing is subject to the fulfilment of various condition precedents and therefore the Sale and Purchase Agreement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 7 December 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.

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