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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 —
(1) SUPPLEMENTAL AGREEMENT TO
THE 2020–2022 MASTER AGREEMENT
AND
(2) ADOPTION OF NEW ANNUAL CAPS

Financial Adviser to the Company

Kingsman HK Capital Limited
金仕萬香港資本有限公司

SUPPLEMENTAL AGREEMENT AND ADOPTION OF NEW ANNUAL CAPS

References are made to (i) the announcements of the Company dated 16 November 2016, 24 November 2016, 28 April 2017, 17 May 2017 and 15 June 2018, together with the circulars of the Company dated 15 December 2016, 13 June 2017 and 20 July 2018, in relation to the 2017-2019 Master Agreement and its supplemental agreements; (ii) the announcements of the Company dated 12 July 2019 and 19 July 2019 relating to the WS Continuing S&P Agreements; and (iii) the announcements of the Company dated 22 November 2019 and 13 December 2019, together with the circular of the Company dated 27 December 2019, in relation to the 2020-2022 Master Agreement and the continuing connected transactions contemplated thereunder.

On 7 September 2020, Wuling Industrial, a non-wholly owned subsidiary of the Company, and Guangxi Automobile entered into the Supplemental Agreement to amend certain terms of the 2020–2022 Master Agreement. Besides, the Board also proposed to adopt New Annual Caps for the GX Purchase Transactions for each of the three years ending 31 December 2020, 2021 and 2022 respectively, hence revision of the aggregate Annual Caps for the Purchase (Materials and Parts) Transactions for the corresponding periods.

LISTING RULES IMPLICATION

As at the date of this announcement, Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in approximately 60.64% of the total number of Shares in issue of the Company, and is the ultimate controlling Shareholder of the Company. In this regard, Guangxi Automobile is a connected person of the Company under the Listing Rules. The GX Purchase Transactions contemplated under the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Given that Guangxi Automobile is a connected person of the Company under the Listing Rules, the New Annual Caps for the GX Purchase Transactions, together with the Annual Caps for the GL Purchase Transactions, WS Purchase Transactions and GXGY Purchase Transactions, have been aggregated into the Purchase (Materials and Parts) Transactions for the purpose of calculating the percentage ratios under Listing Rules 14A.82.

As the highest of the applicable percentage ratios (as set out in Rule 14.07 of the Listing Rules) for the aggregate Annual Caps for the Purchase (Materials and Parts) Transactions contemplated under the 2020-2022 Master Agreement as amended by the Supplemental Agreement, on an annual basis, is higher than 5% and the annual consideration is more than HK\$10 million, such transactions constitute continuing connected transactions for the Company and are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The approval of the Independent Shareholders will be sought at the SGM by way of poll in respect of the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions. In view of their interests in the Supplemental Agreement and the transactions contemplated thereunder, Guangxi Automobile and its associates will abstain from voting on the resolution(s) in relation to approve the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions at the SGM.

The Independent Board Committee (which consists all of independent non-executive Directors) has been established to advise the Independent Shareholders on the revised terms of the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions, and to advise the Independent Shareholders on how to vote, taking into account the recommendations on the same to be given by Gram Capital.

The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the revised terms of the 2020–2022 Master Agreement as amended by the Supplemental Agreement and the adoption of New Annual Caps for GX Purchase Transactions.

A circular containing, among other things, (i) details of the Supplemental Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders giving its recommendations in respect of the terms of the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions; (iii) a letter from Gram Capital to the Independent Board Committee and the Independent Shareholders containing its advice in relation to the terms of the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions; and (iv) a notice of the SGM, will be despatched to the Shareholders on or before 28 September 2020.

BACKGROUND

References are made to (i) the announcements of the Company dated 16 November 2016, 24 November 2016, 28 April 2017, 17 May 2017 and 15 June 2018, together with the circulars of the Company dated 15 December 2016, 13 June 2017 and 20 July 2018, in relation to the 2017-2019 Master Agreement and its supplemental agreements; (ii) the announcements of the Company dated 12 July 2019 and 19 July 2019 relating to the WS Continuing S&P Agreements; and (iii) the announcements of the Company dated 22 November 2019 and 13 December 2019, together with the circular of the Company dated 27 December 2019, in relation to the 2020-2022 Master Agreement and the continuing connected transactions contemplated thereunder.

On 7 September 2020, Wuling Industrial, a non-wholly owned subsidiary of the Company, and Guangxi Automobile entered into the Supplemental Agreement to amend certain terms of the 2020–2022 Master Agreement. Besides, the Board also proposed to adopt New Annual Caps for the GX Purchase Transactions for each of the three years ending 31 December 2020, 2021 and 2022 respectively, hence revision of the aggregate Annual Caps for the Purchase (Materials and Parts) Transactions for the corresponding periods.

THE SUPPLEMENTAL AGREEMENT

The principal terms of the Supplemental Agreement are summarized below:

Date: 7 September 2020

Parties: (a) Wuling Industrial, a non-wholly owned subsidiary of the Company; and

(b) Guangxi Automobile, being the ultimate controlling Shareholder of the Company and through its direct and indirect wholly owned subsidiaries, is interested in approximately 60.64% of the total number of Shares in issue of the Company as at the date of this announcement and a connected person of the Company under the Listing Rules.

Terms amended:

Original terms under the 2020-2022 Master Agreement:

- (Clause 3.2) The Guangxi Automobile Group agreed to supply certain consumables and materials, scrap materials and semi-finished products (including but not limited to automotive moulds and toolings, parts and accessories, automotive air conditioners and other related parts and accessories) to the Wuling Industrial Group.
- (Clause 6.2.2) The estimated amount of relevant products and services to be transacted between the Wuling Industrial Group and the Guangxi Automobile Group within the validity period as set out under Annex II to Annex V to the 2020-2022 Master Agreement shall be in accordance with the relevant business needs.

New terms under the 2020-2022 Master Agreement as amended by the Supplemental Agreement:

- (Clause 3.2) The Guangxi Automobile Group agreed to supply certain consumables and materials, scrap materials and semi-finished products (including but not limited to automotive moulds and toolings, parts and accessories, automotive air conditioners, other related parts and accessories and electric vehicle-related parts and accessories) to the Wuling Industrial Group. The aforementioned addition of electric vehicle-related parts and accessories is in line with Wuling Industrial's forecasted business and operational plan.
- (Clause 6.2.2) The estimated amount of relevant products and services to be transacted between the Wuling Industrial Group and the Guangxi Automobile Group within the validity period as set out under Annex II to Annex VI to the 2020-2022 Master Agreement (as amended by the Supplemental Agreement) shall be in accordance with the relevant business needs.

The Annual Caps for the Purchase (Materials and Parts) Transactions shall be increased by RMB106.0 million, RMB298.0 million and RMB384.0 million for the three years ending 31 December 2020, 2021 and 2022, respectively to RMB273.6 million, RMB486.2 million and RMB617.3 million for the three years ending 31 December 2020, 2021 and 2022, respectively, as set out in Annex A to the Supplemental Agreement which shall replace Annex I to the 2020-2022 Master Agreement.

The forecast of electric vehicle-related parts and accessories procurement as set out in Annex B to the Supplemental Agreement will form Annex VI to the 2020-2022 Master Agreement (as amended by the Supplemental Agreement).

Save as disclosed above, all existing material terms and conditions under the 2020-2022 Master Agreement shall remain unchanged.

HISTORICAL TRANSACTION AMOUNTS

The Company confirms no historical GX Purchase Transactions conducted prior to entering into the Supplemental Agreement and will not have any such transactions until after the Independent Shareholders approval has been obtained. The Company further confirms the aggregate amounts of (i) the Sale Transactions; (ii) the Purchase (Materials and Parts) Transactions; (iii) the Purchase (Finished Products) Transactions; and (iv) the Utility Supply Transactions conducted for the eight months ended 31 August 2020 did not exceed the respective Annual Cap(s) for the corresponding period under the 2020–2022 Master Agreement which were approved by the Independent Shareholders at the special general meeting held by the Company on 20 January 2020.

ADOPTION OF NEW ANNUAL CAPS FOR GX PURCHASE TRANSACTIONS

The Board proposed to adopt New Annual Caps for the GX Purchase Transactions for each of the three years ending 31 December 2020, 2021 and 2022 respectively, hence revision of the aggregate Annual Caps for the Purchase (Materials and Parts) Transactions for the corresponding periods as demonstrated in the table below:

| | Annual Caps | | | Revised Annual Caps ^{Note} | | |
|--|-------------------------|----------------|----------------|-------------------------------------|----------------|----------------|
| | Year ending 31 December | | | Year ending 31 December | | |
| | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| GL Purchase Transactions | 60,277 | 67,825 | 84,298 | 60,277 | 67,825 | 84,298 |
| WS Purchase Transactions | 85,531 | 86,468 | 95,731 | 85,531 | 86,468 | 95,731 |
| GXGY Purchase Transactions | 6,471 | 16,717 | 32,060 | 6,471 | 16,717 | 32,060 |
| GX Purchase Transactions (New Annual Caps) | <u>—</u> | <u>—</u> | <u>—</u> | <u>95,905</u> | <u>270,466</u> | <u>348,779</u> |
| Sub-total | 152,279 | 171,010 | 212,089 | 248,184 | 441,476 | 560,868 |
| Buffer of about 10% | <u>15,321</u> | <u>17,190</u> | <u>21,211</u> | <u>25,416</u> | <u>44,724</u> | <u>56,432</u> |
| Aggregate Annual Caps for Purchase (Materials and Parts) Transactions | <u>167,600</u> | <u>188,200</u> | <u>233,300</u> | <u>273,600</u> | <u>486,200</u> | <u>617,300</u> |

Note

Pursuant to the 2020-2022 Master Agreement, (i) the Annual Cap(s) of a specific category of CCTs cannot be applied to any other category of CCTs; and (ii) the buffer (the “Buffer”) with regard to a specific category of CCTs with similar nature, namely the Sale Transactions, the Purchase (Materials and Parts) Transactions, the Purchase (Finished Products) Transactions and the Utility Supply Transactions, could be applied for such type of CCTs (within the same category) to be carried out between any member of the Wuling Industrial Group and any member of the Guangxi Automobile Group upon complying with the terms and conditions stipulated in the 2020-2022 Master Agreement. The Buffer of each category of CCTs, which forms part of the Annual Caps (under the 2020–2022 Master Agreement) or part of the Revised Annual Caps (under the 2020–2022 Master Agreement as amended by the Supplemental Agreement) has been set at about 10% of the currently estimated aggregate transaction amounts, on annual basis, of the relevant category of CCTs as detailed in the table above.

Basis of determination on New Annual Caps for GX Purchase Transactions

The above New Annual Caps for the GX Purchase Transactions have been determined with reference to:

- (a) Recently, the automobile industry in the PRC has sped up its development and transformation towards the New Four Modernization and the PRC government has issued a series of directives and preferential policies on the new energy vehicles. For instance in April 2020, the Ministry of Finance (MOF), the State Administration of Taxation (SAT) and the Ministry of Industry and Information Technology (MIIT) jointly issued the Announcement on Exempting Vehicle Acquisition Tax for New Energy Vehicles to extend the current exemption on vehicle purchase tax for new energy vehicles to the end of 2022 that was planned to phase out by the end of 2020; and that State Grid Corporation of China, a state-owned electric utility, aimed to strengthen its investment in new energy vehicle infrastructure by planning to commit RMB2.7 billion to build 78,000 charging stations across 24 provinces and municipalities in the PRC. Hence the management of the Group plans to grasp the opportunities and trend in the new energy vehicle sector to benefit from the PRC government's series of policies and incentives to promote the development and technological innovations of "environmentally friendly" vehicles.
- (b) According to a draft proposal released in December 2019 by the Ministry of Industry and Information Technology (MIIT), it raised the annual national new energy vehicle sales target to 25% of total auto sales in 2025. While the current new energy vehicle to total auto sales ratio in 2019 was only approximately 4.7%, the new national target provides a huge room for exponential growth in the new energy vehicle market in the coming five years.
- (c) The Wuling Industrial Group has initiated various projects for the manufacturing and sale of new energy vehicles (primarily electric vehicles) and has gradually launched certain new models of electric vehicles (including electric logistics vehicles) to the market since 2019, which is expected to bring vigorous growth in sales volume of electric vehicles in the coming years. For instance, based on the foundation of G100 new energy vehicle, the Wuling Industrial Group has completed the development of three main categories of new energy vehicles, namely G100 refrigerated vehicle, G100 postal car and G100 five seaters logistics vehicle which cover a range of 18 products of which have also been included in the Catalog for the Promotion and Application of New Energy Vehicles in the PRC published in 2020.
- (d) As the Group expects that the production and sales volume of electric vehicles by the Wuling Industrial Group will continue to surge in the forthcoming future, the demand for the main parts and components necessary for the assembly and production of electric vehicles (especially electric logistics vehicles) (including and not limited to lithium battery system, motor controllers, permanent magnet synchronous motors and other related accessories and components) will continue to rise accordingly. The projected volumes of 5,000 (including approximately 1,200 vehicles which were sold during the six months ended 30 June 2020), 8,500 and 11,000 electric logistics vehicles are planned to be manufactured and sold by the Wuling Industrial Group for each of the three years ending 31 December 2020, 2021 and 2022, respectively, representing a

CAGR of approximately 48.3%, which have taken into account (i) the historical CAGR of the sales volume of electric vehicles in the PRC of approximately 84.9% during the past five years from 2014 to 2019; (ii) the abovementioned stimulus in the PRC new energy vehicle sector; and (iii) the Wuling Industrial Group's forecasted business and operational plan to capture the potential growth of sale of electric logistics vehicles in a timely manner.

- (e) The respective estimated purchase prices of the various electric vehicle-related parts and accessories under the GX Purchase Transactions are with reference to (i) the market prices to be charged by other independent third party suppliers for comparable products; and/or (ii) the selling prices offered by the Guangxi Automobile Group to its independent third party customers for comparable products; and
- (f) a buffer of approximately 10% adopted to prepare for any unforeseeable circumstances, including but not limited to increase in volume of various electric vehicle-related parts and accessories to be acquired by the Wuling Industrial Group from the Guangxi Automobile Group in case of the actual sale of electric vehicles to outperform the management expectation, market fluctuations, introduction of more favorable government policies on the electric vehicle sector to arouse environmental awareness, fluctuations in the production costs (such as raw material costs, transportation and labour costs).

INFORMATION ON THE GROUP

The Group, including the 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 date of this announcement, the Company holds 60.90% equity interest of Wuling Industrial which makes Wuling Industrial a non-wholly owned subsidiary of the Company.

INFORMATION ON GUANGXI AUTOMOBILE

Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in 1,864,698,780 Shares of the Company, representing approximately 60.64% of the total number of Shares in issue of the Company, and is the ultimate controlling Shareholder of the Company as at the date of this announcement. Guangxi Automobile is currently a state-controlled company established in the PRC with the State-owned Assets Supervision and Administration Commission of the People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府國有資產監督管理委員會), being the registered shareholder empowered by the People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府). Guangxi Automobile, together with its subsidiaries including the Group, is mainly engaged in the trading, manufacturing and design of (i) various types of vehicles, primarily passenger coaches and mini-buses, automotive parts and accessories; (ii) various types of machineries, moulds and tools for production of automobiles, engines and other relevant parts; (iii) the provision of related services, including the technical advisory, information, production, after sales services and the supply of power and water services, etc., in relation to the aforementioned products and equipment; and (iv) rental of property and other related services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT AND THE ADOPTION OF NEW ANNUAL CAPS

The Group, including the Wuling Industrial Group, is principally engaged in the manufacturing and trading of different automobile and specialized vehicles (which cover new energy vehicles, represented primarily by electric vehicles). The procurement of parts and accessories for the manufacturing and sale of electric vehicles (mainly electric logistics vehicles) under the GX Purchase Transactions is in line with the Group's ordinary and usual course of business. The entering into of the GX Purchase Transactions under the Supplemental Agreement also matches the Group's long-term strategies to expand its product portfolio in the new energy vehicle market and broadens its income stream from such segment of specialized vehicles in the PRC.

As disclosed in the annual report of the Company for the year ended 31 December 2019 and the interim result announcement of the Company for the six months ended 30 June 2020, the Group aimed to promote business development in the segment of new energy vehicles, by tapping in resources to enhance the research and development in the manufacturing and supply of different specialized vehicles including electric vehicles in the PRC and procuring various projects for mainstream applications of new energy vehicles, including research on electric sightseeing vehicles, smart driving products and the development of electric logistics vehicles. During the year ended 31 December 2019 and the six months ended 30 June 2020, the Group recorded sales volume of approximately 2,000 and 1,900 electric vehicles, respectively (comprising electric logistics vehicles and electric sightseeing vehicles). To further promote the business opportunities in this area, the Wuling Industrial Group has continuously developed and launched different types of new energy vehicles recently, including the G100 new energy logistics vehicle, electric logistics vehicle, electric cruiser and electric tour bus. On the back of a favourable business environment towards new energy vehicles and the active marketing programmes, the management of the Wuling Industrial Group expects a continual growth in the sales volume of electric vehicles.

As the 2020-2022 Master Agreement as amended by the Supplemental Agreement entered into between Wuling Industrial and Guangxi Automobile is on a non-exclusive basis, Wuling Industrial is entitled to procure the various electric vehicle-related parts and accessories under the GX Purchase Transactions from other independent third party suppliers in the event that the products and/or services offered by Guangxi Automobile fail to satisfy Wuling Industrial's needs (either in terms of volume or quality). The respective terms of purchasing the various electric vehicle-related parts and accessories under the GX Purchase Transactions shall be (i) no less favorable than the market prices to be charged by other independent third party suppliers of the Wuling Industrial Group for comparable products; and/or (ii) no more favorable than the selling prices offered by the Guangxi Automobile Group to its independent third party customers for comparable products. As such, by enjoying the flexibility to the centralized procurement platform offered by the Guangxi Automobile Group, it broadens the Wuling Industrial Group's supplier base and reduces the risk of relying on any single third party supplier, hence increasing the Wuling Industrial Group's bargaining power with other independent third party suppliers. The centralized procurement platform also improves the overall procurement efficiency and lowers the average transaction costs by bulk purchase, such as transportation and storage arrangement costs of procuring from different suppliers.

Besides, the Wuling Industrial Group has been procuring from the Guangxi Automobile Group for automotive parts and accessories for the manufacturing of vehicles for many years. Due to the long-term business relationship, the Guangxi Automobile Group has become increasingly familiar with the standards and specifications of products and services requested by the Wuling Industrial Group and would be able to respond quickly and in a cost effective manner to any new requirement. By conducting the GX Purchase Transactions under the Supplemental Agreement, it could allow the Wuling Industrial Group to ensure continuous supply of the necessary parts and components to cope with the expected upsurge in the production of electric vehicles as well as the uniform standards of the products procured to suit the business and operational needs.

In view of the above, the Directors (excluding the independent non-executive Directors who will form their views after considering the recommendation from Gram Capital) consider that the terms of the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the New Annual Caps with respect to the GX Purchase Transactions are conducted in the ordinary and usual course of business of the Group on normal commercial terms and are fair and reasonable insofar the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in approximately 60.64% of the total number of Shares in issue of the Company, and is the ultimate controlling Shareholder of the Company. In this regard, Guangxi Automobile is a connected person of the Company under the Listing Rules. The GX Purchase Transactions contemplated under the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Given that Guangxi Automobile is a connected person of the Company under the Listing Rules, the New Annual Caps for the GX Purchase Transactions, together with the Annual Caps for the GL Purchase Transactions, WS Purchase transactions and GXGY Purchase Transactions, have been aggregated into the Purchase (Materials and Parts) Transactions for the purpose of calculating the percentage ratios under Listing Rules 14A.82.

As the highest of the applicable percentage ratios (as set out in Rule 14.07 of the Listing Rules) for the aggregate Annual Caps for the Purchase (Materials and Parts) Transactions contemplated under the 2020-2022 Master Agreement as amended by the Supplemental Agreement, on an annual basis, is higher than 5% and the annual consideration is more than HK\$10 million, such transactions constitute continuing connected transactions for the Company and are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The approval of the Independent Shareholders will be sought at the SGM by way of poll in respect of the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions. In view of their interests in the Supplemental Agreement and the transactions contemplated thereunder, Guangxi Automobile and its associates will abstain from voting on the resolution(s) in relation to approve the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions at the SGM.

The Independent Board Committee (which consists all of independent non-executive Directors) has been established to advise the Independent Shareholders on the revised terms of the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions, and to advise the Independent Shareholders on how to vote, taking into account the recommendations on the same to be given by Gram Capital.

The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the revised terms of the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions.

A circular containing, among other things, (i) details of the Supplemental Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders giving its recommendations in respect of the terms of the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions ; (iii) a letter from Gram Capital to the Independent Board Committee and the Independent Shareholders containing its advice in relation to the terms of the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions; and (iv) a notice of the SGM, will be despatched to the Shareholders on or before 28 September 2020.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

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| “2017–2019 Master Agreement” | the agreement dated 16 November 2016 entered into between Wuling Industrial and Guangxi Automobile in relation to the continuing connected transactions for a term of three years from 1 January 2017 to 31 December 2019 |
| “2020–2022 Master Agreement” | the agreement dated 22 November 2019 entered into between Wuling Industrial and Guangxi Automobile in relation to the Sale Transactions, the Purchase (Materials and Parts) Transactions, the Purchase (Finished Products) Transactions and the Utility Supply Transactions for a term of three years from 1 January 2020 to 31 December 2022 |

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| “Annual Cap(s)” | the annual caps for the Sale Transactions, the Purchase (Materials and Parts) Transactions, the Purchase (Finished Products) Transactions and/or the Utility Supply Transactions as well as the transactions contemplated thereunder as set out in the 2020–2022 Master Agreement for each of the three years ending 31 December 2020, 2021 and 2022 |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Board” | the Board of Directors |
| “CAGR” | compound annual growth rate |
| “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 |
| “Continuing Connected Transaction(s)” or “CCT(s)” | referring individually or collectively, as applicable, (i) the Sale Transactions, the Purchase (Materials and Parts) Transactions, the Purchase (Finished Products) Transactions and the Utility Supply Transactions set out in the 2020–2022 Master Agreement; and (ii) the GX Purchase Transactions set out in the Supplemental Agreement |
| “controlling Shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “GL Purchase Transactions” | purchase of automotive parts, moulds and toolings, scrap materials and other related products by the Wuling Industrial Group from Guangling. GL Purchase Transactions form part of the Purchase (Materials and Parts) Transactions under the 2020-2022 Master Agreement |
| “Group” | the Company and its subsidiaries |
| “Guangling” | 柳州廣菱汽車技術有限公司 (Liuzhou Guangling Motors Technology Limited*), a company established in the PRC of which Guangxi Automobile was beneficially interested in approximately 50.1% of its total registered capital as at the date of this announcement |

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| “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 controlling Shareholder of the Company which through its direct and indirect wholly owned subsidiaries is 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, and including but not limited to 柳州五菱寶馬利汽車空調有限公司 (Liuzhou Wuling Baomali Automotive Air-Conditioner Co., Limited*), Guangling, Guilin Bus, Qingdao Wushun, Wuling Auto Tech, Guangxi Guangyu and Wuling Real Estate) |
| “Guangxi Guangyu” | 廣西光裕新能源汽車空調壓縮機有限公司 (Guangxi Guangyu New Energy Vehicles Air-conditioner Compressor Co., Limited*), a company established in the PRC of which Guangxi Automobile is beneficially interested in approximately 50% of its total registered capital as at the date of this announcement |
| “Guilin Bus” | 桂林客車發展有限責任公司 (Guilin Bus Development Co., Limited*), a company established in the PRC of which Guangxi Automobile is beneficially interested in approximately 70% of its total registered capital as at the date of this announcement |
| “GX Purchase Transactions” | purchase of certain electric vehicle-related parts and accessories (including but not limited to lithium battery system, motor controllers, permanent magnet synchronous motors and other related accessories and components by the Wuling Industrial Group from the Guangxi Automobile Group. GX Purchase Transactions form part of the Purchase (Materials and Parts) Transactions under the 2020–2022 Master Agreement as amended by the Supplemental Agreement |
| “GXGY Purchase Transactions” | purchase of certain automotive air-conditioner-related parts and accessories by the Wuling Industrial Group from Guangxi Guangyu. GXGY Purchase Transactions form part of the Purchase (Materials and Parts) Transactions under the 2020-2022 Master Agreement |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |

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| “Independent Board Committee” | the independent board committee of the Company (which comprises all independent non-executive Directors) formed to consider the revised terms of the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the adoption of New Annual Caps with respect to the GX Purchase Transactions |
| “Independent Financial Adviser” or “Gram Capital” | Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the revised terms of the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the adoption of New Annual Caps with respect to the GX Purchase Transactions |
| “Independent Shareholder(s)” | Shareholder(s) other than Guangxi Automobile and its associates |
| “Independent Third Party(ies)” | an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any of the directors, chief executives or substantial shareholders of the Company or subsidiaries of the Company or any of their respective associates |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “New Annual Caps” | the proposed annual caps for the GX Purchase Transactions for each of the three years ending 31 December 2020, 2021 and 2022 under the 2020–2022 Master Agreement as amended by the Supplemental Agreement |
| “PRC” | the People’s Republic of China |
| “Purchase (Finished Products) Transactions” | purchase of vehicles mainly passenger mini-buses, primarily passenger coaches and mini-buses and related products by the Wuling Industrial Group from the Guangxi Automobile Group for the three years ending 31 December 2020, 2021 and 2022 under the 2020–2022 Master Agreement |

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| “Purchase (Materials and Parts) Transactions” | purchase of various types of automotive parts and accessories, moulds and toolings, scrap materials, automotive air-conditioner-related parts and accessories and electric vehicle-related parts and accessories by the Wuling Industrial Group from the Guangxi Automobile Group, including the GL Purchase Transactions, WS Purchase Transactions, GXGY Purchase Transactions and GX Purchase Transactions for the three years ending 31 December 2020, 2021 and 2022 under the 2020–2022 Master Agreement as amended by the Supplemental Agreement |
| “Qingdao Wushun” | 青島五順汽車模具部件有限公司 (Qingdao Wushun Car Molding Tool Parts Co., Limited*), a company established in the PRC and the equity interest of which is held as to approximately 70% by Guangxi Automobile as at the date of this announcement |
| “Revised Annual Caps” | the proposed aggregate Annual Caps for the Purchase (Materials and Parts) Transactions for each of the three years ending 31 December 2020, 2021 and 2022 under the 2020–2022 Master Agreement as amended by the Supplemental Agreement |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale Transactions” | sale of engines, various types of automotive parts and accessories, raw materials (including steel) and other consumables and materials by the Wuling Industrial Group to the Guangxi Automobile Group for the three years ending 31 December 2020, 2021 and 2022 under the 2020–2022 Master Agreement |
| “SGM” | the special general meeting of the Company to be held to approve the Supplemental Agreement and the adoption of New Annual Caps for the GX Purchase Transactions |
| “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) in the share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supplemental Agreement” | the supplemental agreement dated 7 September 2020 entered into between Wuling Industrial and Guangxi Automobile to amend certain terms of the 2020–2022 Master Agreement and adopt New Annual Caps for the GX Purchase Transactions |

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| “Utility Supply Transactions” | provision of utilities, including water and power supplies, by the Wuling Industrial Group to the Guangxi Automobile Group, for the three years ending 31 December 2020, 2021 and 2022 under the 2020-2022 Master Agreement |
| “WS Continuing S&P Agreements” | three agreements all dated 12 July 2019 and entered into between Wuling Industrial and Qingdao Wushun in relation to supply and acquisition of certain automotive parts and accessories between the parties during the period from 12 July 2019 to 31 December 2019, details of which were set out in the Company’s announcements dated 12 July 2019 and 19 July 2019 |
| “WS Purchase Transactions” | purchase of various types of automotive parts and accessories by the Wuling Industrial Group from Qingdao Wushun. WS Purchase Transactions form part of the Purchase (Materials and Parts) Transactions under the 2020-2022 Master Agreement |
| “Wuling Auto Tech” | 柳州五菱汽車科技有限公司 (Liuzhou Wuling Automotive Technology Limited*), a company established in the PRC and is currently a wholly-owned subsidiary of Guangxi Automobile |
| “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 |
| “Wuling Real Estate” | 柳州五菱置業投資有限公司 (Liuzhou Wuling Real Estate Limited*), a company established in the PRC and is currently a wholly-owned subsidiary of Guangxi Automobile |
| “%” | per cent |

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

Hong Kong, 7 September 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.

* For identification purposes only