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五菱汽車集團控股有限公司
WULING MOTORS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability) (股份代號 Stock Code : 305)

PROFIT WARNING

This announcement is made by Wuling Motors Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 and information currently available to the Board, (i) net profit of the Group for the year ended 31 December 2019 is expected to be decreased by more than 80% as compared to the net profit of RMB125,195,000 for the year ended 31 December 2018; and (ii) the Group is expected to record a loss attributable to the owners of the Company for the year ended 31 December 2019, as compared to the profit attributable to the owners of the Company of RMB70,673,000 for the year ended 31 December 2018.

The Board wishes to further announce that, based on information currently available, the expected decrease in the net profit of the Group and the expected loss attributable to the owners of the Company for the year ended 31 December 2019 were mainly attributable to the persistent unfavourable market environment of the automotive industry in China. In light of the above, due to a reduction in the business volume contributed by a key customer of the Group, segment revenue of the Group’s automotive components and other industrial services division experienced a substantial decrease during the year ended 31 December 2019 as compared to the year of 2018, whereas the operating results of the Group’s associates and joint ventures were also adversely affected and are expected to record a loss (on an aggregate basis) for the year ended 31 December 2019. Furthermore, despite a recovery of business volume of the Group’s engines and related parts division during the year ended 31 December 2019, the highly competitive business environment led to a lower selling prices of the Group’s engine products and the additional costs incurred in the launches of new products drove down the profit margin, which resulted in operating losses in this division. In addition, the substantial positive impact from the fair value adjustments of the outstanding convertible loan notes of the Company recognized in the year of 2018 was also no longer available for the year ended 31 December 2019.

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

The Company has commenced the related work for the annual results of the Group for the year ended 31 December 2019. The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 and the information currently available, which have not been reviewed by the audit committee of the Group nor audited by the auditors of the Company. The related work, including but not limited to the assessment of the carrying values of the Group's non-current assets, which include property, plant and equipment, investment properties, as well as interests in associates and joint ventures, is yet to be completed, and will also be subject to the final review and confirmation by the Company's audit committee. In addition, the Company's auditors are also carrying out their audit work on the consolidated financial statements of the Company for year ended 31 December 2019. Accordingly, the actual results of the Group for the year ended 31 December 2019 may differ from the information set out in this announcement.

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

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

Hong Kong, 14 February 2020

As at the date of this announcement, the Board comprises Mr. Yuan Zhijun (Chairman), Mr Lee Shing (Vice-chairman and Chief Executive Officer), 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.