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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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under 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 six months ended 30 June 2020 (the “**Relevant Period**”) and information currently available to the Board, it is expected that the Group would report (i) a net loss of approximately RMB230 million for the Relevant Period as compared to the net profit of RMB12,450,000 for the corresponding period in 2019; and (ii) a loss attributable to the owners of the Company of approximately RMB150 million for the Relevant Period, as compared to the loss attributable to the owners of the Company of RMB3,043,000 for the corresponding period in 2019.

The Board wishes to further announce that, based on information currently available, the expected significant loss for the Relevant Period was mainly attributable to the following reasons:

1. A significant decrease in the gross profit (as compared to the corresponding period in 2019) due to the material adverse impact from the outbreak of the coronavirus (COVID-19) global pandemic took place in early 2020, in which (a) serious extent of suspension and disruption in the operations of the Group were experienced which resulted in a significant decrease in the business volume of the Group, in particular the automotive components and other industrial services division and (b) additional costs were incurred in the adoption and implementation of the requisite health and safety measures and procedures in the production facilities of the Group in order to provide a safety and an appropriate working environment for our staff members upon resumption of production of the Group.
2. A significant increase in the research and development expenses by approximately RMB70 million (as compared to the corresponding period in 2019) due to continuous launches of new products and the implementation of certain technological upgrade and enhancement projects by the Group during the Relevant Period.

3. A significant increase in the finance cost by approximately RMB60 million (as compared to the corresponding period in 2019) due to the increase in borrowings and bill discounting activities by the Group during the Relevant Period.

The Company has commenced the related review work of the interim results of the Group for the Relevant Period. 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 Relevant Period and the information currently available. The related review work is yet to be completed, and will also be subject to the final review and confirmation by the Company's audit committee and the review by the Company's external auditors. Accordingly, the actual results of the Group for the Relevant Period may differ from the information set out in this announcement. Details of the Group's interim results for the six months ended 30 June 2020 will be disclosed in the interim results announcement of the Company for the Relevant Period, which is expected to be published by the end of August 2020.

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

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

Hong Kong, 24 July 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.