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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)

INSIDE INFORMATION
DECREASE IN LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 and information currently available to the Board, (i) net loss of the Group for the year ended 31 December 2020 is expected to be significantly decreased by approximately 70% as compared to the net loss of RMB166,615,000 for the year ended 31 December 2019; and (ii) the loss attributable to the owners of the Company for the year ended 31 December 2020 is also expected to be significantly decreased by more than 50% as compared to the loss attributable to the owners of the Company of RMB124,026,000 for the year ended 31 December 2019.

During the first half of 2020, the Group experienced severe adverse impact inflicted by the outbreak of Covid-19, where serious extent of suspension and disruption in the operation of the Group were experienced and 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 during the respective period, resulting in a net loss of RMB294,025,000 for the Group and a loss of RMB198,697,000 attributable to the owners of the Company for the six months ended 30 June 2020. Despite so, the business and profitability performance of the Group have since been significantly improved in the second half of 2020 as a result of the positive impact from the general recovery of the economic situation of the PRC and the robust increases in sale volumes of the engine and related parts division, and the automotive components and other industrial services division of the Group.

The Company has commenced the related work for, though has yet to finalise, the annual results of the Group for the year ended 31 December 2020. 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 2020 and the information currently available, which have not been reviewed by the audit committee of the Company 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 assets, which include property, plant and equipment, investment properties, trade and other receivables, 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 Group for year ended 31 December 2020. Accordingly, the actual results of the Group for the year ended 31 December 2020 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 shares of the Company.

By Order of the Board
Wuling Motors Holdings Limited
Yuan Zhijun
Chairman

Hong Kong, 29 January 2021

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