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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)*

**EXEMPT CONNECTED TRANSACTION  
IN RELATION TO THE LOAN AGREEMENT  
WITH A CONVERTIBLE OPTION**

**Financial Adviser to the Company  
Kingsman HK Capital Limited**

**LOAN AGREEMENT WITH A CONVERTIBLE OPTION**

On 19 February 2021, the Company entered into the Loan Agreement with Wuling Industrial, a non-wholly owned subsidiary of the Company pursuant to which the Company agreed to make available to Wuling Industrial the Loan in principal amount of RMB250,000,000 (equivalent to approximately HK\$300,000,000 at an interest rate of 2.5% per annum, with an option (subject to conditions and exercisable at the discretion of the Company) to convert the Loan into equity interests in Wuling Industrial.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Guangxi Automobile through its direct and indirect wholly owned subsidiaries, is interested in approximately 56.54% of the total number of Shares in issue of the Company, and is the ultimate controlling Shareholder of the Company. Furthermore, as at the date of this announcement, Guangxi Automobile owns 39.1% equity interest of Wuling Industrial, a direct non-wholly owned subsidiary of the Company and the Company holds 60.9% equity interest of Wuling Industrial. Therefore, Wuling Industrial is a connected subsidiary of the Company under 14A.16 of the Listing Rules and thereby a connected person of the Company under the Listing Rules. As such, the Loan Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) of the Loan Agreement and the transactions contemplated thereunder exceeds 0.1% but all of them (other than the profits ratio) are less than 5% and the Loan Agreement was made on normal commercial terms or better, the Loan Agreement and the transactions contemplated thereunder are subject to reporting and announcement requirements but are exempt from the circular and the independent shareholders' approval under Rule 14A.76(2) of the Listing Rules.

Mr. Yuan Zhijun and Mr. Yang Jianyong, being the Directors and the directors and/or senior executives of Guangxi Automobile, were abstained from voting on the board resolutions passed to approve the Loan Agreement. Save as disclosed above, no other Director is regarded having a material interest in the Loan Agreement and required to abstain from voting on the board resolutions to approve the Loan Agreement.

## LOAN AGREEMENT

The principal terms of the Loan Agreement are summarized below:

<b>Date:</b>	19 February 2021
<b>Lender:</b>	The Company
<b>Borrower:</b>	Wuling Industrial, a non-wholly owned subsidiary of the Company
<b>Principal amount:</b>	RMB250,000,000 (equivalent to approximately HK\$300,000,000)
<b>Use of the Loan:</b>	Research and development projects of new model electric logistic vehicles
<b>Drawdown Date:</b>	Within one month from the date of the Loan Agreement
<b>Maturity Date:</b>	The date falling on the first anniversary from the Drawdown Date or the date of completion of share registration when the Lender converts the Loan into equity interest in Wuling Industrial if the Lender exercises the Conversion Right
<b>Interest rate:</b>	2.5% per annum, interest on the Loan shall accrue on a daily basis

- Repayment:**
- (a) The Borrower shall repay the outstanding amount of the Loan in full and the unpaid interest accrued thereon on the Maturity Date; or
  - (b) The exercise of the option to convert the Loan into equity interest in Wuling Industrial (subject to conditions) as below-mentioned

**Conversion Right:** Subject to conditions, the Company may exercise an option during the term of the Loan, and at its sole discretion, to convert the Loan into equity interest in Wuling Industrial on such terms to be agreed between the Company and Wuling Industrial at the time of conversion

The Company will make appropriate announcements when the conversion mechanism of the Loan is agreed between the Company and Wuling Industrial and (if applicable) upon conversion of the Loan.

## **INFORMATION ON THE GROUP AND WULING INDUSTRIAL**

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 of the date of this announcement, the Company holds 60.90% equity interest of Wuling Industrial and Wuling Industrial is a non-wholly owned subsidiary of the Company.

## **INFORMATION ON GUANXI AUTOMOBILE**

Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in 1,864,698,780 Shares, representing approximately 56.54% 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 machinery, 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 LAON AGREEMENT**

References are made to the announcements of the Company dated 21 January 2021 and 1 February 2021, in relation to the placing of existing Shares and top-up subscription of new Shares under the General Mandate.

After completion of the subscription, the Company has raised net proceeds of approximately HK\$537.8 million, among which HK\$300 million, representing approximately 55.8% of the net proceeds will be used for the research and development projects of the new model electric logistics vehicles of the Group. Wuling Industrial, together with its subsidiaries are the only operating subsidiaries of the Company. The Company entered into the Loan Agreement with Wuling Industrial with loan amount of RMB250 million (equivalent to approximately HK\$300 million) for the purpose of carrying out the research and development projects of new model electric logistics vehicles which are consistent with the use of net proceeds mentioned in the announcement of the Company dated 21 January 2021.

The terms of the Loan Agreement (including the interest rate) are determined after the arm's length negotiations between Wuling Industrial and the Company in the considerations of and with reference to: (i) the interest rates charged under the latest loan agreements entered into between Wuling Industrial Group and banks in 2021 with similar loan tenor; (ii) current bank deposit rates available in the market; and (iii) the usage of the Loan as mentioned above. As such, the Directors (including the independent non-executive Directors) considered that the Loan Agreement is on normal commercial terms and in the ordinary course of business of the Company, and are fair and reasonable and in the interests of the Company and its 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 56.54% of the total number of Shares in issue of the Company, and is the ultimate controlling Shareholder of the Company. Furthermore, Guangxi Automobile owns 39.1% equity interest of Wuling Industrial, a direct non-wholly owned subsidiary of the Company and the Company holds 60.9% equity interest of Wuling Industrial as at the date of this announcement. Therefore, Wuling Industrial is a connected subsidiary of the Company under 14A.16 of the Listing Rules and thereby a connected person of the Company under the Listing Rules. As such, the Loan Agreement and the transactions contemplated thereunder are considered as a connected transaction under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the Loan Agreement and the transactions contemplated thereunder exceeds 0.1% but all of them are less than 5% and the Loan Agreement is entered into on normal commercial terms or better, the Loan Agreement and the transactions contemplated thereunder are subject to reporting and announcement requirements but are exempt from the circular and the independent shareholders' approval under Rule 14A.76(2) of the Listing Rules.

Mr. Yuan Zhijun and Mr. Yang Jianyong, being the Directors and the directors and/or senior executives of Guangxi Automobile, were abstained from voting on the board resolutions passed to approve the Loan Agreement. Save as disclosed above, no other Director is regarded having a material interest in the Loan Agreement and required to abstain from voting on the board resolutions to approve the Loan Agreement.

## **DEFINITIONS**

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

“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”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the 2020 annual general meeting held on 30 June 2020 to allot, issue and otherwise deal with securities of the Company not exceeding 20% of the total number of Shares in issue as at the date of the 2020 annual general meeting
“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 56.54% of the total number of Shares in issue
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the loan in the principal amount of RMB250 million (equivalent to approximately HK\$300 million) pursuant to the terms and conditions for the Loan Agreement
“Loan Agreement”	the loan agreement dated 19 February 2021 entered between the Company and Wuling Industrial pursuant to which the Company agreed to make available to Wuling Industrial the Loan
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of HK\$0.004 each in the share capital of the Company
“Shareholders”	holders of the Shares
“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 announcement, unless otherwise specified, conversion of RMB into HK\$, is based on the exchange rate of RMB1 to HK\$1.20, 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.*

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

Hong Kong, 19 February 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.*

*\* For identification purposes only*