

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Wuling Motors Holdings Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 —  
EQUIPMENT PURCHASE FRAMEWORK AGREEMENT**

**Financial Adviser to the Company**



**Celestial Capital Limited**

**Independent Financial Adviser to  
The Independent Board Committee and the Independent Shareholders**

**VINCO** 城高

**Vinco Capital Limited**

A letter from the Board is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on page 14 of this circular. A letter from Vinco Capital, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 15 to 28 of this circular.

A notice convening the SGM to be held at Unit 1901, 19/F, Beautiful Group Tower, 77 Connaught Road Central, Hong Kong on Thursday, 27 June 2019 at 10:00 a.m. is set out on pages 35 and 36 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

31 May 2019

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:*

“Board”	the board of Directors
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equipment”	means the equipment and/or production line/toolings to be purchased by the Wuling Industrial Group as well as the modification and/or upgrade of the existing equipment and/or production line/toolings to be undertaken by the Wuling Industrial Group
“Equipment Purchase Transaction(s)”	purchase of Equipment by Wuling Industrial Group from Shanghai Yipu and such other transactions to meet the actual needs of Wuling Industrial Group (such as after-sale services, installations and testings) pursuant to the respective terms of the Equipment Purchase Framework Agreement and the relevant Specific S&P Agreements (if entered)
“Equipment Purchase Framework Agreement”	the equipment purchase framework agreement dated 26 April 2019 entered into between Wuling Industrial and Shanghai Yipu in relation to the Equipment Purchase Transactions (if any)
“Group”	the Company and its subsidiaries
“Guangxi Automobile”	廣西汽車集團有限公司 (Guangxi Automobile Holdings Limited*), a state-controlled enterprise established in the PRC, being the ultimate beneficial controlling shareholder of the Company which is indirectly interested in approximately 60.64% of the total number of Shares in issue of the Company
“Guangxi Automobile Group”	Guangxi Automobile, its subsidiaries and associates (excluding the Group)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors established for the purpose of advising the Independent Shareholders on the terms of the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder, and the Proposed Annual Caps
“Independent Financial Adviser” or “Vinco Capital”	Vinco Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder and the Proposed Annual Caps
“Independent Shareholder(s)”	Shareholder(s) other than Guangxi Automobile and its associates
“Latest Practicable Date”	28 May 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contain herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	Parties to the Equipment Purchase Framework Agreement, namely, Wuling Industrial and Shanghai Yipu
“PRC”	the People’s Republic of China
“Proposed Annual Caps”	the annual caps of the continuing connected transactions contemplated under the Equipment Purchase Framework Agreement for each of the three years ending 31 December 2019, 2020 and 2021, as detailed in the paragraph headed “IV. Proposed Annual Caps under the Equipment Purchase Framework Agreement” set out in the letter from the Board contained in this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held on Thursday, 27 June 2019 to approve the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder and the Proposed Annual Caps

## DEFINITIONS

“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 55% by Guangxi Automobile and 45% by independent third party as at the Latest Practicable Date
“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“Specific S&P Agreement(s)”	the sale and purchase agreement(s) to be entered into between Wuling Industrial Group (as purchaser) and Shanghai Yipu (as vendor) pursuant to the terms of the Equipment Purchase Framework Agreement in the event that Shanghai Yipu is selected as successful bidder of tender(s) published by Wuling Industrial Group for supply of Equipment to Wuling Industrial Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

*In this circular, unless otherwise specified, conversion of RMB into HK\$, is based on the exchange rate of RMB1 to HK\$1.137, 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



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)

*Executive Directors:*

Mr. Yuan Zhijun (*Chairman*)  
Mr. Lee Shing (*Vice-chairman and  
Chief Executive Officer*)  
Ms. Liu Yaling  
Mr. Yang Jianyong  
Mr. Wang Zhengtong

*Independent Non-executive Directors:*

Mr. Ye Xiang  
Mr. Wang Yuben  
Mr. Mi Jianguo

*Principal place of business  
in Hong Kong:*

Unit 1901, 19/F  
Beautiful Group Tower  
77 Connaught Road Central  
Hong Kong

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM12 Bermuda

Hong Kong, 31 May 2019

*To the Shareholders,*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS —  
EQUIPMENT PURCHASE FRAMEWORK AGREEMENT**

**I. INTRODUCTION**

References are made to the announcements of the Company dated 25 January 2017, 31 March 2017, 22 September 2017, 13 October 2017 and 26 November 2018, respectively and the circular of the Company dated 1 November 2017. In its ordinary and usual course of business, Wuling Industrial, a non-wholly owned subsidiary of the Company, and its subsidiaries published tenders in relation to the procurement of automotive components manufacturing equipment and other related transactions by Wuling Industrial Group for its production facility expansion and upgrading projects. Shanghai Yipu, which is a connected person of the Company, from time to time submitted tender offers and was selected as the successful bidder for certain tenders, and the Company had complied with the Listing Rules in respect of the relevant connected transactions then entered into between Wuling Industrial Group and Shanghai Yipu. To cope with the Group's customer demands, it is anticipated by the Group that Wuling Industrial Group will publish further tenders in relation to the procurement of Equipment for the purpose of continuous expansion and upgrade of Wuling Industrial Group's production facilities, and it is also expected that Shanghai Yipu will participate in the bidding for some or all of such tenders.

## LETTER FROM THE BOARD

Reference is further made to the announcement of the Company dated 26 April 2019. In order to streamline the processes and to serve as the governance framework in respect of any future continuing connected transactions entered into between Wuling Industrial Group and Shanghai Yipu resulting from the selection of Shanghai Yipu as the successful bidder for any of the abovementioned tenders, on 26 April 2019 (after trading hours), Wuling Industrial entered into the Equipment Purchase Framework Agreement in relation to the Equipment Purchase Transactions for the period commencing from the effective date of the Equipment Purchase Framework Agreement (i.e. the date on which the relevant approval of the Independent Shareholders is obtained) to 31 December 2021.

The purpose of this circular is to provide you with, among other things, (i) further details of the Equipment Purchase Framework Agreement (ii) a letter from the Independent Board Committee to the Independent Shareholders giving its recommendations in respect of the terms of the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder and the Proposed Annual Caps; (iii) a letter from Vinco Capital to the Independent Board Committee and the Independent Shareholders containing its advice on the terms of the Equipment Purchase Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps; and (iv) a notice of the SGM.

## II. EQUIPMENT PURCHASE FRAMEWORK AGREEMENT

The principal terms of the Equipment Purchase Framework Agreement are summarised as follows:

Date:	26 April 2019
Parties:	Liuzhou Wuling Motors Industrial Company Limited* (柳州五菱汽車工業有限公司); and Shanghai Yipu Automatic Equipment Co., Limited* (上海詣譜自動化裝備有限公司).
Term:	From the effective date of the Equipment Purchase Framework Agreement (i.e. the date on which the relevant approval of the Independent Shareholders is obtained) to 31 December 2021

## LETTER FROM THE BOARD

Equipment Purchase  
Transactions:

The Equipment Purchase Framework Agreement sets out the framework structure of any Equipment Purchase Transactions that may be entered into between Wuling Industrial Group and Shanghai Yipu, in accordance with the standard tender process of the Group, which is more fully described in the following section headed “V. A Summary of the Standard Tender Process and Internal Control Measures of the Group”, during the terms of the Equipment Purchase Framework Agreement. Upon a tender, whether by public tender or private tender, in relation to the procurement of an Equipment by Wuling Industrial Group having been published and Shanghai Yipu having been selected as the successful bidder for such tender in accordance with the Group’s standard tender process, Wuling Industrial and Shanghai Yipu will enter into a Specific S&P Agreement which will set out the terms and conditions of the relevant Equipment Purchase Transaction, which will be in compliance with the applicable laws and regulations (including the Listing Rules).

The Equipment Purchase Transactions shall be conducted in the ordinary and usual course of business of the Group; the terms of the Specific S&P Agreements shall be subject to arm’s length negotiation among Wuling Industrial Group and Shanghai Yipu, being conducted in accordance with the Group’s standard tender process, on normal terms or on terms which are no less favourable than those offered by independent third parties to the Group; and the Specific S&P Agreements and the transactions contemplated thereunder shall be in compliance with applicable laws and regulations (including the Listing Rules) and the Equipment Purchase Framework Agreement.

Pricing policy pursuant to  
the Group’s standard  
tender process:

The purchase of the Equipment by Wuling Industrial Group will be subjected to the Group’s standard tender process with reference to the market price of similar equipment. Wuling Industrial will set out its requirements for the Equipment together with its assessment basis in the tender document. Overall assessment of the technical capability and the terms (including the tender prices) offered by the bidders will be conducted and the tender will be awarded to the bidder with the highest overall ranking.

Internal control measures have been put in place to ensure the tender process relating to any purchase of the Equipment will be conducted in accordance with the Group’s standard tender process and in a fair and open manner.



<b>LETTER FROM THE BOARD</b>
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Proposed Annual Caps: The Equipment Purchase Framework Agreement sets out the Proposed Annual Caps for each of the three years ending 31 December 2019, 2020 and 2021 pursuant to Chapter 14A of the Listing Rules which are more fully described under the following section headed “IV. Proposed Annual Caps under the Equipment Purchase Framework Agreement” of this letter from the Board.

Condition Precedent: The Equipment Purchase Framework Agreement is conditional upon the compliance by the Group of applicable laws and regulations (including the Listing Rules), including the approval by the Independent Shareholders.

### III. HISTORICAL TRANSACTION AMOUNTS

For the three years ended 31 December 2018, the actual transaction amounts entered into by the Group with Shanghai Yipu for the purchase of automotive components manufacturing equipment and other related transactions for the corresponding years are set out as follows:

	<b>For the year ended</b>		
	<b>31 December 2016</b>	<b>31 December 2017</b>	<b>31 December 2018</b>
Actual transaction amounts ( <i>audited</i> ) <i>RMB ('000)</i>	<u>—</u>	<u>76,282</u>	<u>26,071</u>

For the tenders published by the Group during the two years ended 31 December 2018, Shanghai Yipu submitted tender offers in the amounts of approximately RMB137.16 million and RMB36.82 million in 2017 and 2018, respectively.

### IV. PROPOSED ANNUAL CAPS UNDER THE EQUIPMENT PURCHASE FRAMEWORK AGREEMENT

Details of the Proposed Annual Caps under the Equipment Purchase Framework Agreement are set out as follows:

	<b>For the year ending</b>		
	<b>31 December 2019</b>	<b>31 December 2020</b>	<b>31 December 2021</b>
Proposed Annual Caps <i>RMB ('000)</i>	<u>100,000</u>	<u>110,000</u>	<u>120,000</u>

## LETTER FROM THE BOARD

The Proposed Annual Caps have been determined with reference to (i) the Group's internal procurement plan for the Equipment for each of the three years ending 31 December 2019, 2020 and 2021 (the expected total purchase amount under the internal procurement plan are RMB121,500,000, RMB131,000,000 and RMB141,000,000 for each of the three years ending 31 December 2021, respectively) which is prepared based on (a) the planned new capacity expansion and upgrading projects to be undertaken by Wuling Industrial Group and (b) the anticipated maintenance projects of the existing production facilities of Wuling Industrial Group to cope with the normal tear and wear and other modifications issues; (ii) the current estimation by the parties that Shanghai Yipu may participate in the bidding for all of the tenders to be published by Wuling Industrial Group in relation to the procurement of the Equipment; (iii) the expected enhancement in the competitiveness of Shanghai Yipu in terms of product quality, delivery time and cost upon the commencement of operation of its new factory in Shanghai in early 2019, and the establishment of a new plant in Liuzhou in the third quarter of 2019, where the Wuling Industrial Group is headquartered; and (iv) the historical transaction amounts between the Group and Shanghai Yipu, the average successful tender rate of Shanghai Yipu (being approximately 58.8%) for the two years ended 31 December 2018 and certain buffer necessary to allow higher flexibility for the Group to conduct the Equipment Purchase Transactions after taking into account the possibility that the successful tender rate of Shanghai Yipu in future may increase if the ranking of its bid offers are the highest pursuant to the assessment process (please refer to the following paragraph headed "V. A Summary of the Standard Tender Process and Internal Control Measures of the Group").

### **V. A SUMMARY OF THE STANDARD TENDER PROCESS AND INTERNAL CONTROL MEASURES OF THE GROUP**

Procurement of machinery, equipment and toolings of the Group is governed by a set of internal control procedures which is formulated in accordance with the industrial practices and the relevant laws and regulations in the PRC, which comprises a standard tender process applicable to different types and values of procurement undertaken by the Group. Pursuant to the standard tender process of the Group under the current internal control procedures, public tender will be conducted for the procurement of equipment of a contract value exceeding RMB2 million, while private tender will be conducted for the procurement of equipment of a contract value less than RMB2 million. A summary of which is set out below,

#### **Public tender**

- (1) upon receipt of a procurement request from the project team, the procurement department of the Group will appoint a tender agent to manage the tender process;
- (2) the procurement department will collaborate with the technical department and project team to prepare a procurement plan for the subject equipment;
- (3) the tender agent will prepare a set of tender document according to the procurement plan and other information provided by the procurement department. The tender document shall include the technical specifications of the subject equipment, the qualification requirements for the bidder, the quotation requirements and other relevant information, the tender document prepared will then be considered and finalised by various departments of the Group;

## LETTER FROM THE BOARD

- (4) the tender document will be published for bidding by the tender agent after the same being approved by the Group. If less than 3 bidders participate in the bidding of a tender, such tender will be considered as unsuccessful and will be re-tendered; and
- (5) the tender offers offered by the bidders will undergo an overall assessment process according to the assessment basis set out in the tender document and the tender will be awarded to the bidder with the highest overall ranking. Representative from the Group may participate in the assessment process according to relevant laws and regulations in relation to the tender and the assessment principles set out in the tender document.

### **Private tender**

- (1) upon receipt of a procurement request from the project team, the procurement department of the Group will collaborate with the technical department and project team to prepare a procurement plan for the subject equipment;
- (2) any of the procurement department, technical department and the project team may recommend suppliers, either from the list of authorised suppliers pre-approved by the Group or other suppliers having been appraised by the procurement department and technical department, to be considered as qualified bidders;
- (3) the procurement department shall prepare a quotation invitation in relation to the subject equipment and circulate the same to the qualified bidders, inviting the qualified bidders to provide feedback on the quotation and preliminary technical proposal;
- (4) the procurement department and the technical department shall review and analyse the feedback and preliminary technical proposal provided by the bidders and finalise a set of tender document. The finalised tender document will be provided to the qualified bidders inviting them to submit tender offers; and
- (5) the tender offers offered by the bidders will undergo an assessment process conducted by a joint purchasing committee consisting of, among others, the director, manager, and supervisor from the procurement department and senior management from technical department and finance department, according to the assessment basis set out in the tender document and the tender will be awarded to the bidder with the highest overall ranking.

### *Notes:*

1. *On condition the contract value of the subject equipment is less than RMB 20,000, the procurement department will obtain bids from at least 3 suppliers chosen from the list of authorised suppliers pre-approved by the Group. The tender will be awarded to the qualified bidder with lowest bid price.*
2. *Shanghai Yipu is on the list of authorised suppliers pre-approved by the Group.*

## LETTER FROM THE BOARD

### Internal Control Measures

The Group has put in place internal control procedure to safeguard the implementation of the standard tender process (both public tender and private tender), in particular:

- The procurement department will collect and evaluate the reference market price for the subject equipment in preparing the relevant documentation for each tender. The budget price for such subject equipment will then be determined by the technical department and finance department with reference to the technical specification of the equipment and the terms and conditions in relation to the procurement, which is also required to be approved by the responsible senior management to ensure the price is fair and reasonable.
- (for public tender) The procurement department will monitor and evaluate the conducts of the tender agent during the tender process for each tender and will report to the senior management of the procurement department if any abnormality is observed.
- The internal audit and legal department will monitor the tender process to ensure compliance with the Group's standard and the applicable laws and regulations and will review the tender process on yearly basis.
- The finance department will monitor the Equipment Purchase Transactions entered into and will report the same to the senior management of the Group after each completed tender and on monthly basis to ensure it will not exceed the Proposed Annual Caps.

In addition, the external auditors of the Company and the independent non-executive Directors will perform annual reviews pursuant to the requirements of Chapter 14A of the Listing Rules, as part of the Group's internal control systems, to ensure, among others, the Equipment Purchase Transactions are conducted in accordance with the terms of the Equipment Purchase Framework Agreement.

### VI. REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUIPMENT PURCHASE FRAMEWORK AGREEMENT

As disclosed in the annual report of the Company for the year ended 31 December 2018, Wuling Industrial Group has been actively undertaking certain expansion and upgrading programmes 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 (in particular the SUVs and MPVs) market in the PRC. To satisfy such changes of SGMW and provide SGMW and other customers with high-end products, it is anticipated by the Group that Wuling Industrial Group will continue to undertake capacity expansion and upgrading projects as well as other capacity maintenance and facilities modification projects in its production facilities by purchasing the Equipment from suppliers thereof through the Group's standard tender process in the coming years.

## LETTER FROM THE BOARD

Shanghai Yipu has been selected as the successful bidder for the supply of various automotive components manufacturing equipment and other related transaction to the Wuling Industrial Group over the past two years, and it is currently expected that Shanghai Yipu may participate in bidding for the tenders for the supply of the Equipment to be published by the Wuling Industrial Group during each of the three years ending 31 December 2019, 2020 and 2021. As set out in the paragraph headed “VIII. Listing Rules Implications” below, Shanghai Yipu is a connected person of the Company. Any connected transaction entered into between the Group (including Wuling Industrial Group) and Shanghai Yipu should be conducted by the Group in compliance with the Listing Rules. The Equipment Purchase Framework Agreement intends to streamline the processes in respect of any future continuing connected transactions, being the Equipment Purchase Transactions between Wuling Industrial Group and Shanghai Yipu, in the event Shanghai Yipu is selected as the successful bidder for the supply of the Equipment by serving as a basic framework on which the Company and Wuling Industrial Group will be based upon to comply with the disclosures and independent shareholders’ approval requirements in compliance with the Listing Rules, such that the administrative burden and costs on the Company and Wuling Industrial Group to comply with such requirements for each of the Equipment Purchase Transactions, if any, during the term of the Equipment Purchase Framework Agreement will be reasonably reduced. The Group will continue to comply with the applicable requirements under the Listing Rules, in particular the reporting and annual review requirements under Chapter 14A of the Listing Rules, with regard to the Equipment Purchase Transactions which may be entered into by Wuling Industrial Group and Shanghai Yipu in accordance with the Equipment Purchase Framework Agreement.

### VII. INFORMATION ON THE GROUP AND SHANGHAI YIPU

#### **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 (which covers the new energy vehicles, represented primarily by the electric vehicles), as well as the trading of raw materials, water and power supply services. As at the Latest Practicable Date, the Company holding 60.90% equity interest of Wuling Industrial which makes Wuling Industrial a non-wholly-owned subsidiary of the Company.

#### **Shanghai Yipu**

上海詣譜自動化裝備有限公司 (Shanghai Yipu Automatic Equipment Co., Limited\*), the vendor of the Equipment Purchase Framework Agreement, 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 and a subsidiary of Guangxi Automobile upon completion of the acquisition of a further 15% interests by Guangxi Automobile in April 2019.

## LETTER FROM THE BOARD

### VIII. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Shanghai Yipu was held as to 55% by Guangxi Automobile, while Guangxi Automobile, being the ultimate controlling Shareholder, through its direct and indirect wholly-owned subsidiaries, held 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 transactions contemplated under the Equipment Purchase Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Mr. Yuan Zhijun, Mr. Yang Jianyong and Mr. Wang Zhengtong, being the Directors and the directors and/or senior executives of Guangxi Automobile, where Mr. Wang Zhengtong who also serves as a director of Shanghai Yipu, have duly declared their interests and abstained from voting on the board resolutions passed to approve the Equipment Purchase Framework Agreement and the transactions contemplated thereunder. Save as disclosed above, no other Director is regarded having a material interest in the Equipment Purchase Framework Agreement and the transactions contemplated thereunder and required to abstain from voting on the board resolutions to approve the same.

As the highest applicable percentage ratio in respect of the Proposed Annual Caps, on an annual basis, is more than 5% and exceeds HK\$10,000,000, the Equipment Purchase Framework Agreement and the Proposed Annual Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### IX. THE SGM

Set out on pages 35 and 36 is a notice convening the SGM to be held at Unit 1901, 19/F, Beautiful Group Tower, 77 Connaught Road Central, Hong Kong on Thursday, 27 June 2019 at 10:00 a.m., at which ordinary resolution(s) will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder and the Proposed Annual Caps.

The ordinary resolution(s) as set out in the notice of the SGM will be put to the vote of the Independent Shareholders by poll. An announcement will be made by the Company following the conclusion of the SGM to inform you of its results.

A form of proxy is enclosed with this circular for use at the SGM. Whether or not you are able to attend the SGM (or any adjournment thereof) in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not less than 48 hours before the time required for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

## LETTER FROM THE BOARD

In view of their interests in the Equipment Purchase Framework Agreement, Guangxi Automobile and its associates, collectively interested in approximately 60.64% of the total number of Shares in issue, will abstain from voting on the resolution(s) in relation to the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder and the Proposed Annual Caps at the SGM. Saved as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder is required to abstain from voting at the SGM in respect of the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder and the Proposed Annual Caps.

### X. RECOMMENDATION

The Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders the terms of Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder and the Proposed Annual Caps. Your attention is drawn to (i) the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders on page 14 of this circular; and (ii) the letter from Vinco Capital to the Independent Board Committee and the Independent Shareholders containing its advice on the terms of the Equipment Purchase Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps on pages 15 to 28 of this circular.

Based on the relevant information disclosed herein, the Directors (including the independent non-executive Directors after considering the advice from Vinco Capital) are of the opinion that (i) the entering into of the Equipment Purchase Framework Agreement is in the ordinary and usual course of business of the Group; and (ii) the terms of the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder and the Proposed Annual Caps are on normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution(s) to approve the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder and the Proposed Annual Caps.

### XI. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully  
For and On behalf of the Board  
**Wuling Motors Holdings Limited**  
**Yuan Zhijun**  
*Chairman*



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)

31 May 2019

*To the Independent Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS —  
EQUIPMENT PURCHASE FRAMEWORK AGREEMENT**

We refer to the circular of the Company dated 31 May 2019 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, terms and expressions defined in the Circular shall have the same meanings in this letter.

We, being the independent non-executive Directors, have been appointed by the Company as members of the Independent Board Committee to advise the Independent Shareholders in respect of the terms of the Equipment Purchase Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps. Vinco Capital has been appointed to advise the Independent Shareholders and us in this regard. Details of the advice and recommendations from Vinco Capital, together with the principal factors and reasons taken into consideration by it in arriving at such advice and recommendations, are set out in the “Letter from Vinco Capital” on pages 15 to 28 of the Circular.

Having considered, among other things, the factors and reasons considered by, and the advice and recommendations of Vinco Capital, we are of the opinion that (i) the entering into of the Equipment Purchase Framework Agreement is in the ordinary and usual course of business of the Group; and (ii) the terms of the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder and the Proposed Annual Caps are on normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the Equipment Purchase Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps.

Yours faithfully

For and On behalf of the

*Independent Board Committee*

**Ye Xiang      Wang Yuben      Mi Jianguo**

*Independent non-executive Directors*



## LETTER FROM VINCO CAPITAL

*The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in connection with the terms of the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder which has been prepared for the purpose of incorporation in this circular:*



**Vinco Capital Limited**

Unit 2610, 26/F., The Center  
99 Queen's Road Central, Hong Kong

31 May 2019

*To: The Independent Board Committee and the Independent Shareholders of  
Wuling Motors Holdings Limited*

Dear Sirs,

### **CONTINUING CONNECTED TRANSACTIONS — EQUIPMENT PURCHASE FRAMEWORK AGREEMENT**

#### **A. INTRODUCTION**

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect to the terms of the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 31 May 2019 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 26 April 2019 (the “**Announcement**”). As set out in the Announcement, on 26 April 2019, Wuling Industrial entered into the Equipment Purchase Framework Agreement in relation to the Equipment Purchase Transactions for the period commencing from the effective date of the Equipment Purchase Framework Agreement (i.e. the date on which the relevant approval of the Independent Shareholders is obtained) to 31 December 2021.

As at the Latest Practicable Date, Shanghai Yipu was held as to 55% 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 transactions contemplated under the Equipment Purchase Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

## LETTER FROM VINCO CAPITAL

As the highest applicable percentage ratio in respect of the Proposed Annual Caps, on an annual basis, is more than 5% and exceeds HK\$10,000,000, the Equipment Purchase Framework Agreement and the Proposed Annual Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Ye Xiang, Mr. Wang Yuben and Mr. Mi Jianguo, has been established by the Board to consider and advise the Independent Shareholders as to whether the Equipment Purchase Framework Agreement is fair and reasonable and on normal commercial terms or better and in the ordinary and usual course of business of the Group and are in the interest of the Company and the Shareholders as a whole. We have been appointed and have been approved by the Independent Board Committee, as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As the Latest Practicable Date, we are not connected with the Directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. We are not aware of any relationships or interests between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rule to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Equipment Purchase Framework Agreement. Apart from normal professional fees payable to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fee or benefit from the Group and its associates. We have not acted as the independent financial adviser for the Company's other transactions in the past two years. Also we are not aware of the existence of or change in any circumstances that could affect our independence. Accordingly, we consider that we are eligible to give independent advice on the Equipment Purchase Framework Agreement.

### **B. BASIS OF OUR OPINION AND RECOMMENDATION**

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading.

## LETTER FROM VINCO CAPITAL

We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed. We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have reviewed all currently available information and documents, among others: (i) the annual reports of the Company for the year ended 31 December 2017 and 31 December 2018; (ii) the latest consolidated management account of the Group; (iii) the Circular; (iv) the Equipment Purchase Framework Agreement; (v) the Group's internal procurement plan for the Equipment for each of the three years ending 31 December 2019, 2020 and 2021; (vi) the latest audited report of Wuling Industrial Group; (vii) seven samples of past quotations approved by the directors confirming to be successful tenders received from Shanghai Yipu and independent third parties in relation to procurement of equipment and production line/toolings by Wuling Industrial Group for its production facility expansion and upgrading projects during the three years ended 31 December 2018; (viii) the historical amount of purchase of manufacturing equipment and other related transactions during the three years ended 31 December 2018; (ix) all contracts engaged between SGMW and Wuling Industrial Group during the two years ended 31 December 2018; (x) the internal control policies and risk management policies governing continuing connected transactions; and (xi) the pricing policy in relation to the continuing connected transactions which are made available to us and enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Equipment Purchase Framework Agreement, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

## LETTER FROM VINCO CAPITAL

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration on the continuing connected transactions contemplated under the Equipment Purchase Framework Agreement, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

### **C. PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion and recommendation to the Independent Board Committee and Independent Shareholders in relation to the Equipment Purchase Framework Agreement, we have considered following principal factors and reasons set out below:

#### **Information of 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 vehicle, as well as the trading of raw materials, water and power supply services. As at the Latest Practicable Date, the Company holds approximately 60.64% equity interest of Wuling Industrial which makes Wuling Industrial a non-wholly-owned subsidiary of the Company.

#### **Information of Shanghai Yipu**

The Vendor, Shanghai Yipu, is a company established in the PRC and is principally engaged in the design, construction and integration work of the automatic production-lines and welding fixture devices, as well as the manufacturing of molds, tooling and component 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 and a subsidiary of Guangxi Automobile upon completion of the acquisition of a further 15% interests by Guangxi Automobile in April 2019.

## LETTER FROM VINCO CAPITAL

### Historical financial information of the Group

Set out below is a summary of the audited consolidated financial results of the Group for the three years ended 31 December 2018, as extracted from the relevant annual reports of the Company respectively:

	<b>For the year ended 31 December</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>			
— Engines and related parts	1,573,555	2,268,200	3,869,040
— Automotive components and other industrial services	9,348,788	11,022,262	10,542,987
— Specialized vehicles	4,197,622	2,833,277	2,265,526
— Others	<u>154</u>	<u>156</u>	<u>142</u>
	<u>15,120,119</u>	<u>16,123,895</u>	<u>16,677,695</u>
<b>Profit for the year</b>	<u>125,195</u>	<u>281,784</u>	<u>280,273</u>
	<b>As at 31 December</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Bank balances and cash</b>	974,697	1,706,780	1,559,741
<b>Total equity</b>	<u>2,478,849</u>	<u>2,487,860</u>	<u>2,135,171</u>

With reference to the annual report of the Group for the year ended 31 December 2017 (the “**Annual Report 2017**”), the revenue of the Group decreased by approximately 3.3% from approximately RMB16,678 million for the year ended 31 December 2016 to approximately RMB16,124 million for the year ended 31 December 2017 under the challenging business environment of the automobile industry in China. The Group’s revenue generated from its automotive components and other industrial services increased by approximately 4.5% from approximately RMB10,543 million for the year ended 31 December 2016 to approximately RMB11,022 million for the year ended 31 December 2017.

The Group’s net profit slightly increased by approximately 0.5% from approximately RMB280 million for the year ended 31 December 2016 to approximately RMB282 million for the year ended 31 December 2017. The slight increase was mainly attributable to the effect of changes in fair value of the convertible loan notes. On 23 May 2017, the Company issued a convertible notes of a principal amount of HKD400,000,000 to Wuling (Hong Kong) Holdings Limited. The convertible loan notes bear interest at 4% per annum would be eligible to be converted into a total number of 571,428,571 fully paid

## LETTER FROM VINCO CAPITAL

up shares of the Company at an initial conversion price of HKD0.70 per share on any business day commencing from 22 November 2017 up to the fifth business days prior to the maturity date (being 23 May 2020).

With reference to the annual report of the Group for the year ended 31 December 2018 (the “**Annual Report 2018**”), the revenue of the Group decreased by approximately 6.2% from approximately RMB16,124 million for the year ended 31 December 2017 to approximately RMB15,120 million for the year ended 31 December 2018 as the automobile industry in China is entering into a stage of consolidation. The Group’s revenue generated from its automotive components and other industrial services decreased by approximately 15.2% from approximately RMB11,022 million for the year ended 31 December 2017 to approximately RMB9,349 million for the year ended 31 December 2018 due to slowdown in the pace of growth as a result of international trade conflicts among world leading nations. The Group’s revenue generated from its specialised vehicles increased 48.2% from approximately RMB2,833 million for the year ended 31 December 2017 to approximately RMB4,198 million for the year ended 31 December 2018 as a result of the continuous launches of new vehicle models and the proactive marketing programmes.

The Group’s net profit decreased by approximately 55.6% from approximately RMB282 million for the year ended 31 December 2017 to approximately RMB125 million for the year ended 31 December 2018. The decrease was mainly attributable to relatively lower gross profit margins of certain component products and the operating losses incurred in the newly setup plant in Indonesia.

### **Reasons for and benefits of the Transactions**

As stated in the Letter from the Board, Wuling Industrial Group has been actively undertaking certain expansion and upgrading programmes 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 (in particular the SUVs and MPVs) market in the PRC. To satisfy such changes of SGMW and provide SGMW and other customers with high-end products, it is anticipated by the Group that Wuling Industrial Group will continue to undertake capacity expansion and upgrading projects as well as other capacity maintenance and facilities modification projects in its production facilities by purchasing the Equipment from suppliers thereof through the Group’s standard tender process in the coming years.

## LETTER FROM VINCO CAPITAL

Shanghai Yipu has been selected as the successful bidder for the supply of various automotive components manufacturing equipment and other related transaction to the Wuling Industrial Group over the past two years, and it is currently expected that Shanghai Yipu may participate in bidding for the tenders for the supply of the Equipment to be published by the Wuling Industrial Group during each of the three years ending 31 December 2019, 2020 and 2021. As set out in the paragraph headed “VIII. Listing Rules Implications” in the Letter of the Board, Shanghai Yipu is a connected person of the Company. Any connected transaction entered into between the Group (including Wuling Industrial Group) and Shanghai Yipu should be conducted by the Group in compliance with the Listing Rules. The Equipment Purchase Framework Agreement intends to streamline the processes in respect of any future continuing connected transactions, being the Equipment Purchase Transactions between Wuling Industrial Group and Shanghai Yipu, in the event Shanghai Yipu is selected as the successful bidder for the supply of the Equipment by serving as a basic framework on which the Company and Wuling Industrial Group will be based upon to comply with the disclosures and independent shareholders’ approval requirements in compliance with the Listing Rules, such that the administrative burden and costs on the Company and Wuling Industrial Group to comply with such requirements for each of the Equipment Purchase Transactions, if any, during the term of the Equipment Purchase Framework Agreement will be reasonably reduced. The Group will continue to comply with the applicable requirements under the Listing Rules, in particular the reporting and annual review requirements under Chapter 14A of the Listing Rules, with regard to the Equipment Purchase Transactions which may be entered into by Wuling Industrial Group and Shanghai Yipu in accordance with the Equipment Purchase Framework Agreement.

Having considered (i) with reference to the Annual Report 2017 and 2018 that the Group’s segment revenue for its automotive components division was comprised of 68.4% and 61.8% of the total revenue for the two years ended 31 December 2018 respectively; (ii) the positive business performance of the Group for the two years ended 31 December 2018; (iii) all contracts engaged between SGMW and Wuling Industrial Group during the two years ended 31 December 2018 which have contributed to the segment revenue for the Group’s automotive components division and the Group’s positive business performance; (iv) the Group’s intention to undertake capacity expansion and upgrading projects in order to meet SGMW’s demands; and (v) the selection of Shanghai Yipu as the successful bidder for the supply of the Equipment shall be on normal commercial terms that are fair and reasonable and shall be on terms no less favourable to the Group than the tenders from independent third parties, we concur with the Directors that the entering into of the Equipment Purchase Framework Agreement is in the ordinary and usual course of business of the Group.

## LETTER FROM VINCO CAPITAL

### Principal terms of the Equipment Purchase Framework Agreement

The principal terms of the Equipment Purchase Framework Agreement are summarised as follows:

Date:	26 April 2019
Parties:	Liuzhou Wuling Motors Industrial Company Limited* (柳州五菱汽車工業有限公司); and Shanghai Yipu Automatic Equipment Co., Limited* (上海詣譜自動化裝備有限公司)
Term:	From the effective date of the Equipment Purchase Framework Agreement (i.e. the date on which the relevant approval of the Independent Shareholders is obtained) to 31 December 2021
Equipment Purchase Transactions:	The Equipment Purchase Framework Agreement sets out the framework structure of any Equipment Purchase Transactions that may be entered into between Wuling Industrial Group and Shanghai Yipu in accordance with the standard tender process of the Group, which is more fully described in the section headed “V. A Summary of the Standard Tender Process and Internal Control Measures of the Group” in the Letter from the Board, during the terms of the Equipment Purchase Framework Agreement. Upon a tender, whether by public tender or private tender, in relation to the procurement of an Equipment by Wuling Industrial Group having been published and Shanghai Yipu having been selected as the successful bidder for such tender in accordance with the Group’s standard tender process, Wuling Industrial and Shanghai Yipu will enter into a Specific S&P Agreement which will set out the terms and conditions of the relevant Equipment Purchase Transaction, which will be in compliance with the applicable laws and regulations (including the Listing Rules).



## LETTER FROM VINCO CAPITAL

The Equipment Purchase Transactions shall be conducted in the ordinary and usual course of business of the Group; the terms of the Specific S&P Agreements shall be subject to arm's length negotiation among Wuling Industrial Group and Shanghai Yipu, being conducted in accordance with the Group's standard tender process, on normal terms or on terms which are no less favourable than those offered by independent third parties to the Group; and the Specific S&P Agreements and the transactions contemplated thereunder shall be in compliance with applicable laws and regulations (including the Listing Rules) and the Equipment Purchase Framework Agreement.

Pricing policy pursuant to the Group's standard tender process:

The purchase of the Equipment by Wuling Industrial Group will be subjected to the Group's standard tender process with reference to the market price of similar equipment. Wuling Industrial will set out its requirements for the Equipment together with its evaluation basis in the tender document. Overall assessment of the technical capability and the terms (including the tender prices) offered by the bidders will be conducted and the tender will be awarded to the bidder with the highest overall ranking. Internal control measures have been put in place to ensure the tender process relating to any purchase of the Equipment will be conducted in accordance with the Group's standard tender process and in a fair and open manner.

Proposed Annual Caps:

The Equipment Purchase Framework Agreement sets out the Proposed Annual Caps for each of the three years ending 31 December 2019, 2020 and 2021 pursuant to Chapter 14A of the Listing Rules which are more fully described under the following section headed "IV. Proposed Annual Caps under the Equipment Purchase Framework Agreement" of the Letter from the Board.

Condition precedent:

The Equipment Purchase Framework Agreement is conditional upon the compliance by the Group of applicable laws and regulations (including the Listing Rules), including the approval by the Independent Shareholders.

## LETTER FROM VINCO CAPITAL

### Historical transaction amounts

For the three years ended 31 December 2018, the actual transaction amounts entered into by the Group with Shanghai Yipu for the purchase of automotive components manufacturing equipment and other related transactions for the corresponding years are set out as follows:

	<b>For the year ended</b>		
	<b>31 December 2016</b>	<b>31 December 2017</b>	<b>31 December 2018</b>
Actual transaction amounts (audited) RMB ('000)	—	76,282	26,071

For the tenders published by the Group up to the year ended 31 December 2018, Shanghai Yipu submitted tender offers in the amount of approximately RMB137.16 million and RMB36.82 million, respectively.

### Proposed Annual Caps under the Equipment Purchase Framework Agreement

Details of the Proposed Annual Caps under the Equipment Purchase Framework Agreement are set out as follows:

	<b>For the year ending</b>		
	<b>31 December 2019</b>	<b>31 December 2020</b>	<b>31 December 2021</b>
Proposed Annual Caps RMB ('000)	100,000	110,000	120,000

With reference to the Letter from the Board, the Proposed Annual Caps have been determined with reference to (i) the Group's internal procurement plan for the Equipment for each of the three years ending 31 December 2019, 2020 and 2021 (the expected total purchase amount under the internal procurement plan are RMB121,500,000, RMB131,000,000 and RMB141,000,000 for each of the three years ending 31 December 2021, respectively) which is prepared based on (a) the planned new capacity expansion and upgrading projects to be undertaken by Wuling Industrial Group and (b) the anticipated maintenance projects of the existing production facilities of Wuling Industrial Group to cope with the normal tear and wear and other modifications issues; (ii) the current estimation by the parties that Shanghai Yipu may participate in the bidding for all of the tenders to be published by Wuling Industrial Group in relation to the procurement of the Equipment; (iii) the expected enhancement in the competitiveness of Shanghai Yipu in terms of product quality, delivery time and cost upon the commencement of operation of its new factory in Shanghai in early 2019, and the establishment of a new plant in Liuzhou in the third quarter of 2019, where the Wuling Industrial Group is headquartered; and (iv) the historical transaction amounts between the Group and Shanghai Yipu and the average successful tender rate of Shanghai Yipu (being approximately 58.8%) for the two years ended 31 December 2018 and certain buffer

## LETTER FROM VINCO CAPITAL

necessary to allow higher flexibility for the Group to conduct the Equipment Purchase Transactions after taking into account the possibility that the successful tender rate of Shanghai Yipu in future may increase if the ranking of its bid offers are the highest pursuant to the assessment process.

In accessing the reasonableness of the basis and assumptions of the proposed annual caps, we have discussed with the Directors and note that they anticipate that there will be a growth of business demands from SGMW in their launches of new vehicle models. We have performed desktop searches on the business demand of the automobile industry market outlook, the Consumer News and Business Channel (“CNBC”) reported on 8 April 2019 that new electric energy car sales in China had increased almost 62% in 2018 to approximately 1.3 million vehicles, according to China’s Association of Automobile Manufacturers, and the organisation estimates China’s electric energy car sales to reach approximately 1.6 million vehicles in 2019. According to Global Newswire’s report on 5 October 2018, the global electric vehicle market is expected to witness a CAGR of 23.9% and is projected to reach 51.5 million units by 2024, with the government of China to have a target of 7 million electric vehicles by 2025. As confirmed by the Directors, to satisfy the changes of SGMW and their launches of new vehicle models and the needs of other customers, it is anticipated by the Group that Wuling Industrial Group will require to undertake capacity expansion and maintenance of its production facilities by purchasing the Equipment from suppliers through standard tender process in the coming years.

In further accessing the reasonableness of the basis and assumptions of the proposed annual caps, we have selected on a random basis and reviewed seven samples of past quotations approved by the directors during the two years ended 31 December 2018 confirming to be successful tenders received from Shanghai Yipu and other independent third parties in relation to procurement of equipment and production line/toolings for Wuling Industrial Group’s production facility expansion and upgrading projects. The contract amount of the seven samples we have selected represents approximately 52.5% and 58.1% of the total contract sum that Shanghai Yipu has participated for tendering in 2017 and 2018 respectively. We believe the selection of samples are relevant and representative given that the contract amount accounts for around 50% of the total tendered amount by Shanghai Yipu and the historical transactions between the Group and Shanghai Yipu in relation to procurement of equipment and production line/toolings are in a similar nature and terms with the transactions contemplated under Equipment Purchase Framework Agreement. As confirmed by the Directors that estimation of the Proposed Annual Caps was based on the historical transaction amount between the Group and Shanghai Yipu for the two years ended 31 December 2018, we considered that the seven samples of past quotations during the last two years would be an appropriate period for us to assess. We noted that the quotation application forms for the comparison demonstrate the ranking of the price and technical quality, and the selection of successful tenders was based by balancing these criteria in the interest of the Group. We noted that the total amount of investment cost of plant, machinery and manufacturing equipment was approximately RMB306,688,000, RMB421,895,000 and RMB672,573,000 for the three years ended 31 December 2018 respectively. As confirmed by the Directors and having reviewed a list of components expected to be manufactured together with the

## LETTER FROM VINCO CAPITAL

estimated amount for facility expansion required for the three years ending 31 December 2021, the expected purchase amount in relation to the procurement plan for the Equipment (which is relevant to the scope of products and services provided by Shanghai Yipu) is RMB121,500,000, RMB131,000,000 and RMB141,000,000, with the Proposed Annual Caps representing approximately 82.3%, 83.9% and 85.1% for the three years ending 31 December 2019, 2020 and 2021 respectively.

We noted that the historical transaction amount between Shanghai Yipu and the Group was approximately RMB76.3 million and RMB26.1 million for the two years ended 31 December 2017 and 2018 respectively. As discussed with the Directors, we assessed the total number of tender offers that Shanghai Yipu have made to the Group for the two years ended 31 December 2018 respectively, the average percentage of the historical transaction amount of successful tenders compared to the total amount of which Shanghai Yipu had submitted tender offers to for the two years ended 31 December 2018 was approximately 58.8% (the “**Average Tender Rate**”).

As confirmed by the Directors, having made the assumption based on the Average Tender Rate to the expected purchase amount in relation to the procurement plan for the Equipment of approximately RMB121.5 million for the year ending 31 December 2019, the Directors confirmed that their initial estimated transaction amount between Shanghai Yipu and the Group would be approximately RMB71.5 million. As confirmed by the Directors, having taken into account of the increase in production capacity of the new plant, increase in efficiency of after-sale services and the decrease in transportation cost considering the production could be done locally in Liuzhou subject to Shanghai Yipu’s commencement of their new factory and new plant in Shanghai and Liuzhou respectively in 2019, the Directors estimate that the enhanced competitiveness of Shanghai Yipu would allow them to tender at a more favourable pricing and commercial terms for the three years ending 31 December 2021. We have reviewed the list of past unsuccessful tenders from Shanghai Yipu with the amount of approximately RMB60.9 million and RMB10.7 million for each of the two years ended 31 December 2018. As confirmed by the Directors, having made the assumption that if Shanghai Yipu have had already commenced their new factory and new plant in Shanghai and Liuzhou respectively during the two years ended 31 December 2018, Shanghai Yipu could have successfully tendered an additional transaction amount of RMB22.7 million and RMB9.6 million for each of the two years ended 31 December 2018 based on their enhanced commercial terms. As discussed with the Directors, we assessed the successful tender amount based on this assumption made and noted that Shanghai Yipu’s new plant could have suggested an Average Tender Rate at approximately 77.4% for the two years ended 31 December 2018. As discussed with the Directors, we noted a subsequent buffer of approximately 6.3% to account for unforeseeable circumstances. We obtained the calculation for the Proposed Annual Caps and noted the above basis under the calculation.

In light of the above, we are of the view that the assumption and calculation made in determining the Proposed Annual Caps of approximately RMB100 million, RMB110 million and RMB120 million for the three years ending 31 December 2019, 2020 and 2021 is fair and reasonable.

## LETTER FROM VINCO CAPITAL

Regarding the pricing policy of the purchase of the Equipment by Wuling Industrial Group, we have reviewed the quotation application forms for the comparison which demonstrate the ranking of the price and technical quality and we believe that the evaluation on the criteria including but not limited to the tender prices offered by the bidder and technical experience is sufficient to ensure the tender will be awarded to the bidder with the highest overall ranking. As set out above, we are of the view that the pricing policy is fair and reasonable and is in the interest of the Group and Shareholders as a whole.

As we have discussed with and confirmed by the Directors, the estimated tenders to be successful from Shanghai Yipu in relation to procurement of equipment will be on normal commercial terms that are fair and reasonable and will be on terms no less favourable to the Group than the tenders from independent third parties for the three years ending 31 December 2019, 2020 and 2021. We have reviewed the internal control measures of the Group to safeguard the implementation of the standard tender process (both public tender and private tender). We noted that the internal control procedures to be undertaken would require the procurement department to collect and evaluate the reference market price for the subject equipment in preparing the relevant documentation for the tender. The budget price for such subject equipment will then be determined by the technical department and finance department with reference to the technical specification of the equipment and the terms and conditions in relation to the procurement, which is also required to be approved by the responsible senior management. For public tender, we noted that the procurement department will monitor and evaluate the conducts of the tender agent during the tender process for each tender and will report to the senior management of the procurement department if any abnormality is observed. We noted that the internal audit and legal department will monitor the tender process to ensure compliance with the Group's standard and the applicable laws and regulations and will review the tender process on a yearly basis. In order to ensure that the standard tender process is conducted on normal commercial terms, fair and reasonable, we selected on a random basis and reviewed sample documentation of each internal control measures taken during the two years ended 31 December 2018 including but not limit to (i) evaluation report indicating the procurement department evaluating the reference market price; (ii) evaluation report indicating the technical department and finance department determining the budget price; (iii) senior management having approved the price; (iv) contract entered into with tender agent and their evaluation report; and (v) the latest internal control review dated 11 February 2019 conducted by the internal audit on corporate governance and the relevant laws and regulations.

In light of the above, we are of the view that the Company has sufficient and effective internal control procedures on the tender process to ensure the procurement of equipment will be conducted on normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders as a whole is fair and reasonable.

Having considered that (i) the historical amount of purchase manufacturing equipment and other related transactions of approximately RMB306,688,000, RMB421,895,000 and RMB672,573,000 during the three years ended 31 December 2018

## LETTER FROM VINCO CAPITAL

respectively; (ii) the Group's internal procurement plan for the Equipment for the three years ending 31 December 2019, 2020 and 2021; (iii) breakdown of the estimation of the anticipated purchase amount in relation to the procurement plan for the Equipment (which is relevant to the scope of products and services provided by Shanghai Yipu) of approximately RMB121,500,000, RMB131,000,000 and RMB141,000,000 for the three years ending 31 December 2019, 2020 and 2021; (iv) the samples of past quotations approved by the directors confirming to be successful tenders received from Shanghai Yipu in relation to procurement of equipment and production line/toolings for Wuling Industrial Group's production facility expansion and upgrading projects have been on normal commercial terms that are fair and reasonable and have been on terms no less favourable to the Group than the tenders from independent third parties during the two years ended 31 December 2018; (v) the assumption and calculation made in estimating the enhanced competitiveness of Shanghai Yipu to determine the Proposed Annual Caps; and (vi) the internal control procedures on the tender process ensuring that the procurement of equipment will be conducted on normal commercial terms, we concur with the Directors that the Proposed Annual Caps are on normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

### D. RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Equipment Purchase Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Equipment Purchase Framework Agreement are in the ordinary and usual course of business of the Group and in its interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the Equipment Purchase Framework Agreement, together with the transactions contemplated thereunder and the Proposed Annual Caps, and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,  
For and on behalf of  
**Vinco Capital Limited**  
**Alister Chung**  
*Managing Director*

*Note:* Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Vinco Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 10 years.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement in this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (i) Directors and chief executive of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company held any interest or short positions in the Shares, underlying Shares or debentures of the Company and any of its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance (the “SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange:

#### *Long Position*

Name of Director	Capacity	Number of Shares held	Approximate % of the total number of Shares in issue*
Mr. Lee Shing (“Mr. Lee”)	Interest in controlled corporation ( <i>Note</i> )	281,622,914	13.74%
	Beneficial owner	3,090,900	0.15%
	Interest held by spouse	<u>1,648,480</u>	<u>0.08%</u>
	Sub-total	<u>286,362,294</u>	<u>13.97%</u>
Mr. Yuan Zhijun	Beneficial owner	<u>3,000,000</u>	<u>0.15%</u>
Ms. Liu Yaling	Beneficial owner	<u>2,060,600</u>	<u>0.10%</u>
Mr. Ye Xiang	Beneficial owner	<u>1,030,300</u>	<u>0.05%</u>

*Note:* This represents the Shares held by Dragon Hill Development Limited (“Dragon Hill”), a company wholly-owned by Mr. Lee.

\* The percentage has been adjusted (if any) based on a total of 2,050,107,555 Shares in issue as at the Latest Practicable Date.

**(ii) Substantial Shareholders**

Save as disclosed below, as at the Latest Practicable Date, so far as it was known to the Directors and chief executive of the Company, no other persons had an interest or a short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO, or who (other than a member of the Group was) was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

***Long Position***

Name of shareholder	Capacity	Nature of interest	Number of Shares held	Approximate % of the total number of Shares in issue*
Dragon Hill (Note 1)	Beneficial owner	Corporate	<u>281,622,914</u>	<u>13.74%</u>
Mr. Lee	Interest in controlled corporation (Note 1)	Corporate	281,622,914	13.74%
	Beneficial owner (Note 2)	Personal	3,090,900	0.15%
	Interest held by spouse (Note 2)	Family	1,648,480	0.08%
	Sub-total		<u>286,362,294</u>	<u>13.97%</u>
Wuling (Hong Kong) Holdings Limited (“Wuling HK”) (Notes 3 and 4)	Beneficial owner	Corporate	1,243,132,520	60.64%
		Unlisted derivatives	357,142,857	17.42%
	Sub-total		<u>1,600,275,377</u>	<u>78.06%</u>
Wuling Motors (Hong Kong) Company Limited (“Wuling Motors”) (Notes 3 and 4)	Interest in controlled corporation	Corporate	1,243,132,520	60.64%
		Unlisted derivatives	357,142,857	17.42%
	Sub-total		<u>1,600,275,377</u>	<u>78.06%</u>
Guangxi Automobile Holdings Limited* (“Guangxi Automobile”) (Notes 3 and 4)	Interest in controlled corporation	Corporate	1,243,132,520	60.64%
		Unlisted derivatives	357,142,857	17.42%
	Sub-total		<u>1,600,275,377</u>	<u>78.06%</u>



*Notes:*

- (1) Mr. Lee is beneficially interested in 281,622,914 Shares, which interests are held by Dragon Hill, a company wholly-owned by Mr. Lee. This parcel of Shares has also been disclosed as long position of Mr. Lee under the above section.
  - (2) These represent the Shares held by Mr. Lee and his spouse as beneficial owners, respectively.
  - (3) The entire issued share capital of Wuling HK is currently held by Wuling Motors, whereas the entire issued share capital of Wuling Motors is currently held by Guangxi Automobile. Accordingly, Wuling Motors and Guangxi Automobile are deemed to be interested in the Shares in which Wuling HK is interested under the SFO.
  - (4) The unlisted derivatives referred to the 357,142,857 Shares (conversion shares) issuable to Wuling HK upon exercise in full of the conversion rights attaching to the outstanding convertible loan notes issued to Wuling HK amounting to HK\$250,000,000, details of which may refer to the Company's announcement dated 13 October 2016 and 23 May 2017 and 29 December 2017 and the Company's circular dated 28 November 2016.
- \* The percentage has been adjusted (if any) based on a total of 2,050,107,555 Shares in issue as at the Latest Practicable Date.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group which does not expire or which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

### 4. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

In addition to the Equipment Purchase Framework Agreement entered into between Wuling Industrial and Shanghai Yipu, which details were fully disclosed in the circular, the Company and its subsidiaries entered into the following contracts or arrangements which are subsisting and significant in relation to the business to the Group:

- (a) On 13 October 2016, the Company and Wuling HK entered into a conditional subscription agreement, pursuant to which the Company has conditionally agreed to issue and Wuling HK has conditionally agreed to subscribe for the convertible notes in an aggregate principal amount of HK\$400,000,000 (the "**Subscription Agreement**"). The convertible loan notes which bear interest at 4% per annum would be eligible to be converted into a total number of 571,428,571 fully paid up Shares at an initial conversion price of HK\$0.70 per Share (subject to adjustments) on any business day commencing from 22 November 2017 up to the fifth business days prior to the maturity date (being 23 May 2020). Details of the Subscription Agreement were fully described in the Company's announcement dated 13 October 2016 and the Company's circular dated 28 November 2016. Completion of the Subscription Agreement was taken place on 23 May 2017 upon which the convertible notes in an aggregate principal amount of HK\$400,000,000 was issued to Wuling HK on the same date. On 29 December 2017, the convertible loan notes

of a principal amount of HK\$150,000,000 were converted by Wuling HK into a total number of 214,285,714 Shares. Subsequent to the this conversion, the aggregate principal amount of convertible loan notes remained outstanding was HK\$250,000,000, which would be eligible to be converted into a total number of 357,142,857 Shares according to the abovementioned terms and conditions.

- (b) On 16 November 2016, Wuling Industrial entered into an agreement with Guangxi Automobile to renew the continuing connected transactions for a term of three years from the effective date to 31 December 2019 to govern the continuing connected transactions between the Wuling Industrial Group and Guangxi Automobile Group (the “**2017-2019 Master Agreement**”). Details of the 2017-2019 Master Agreement were fully described in the Company’s announcement dated 16 November 2016 and the Company’s circular dated 15 December 2016.
- (c) On 28 April 2017, 17 May 2017 and 15 June 2018, the Company and Guangxi Automobile entered into the supplemental agreements (the “**Supplemental Agreements**”) to amend certain terms, including the annual caps, of the 2017-2019 Master Agreement. Details of the Supplemental Agreements were fully described in the Company’s announcements dated 28 April 2017, 17 May 2017 and 15 June 2018; and the Company’s circulars dated 13 June 2017 and 20 July 2018.
- (d) On 23 November 2018, Wuling Industrial, as borrower and Guangxi Automobile as lender, entered into a loan agreement for a 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. On the same day, Wuling Liuji, as borrower and Guangxi Automobile as lender, entered into a loan agreement for a 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 (collectively, the “**Loan Agreements**”). Details of the Loan Agreements were fully described in the Company’s announcement dated 23 November 2018 and the Company’s circular dated 2 January 2019.
- (e) On 7 December 2018, Wuling Industrial, as tenant, and Guangxi Automobile, as landlord, entered into a master tenancy agreement in respect of, among others, the lease of properties situated in Liuzhou, the PRC, for a term of three years commencing from 1 January 2019 and expiring on 31 December 2021 (the “**Master Tenancy Agreement**”). Details of the Master Tenancy Agreement were fully described in the Company’s announcement dated 7 December 2018 and the Company’s circular dated 14 January 2019.

Mr. Yuan Zhijun, chairman of the Board and an executive Director, is currently a director of Guangxi Automobile, Wuling HK and Wuling Motors. Mr. Yang Jianyong and Mr. Wang Zhengtong, both of them executive Directors, are currently senior executives of Guangxi Automobile. Mr. Yang Jianyong, is also currently a director of Wuling HK and Wuling Motors. Mr. Wang Zhengtong is also a director of Shanghai Yipu.

Save as disclosed herein, as at the Latest Practicable Date, (i) none of the Directors had any interest in any assets which had been since 31 December 2018 (being the date to which the latest published consolidated audited financial statements of the Group were made up) acquired or disposed of by or leased to, any member of the Group, or were proposed to be acquired or disposed of by or leased to, any member of the Group; and (ii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

## 5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Yuan Zhijun, the chairman of the Board and an executive Director, is also a director of SGMW. SGMW is principally engaged in the manufacturing and trading businesses of motor vehicles and engines, which may have direct or indirect competition to the businesses of the Group. Although Mr. Yuan is taken to have competing interests in SGMW by virtue of their common directorships, he fulfill his fiduciary duty in order to ensure that he acts in the best interest of the Shareholders and the Company as a whole at all times. Besides, as SGMW is operated and managed under a publicly listed company with independent management and administration, the Directors are satisfied that the Group is capable of carrying its businesses independently of, and at arm's length basis from, the businesses of SGMW.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective close associates has interests in a business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

## 6. CONSENT AND QUALIFICATION OF EXPERT

The following is the qualification of the expert which has given advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Vinco Capital	A corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) of the regulated activities under the SFO

As at the Latest Practicable Date, Vinco Capital did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Vinco Capital did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2018, being the date to which the latest published consolidated audited financial statements of the Group were made up.

Vinco Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter to the Independent Board Committee and the Independent Shareholders and references to its name in the form and context in which they are included in this circular.

## **7. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

## **8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours on any business day at the principal place of business of the Company in Hong Kong at Unit 1901, 19/F, Beautiful Group Tower, 77 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the SGM of the Company to be held on 27 June 2019:

- (a) the letter from the Board, the text of which is set out in the section headed “Letter from the Board” of this circular;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Board Committee” of this circular;
- (c) the letter of advice from Vinco Capital to the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed “Letter from Vinco Capital” of this circular;
- (d) the written consent from Vinco Capital referred to in the section headed “6. Consent and Qualification of Expert” in this appendix;
- (e) the Equipment Purchase Framework Agreement; and
- (f) this circular.

## NOTICE OF THE SGM



# 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)

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of Wuling Motors Holdings Limited (the “Company”) will be held at Unit 1901, 19/F, Beautiful Group Tower, 77 Connaught Road Central, Hong Kong on Thursday, 27 June 2019 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions, which will be proposed as ordinary resolutions of the Company:

### ORDINARY RESOLUTION

Words and expressions that are not expressly defined in this notice shall bear the same meaning as that defined in the circular of the Company dated 31 May 2019 (the “Circular”).

**“THAT:**

- (a) the Equipment Purchase Framework Agreement (copy of which have been tabled at the meeting marked “A” and signed by the chairman of the meeting for identification purpose) and all transactions contemplated thereunder, be and are hereby approved, ratified and confirmed;
- (b) the annual caps of the total amount of Equipment Purchase Transactions for each of the three years ending 31 December, 2019, 2020 and 2021 under the Equipment Purchase Framework Agreement be and are hereby approved, ratified and confirmed; and
- (c) the Directors be and are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors in their discretion may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Equipment Purchase Framework Agreement and any of the transactions contemplated thereunder and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents, which are not fundamentally different from those as provided under the Equipment Purchase Framework Agreement) as are, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole.”

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

Hong Kong, 31 May 2019

## NOTICE OF THE SGM

*Notes:*

- (1) Any member of the Company entitled to attend and vote at the above meeting convened by this notice is entitled to appoint one or, if he/she is the holder of two or more shares of the Company, more than one proxy to attend and vote his/her stead. A proxy need not be a shareholder of the Company.
- (2) Where there are joint holders of any share, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the registers of members of the Company in respect of such share will alone be entitled to vote in respect thereof.
- (3) The register of members of the Company will be closed from Monday, 24 June 2019 to Thursday, 27 June 2019 (both dates inclusive), for the purpose of determining the Shareholders' eligibility to attend and vote at the SGM and during which period no transfer of the Shares will be effected. In order to qualify for attendance of the SGM, all completed transfer forms accompanied by the relevant share certificates of the Company must be lodged with the Company's branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 21 June 2019. To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's share registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183's Queen Road East, Hong Kong not later than 48 hours before the time for holding the above meeting or any adjournment thereof.
- (4) A form of proxy for use in connection with the SGM is enclosed and such form is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).
- (5) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of authority must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (6) Shareholders are advised to read the Circular which contains information concerning the resolutions to be proposed in this notice.

*As at the date of this notice, the Board comprises Mr. Yuan Zhijun (Chairman), Mr. Lee Shing (Vice-chairman and Chief Executive Officer), Ms. Liu Yaling, Mr. Yang Jianyong and Mr. Wang Zhengtong as executive Directors, and Mr. Ye Xiang, Mr. Wang Yuben and Mr. Mi Jianguo as independent non-executive Directors.*