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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wuling Motors Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) SECOND SUPPLEMENTAL AGREEMENT TO
THE 2020-2022 MASTER AGREEMENT AND
REVISION OF ANNUAL CAPS,
(2) RE-ELECTION OF THE RETIRING DIRECTOR AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

Financial Adviser to the Company

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

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

 **Gram Capital Limited**
嘉林資本有限公司

A letter from the Board is set out on pages 8 to 22 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 23 and 24 of this circular. A letter from Gram Capital, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 25 to 35 of this circular.

A notice convening the SGM to be held at Unit 1901, 19/F, Beautiful Group Tower, 77 Connaught Road Central, Hong Kong on Thursday, 20 May 2021 at 10:00 a.m. is set out on pages 46 to 48 of this circular.

PRECAUTIONARY MEASURES AND SPECIAL ARRANGEMENTS FOR THE SGM

Considering the outbreak of the coronavirus (COVID-19), certain measures will be implemented at the SGM with a view to addressing the risk to attendees of infection, including without limitation, (i) all attendees being required to (a) undergo compulsory body temperature check; (b) complete a health declaration (a copy of the form is enclosed with this circular), which may be used for contact tracing, if required; and (c) wear surgical masks prior to admission to the SGM venue; (ii) attendees who are subject to health quarantine prescribed by the HK Government not being admitted to the SGM venue; (iii) all attendees being required to wear surgical masks throughout the SGM; (iv) each attendee being assigned a designated seat at the time of registration to ensure social distancing; (v) no refreshment packs or coffee/tea being provided; and (vi) the management will be available either in person or through video conference facilities to host the SGM and answer questions from Shareholders.

The Company reminds attendees that they should carefully consider the risks of attending the SGM, taking into account their own personal circumstances. Furthermore, the Company would like to remind Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising their voting rights and strongly recommends that Shareholders appoint the Chairman of the SGM as their proxy and submit their form of proxy as early as possible. The form of proxy can be downloaded from the Company's website (www.wuling.com.hk) or the Stock Exchange's website.

The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the SGM.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

27 April 2021

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms or expressions shall have the meaning set out below:

“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
“Annual Cap(s)”	the annual caps of 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 2022
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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(s)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	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 as amended by the Supplemental Agreement and the Second Supplemental Agreement
“controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“GB Purchase Transactions”	purchase of vehicles, mainly passenger mini-buses, primarily passenger coaches and mini-buses and related products by the Wuling Industrial Group from Guilin Bus. GB Purchase Transactions form part of the Purchase (Finished Products) Transactions under the 2020-2022 Master Agreement
“GB Sale Transactions”	sale of engines, automotive parts, raw materials, consumables and materials by the Wuling Industrial Group to Guilin Bus. GB Sale Transactions form part of the Sale Transactions under the 2020-2022 Master Agreement
“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
“GL Sale Transactions”	sale of automotive parts and related products and raw material (mainly steels) by the Wuling Industrial Group to Guangling pursuant to the 2020–2022 Master Agreement and as amended by the Second Supplemental Agreement. GL Sale Transactions also form part of the Sale Transactions under the 2020-2022 Master Agreement
“GL Utility Supply Transactions”	provision of water and power supply services by the Wuling Industrial Group to Guangling. GL Utility Supply Transactions form part of the Utility Supply 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 Latest Practicable Date
“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 indirectly wholly owned subsidiaries was interested in approximately 56.54% of the total number of Shares in issue of the Company

DEFINITIONS

“Guangxi Automobile Group”	Guangxi Automobile, its subsidiaries and associates (excluding the Group, and including but not limited to 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 was beneficially interested in approximately 50% of its total registered capital as at the Latest Practicable Date
“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 Latest Practicable Date
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions

DEFINITIONS

“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, 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 Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale 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
“Latest Practicable Date”	22 April 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Annual Caps”	the annual caps of the GX Purchase Transactions for each of the three years ending 31 December 2022 under the 2020-2022 Master Agreement as amended by the Supplemental Agreement
“Nomination Committee”	the nomination committee of the Company
“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

DEFINITIONS

“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 Latest Practicable Date
“Revised Annual Caps”	the proposed annual caps of the GL Sale Transactions, the WS Sale Transactions, the aggregate Sale Transactions respectively for each of the two years ending 31 December 2021 and 2022 under the 2020-2022 Master Agreement and as appropriate, as amended by the Second 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 on 31 December 2022 under the 2020-2022 Master Agreement as amended by the Second Supplemental Agreement
“Second Supplemental Agreement”	the second supplemental agreement dated 18 March 2021 entered into between Wuling Industrial and Guangxi Automobile to amend certain terms of the 2020-2022 Master Agreement and to revise the Annual Caps for the aggregate Sale Transactions, which include the revision of Annual Caps for GL Sale Transactions, and WS Sale Transactions and hence revision of the aggregate Annual Caps for the Sale Transactions for the two years ending 31 December 2021 and 2022

DEFINITIONS

“SGM”	the special general meeting of the Company to be held to approve the Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale 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
“Specific Products & Service Contract”	the product and/or service contract to be entered into by the respective members of the Wuling Industrial Group and the Guangxi Automobile Group setting out the detailed terms of a transaction to be carried out pursuant to the 2020-2022 Master Agreement
“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 adoption of New Annual Caps for the GX Purchase Transactions under the 2020-2022 Master Agreement
“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 on 31 December 2022 under the 2020-2022 Master Agreement
“WAT Sale Transactions”	sale of various types of automotive parts and accessories by the Wuling Industrial Group to Wuling Auto Tech. WAT Sale Transactions form part of the Sale Transactions under the 2020-2022 Master Agreement
“WRE Utility Supply Transactions”	provision of utilities, including water and power supply, by the Wuling Industrial Group to Wuling Real Estate. WRE Utility Supply Transactions form part of the Utility Supply Transactions under the 2020-2022 Master Agreement
“WS Sale Transactions”	sale of various types of automotive parts and accessories and raw materials (mainly steels) by the Wuling Industrial Group to Qingdao Wushun pursuant to the 2020-2022 Master Agreement and as amended by the Second Supplemental Agreement. WS Sale Transactions also form part of the Sale Transactions under the 2020-2022 Master Agreement

DEFINITIONS

“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

* *For identification purposes only*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Yuan Zhijun (Chairman)
Mr. Lee Shing (Vice-chairman & Chief Executive Officer)
Mr. Yang Jianyong
Mr. Wei Mingfeng

Independent Non-executive Directors:

Mr. Ye Xiang
Mr. Wang Yuben
Mr. Mi Jianguo

*Principal place of business
in Hong Kong:*

Unit 1901, 19/F
Beautiful Group Tower
77 Connaught Road Central
Hong Kong

Registered office:

Victoria Place
5th Floor, 31 Victoria Street
Hamilton HM10
Bermuda

Hong Kong, 27 April 2021

To the Shareholders,

Dear Sir or Madam,

**(1) SECOND SUPPLEMENTAL AGREEMENT TO
THE 2020-2022 MASTER AGREEMENT AND
REVISION OF ANNUAL CAPS,
(2) RE-ELECTION OF THE RETIRING DIRECTOR AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The SGM is proposed to be held on Thursday, 20 May 2021 at 10:00 a.m. at Unit 1901, 19/F., Beautiful Group Tower, 77 Connaught Road Central, Hong Kong. The purposes of this circular are to provide the Shareholders with further information in respect of the resolutions regarding the following matters to be proposed at the SGM to enable the Shareholders to make their informed decisions: (i) the Second Supplemental Agreement to the 2020–2022 Master Agreement dated 18 March 2021 entered into among Wuling Industrial and Guangxi Automobile in relation to the amendment of certain terms of the 2020–2022 Master Agreement and the revision of the Aggregate Annual Caps for the Sale Transactions; and (ii) the re-election of the retiring Director.

LETTER FROM THE BOARD

THE 2020-2022 MASTER AGREEMENT AS AMENDED BY THE SUPPLEMENTAL AGREEMENT AND THE SECOND SUPPLEMENTAL AGREEMENT

Reference is made to the announcement of the Company dated 18 March 2021, in relation to the Second Supplemental Agreement to amend certain terms of the 2020-2022 Master Agreement and to revise the Aggregate Annual Caps for the Sale Transactions.

On 18 March 2021, Wuling Industrial, a non-wholly owned subsidiary of the Company, and Guangxi Automobile entered into the Second Supplemental Agreement to amend certain terms of the 2020-2022 Master Agreement. Besides, the Board also proposed to revise the Annual Caps for the Sale Transactions including the revision of Annual Caps for GL Sale Transactions and WS Sale Transactions for the two years ending 31 December 2021 and 2022 respectively, hence revision of the aggregate Annual Caps for the Sale Transactions for the corresponding periods.

The principal terms of the Continuing Connected Transactions under the 2020–2022 Master Agreement as amended by the Supplemental Agreement and the Second Supplemental Agreement are summarized as follows:

Date:	22 November 2019 for 2020–2022 Master Agreement 7 September 2020 for Supplemental Agreement 18 March 2021 for Second Supplemental Agreement
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, was interested in approximately 56.54% of the total number of Shares in issue of the Company as at the Latest Practicable Date and a connected person of the Company under the Listing Rules.
Scope of products and services to be provided or received:	The Continuing Connected Transactions, under the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the Second Supplemental Agreement, to be carried out are categorized into four types as follows:

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Sale Transactions

The Wuling Industrial Group has conditionally agreed to supply certain automotive components and materials for production and trading purposes (including engines, various types of automotive parts and accessories, raw materials (including steel) and other consumables and materials) to the Guangxi Automobile Group. The Sale Transactions shall include the GL Sale Transactions, the GB Sale Transactions, the WS Sale Transactions and the WAT Sale Transactions.

Purchase (Materials and Parts) Transactions

The Wuling Industrial Group has conditionally agreed to purchase certain automotive components and related products for production and trading purposes (including various types of automotive parts and accessories, moulds and toolings, scrap materials, automotive air-conditionerrelated parts and accessories) from the Guangxi Automobile Group. The Purchase (Material and Parts) Transactions shall include the GL Purchase Transactions, the WS Purchase Transactions, the GXGY Purchase Transactions and the GX Purchase Transactions under the Supplemental Agreement.

Purchase (Finished Products) Transactions

The Wuling Industrial Group has conditionally agreed to purchase vehicles and related products from the Guangxi Automobile Group for trading purpose. The Purchase (Finished Products) Transactions shall include the GB Purchase Transactions.

Utility Supply Transactions

The Wuling Industrial Group has conditionally agreed to provide water and power supply services to the Guangxi Automobile Group. The Utility Supply Transactions shall include the GL Utility Supply Transactions and the WRE Utility Supply Transactions.

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- Terms: Three years from 1 January 2020 to 31 December 2022 (both dates inclusive).
- Pricing principles: The pricing for the products and/or services acquired by the Wuling Industrial Group from the Guangxi Automobile Group, or vice versa, will be determined:
- (i) with references to the relevant market prices; or
 - (ii) (if market prices are not available) on fair basis, and on normal commercial terms or on terms which are no less favorable than those available to the Wuling Industrial Group from the Independent Third Parties or those offered by the Guangxi Automobile Group to the Independent Third Parties.
- Payment terms: Payments for the products and/or services acquired by the Wuling Industrial Group from the Guangxi Automobile Group, or vice versa, will be settled by way of cash or in other manner(s) as agreed by the parties and in accordance with the agreed timing and manners as specified in the Specific Product & Service Contracts to be entered into between the Wuling Industrial Group and the Guangxi Automobile Group. The payment terms shall be on market terms which are no less favorable than those obtainable by the Wuling Industrial Group from the Independent Third Parties or those offered by the Guangxi Automobile Group to the Independent Third Parties.
- Condition precedent: The 2020-2022 Master Agreement as amended by the Supplemental Agreement and the Second Supplemental Agreement is conditional upon (i) the approval of the Independent Shareholders in respect of the transactions contemplated thereunder and the respective Annual Cap(s) thereof being obtained at the SGM; and (ii) the compliance of any other applicable laws and regulations (including but not limited to the Listing Rules) by the parties.

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Termination:

If any transaction under the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the Second Supplemental Agreement fails to meet the requirements under the Listing Rules with regard to continuing connected transactions, such transaction shall be terminated immediately.

If any Specific Product & Service Contract and the transactions contemplated thereunder fail to meet the principles of the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the Second Supplemental Agreement or would result in the actual amount of the relevant CCTs on annual basis exceeding the related Annual Cap(s), such Specific Product & Service Contract shall then be terminated.

In addition, the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the Second Supplemental Agreement shall be terminated upon occurrence of any of the following events:

- (i) all transactions proceeded pursuant to the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the Second Supplemental Agreement having been terminated pursuant to the arrangements hereabove mentioned; or
- (ii) three-month written notice of termination having been served by a party to the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the Second Supplemental Agreement.

REVISION OF ANNUAL CAPS UNDER THE SECOND SUPPLEMENTAL AGREEMENT

Pursuant to the Second Supplemental Agreement, the Board proposed to revise the aggregate Annual Caps for the Sale Transactions including the revision of Annual Caps for GL Sale Transactions and WS Sale Transactions for the two years ending 31 December 2021 and 2022 respectively, hence revision of the aggregate Annual Caps for the Sale Transactions for the corresponding periods.

LETTER FROM THE BOARD

HISTORICAL TRANSACTION AMOUNTS

Set out below are the historical transaction amounts of the GL Sale Transactions and the WS Sale Transactions for the years ended 31 December 2019 and 2020 and the three months ended 31 March 2021.

	Historical transaction amounts		
	Year ended 31 December		Three Months ended
	2019	2020	31 March
	(audited) <i>RMB'000</i>	(audited) <i>RMB'000</i>	(unaudited) <i>RMB'000</i>
GL Sale Transactions	<u>15,623</u>	<u>7,203</u>	<u>637</u>
Annual Caps	<u>175,000</u>	<u>10,578</u>	<u>11,107</u>
Utilization Rate (Note)	<u>8.9%</u>	<u>68.1%</u>	<u>5.7%</u>
WS Sale Transactions	<u>11,944</u>	<u>22,870</u>	<u>6,410</u>
Annual Caps	<u>12,270</u>	<u>172,238</u>	<u>165,859</u>
Utilization Rate (Note)	<u>97.3%</u>	<u>13.3%</u>	<u>3.9%</u>

Note: the respective utilization rates for the three months ended 31 March 2021 are calculated based on the actual transactions amounts for the respective period against the respective Annual Caps for the year ending 31 December 2021

As demonstrated in above table, the aggregate annual amounts of the GL Sale Transactions and the WS Sale Transactions for the year ended 31 December 2019 under the 2017-2019 Master Agreement and its supplemental agreements did not exceed the annual caps as approved by the then Independent Shareholders of the Company at the general meetings of the Company respectively held on 6 January 2017, 30 June 2017, and 9 August 2018.

The aggregate annual amounts of the GL Sale Transactions and the WS Sale Transactions for the year ended 31 December 2020 under the 2020-2022 Master Agreement and its supplemental agreement did not exceed the annual caps as approved by the Independent Shareholders of the Company at the general meetings of the Company respectively held on 20 January 2020 and 30 October 2020. Besides, the Board confirmed that, as at the Latest Practicable Date, the aggregate amounts of GL Sale Transactions and the WS Sale Transactions did not exceed the annual caps for the year ending 31 December 2021 under the 2020-2022 Master Agreement and its supplemental agreement.

LETTER FROM THE BOARD

REVISION OF THE AGGREGATE ANNUAL CAPS FOR THE SALE TRANSACTIONS

Pursuant to the Second Supplemental Agreement, the Board proposed to revise the aggregate Annual Caps for the Sale Transactions, including the revision of the Annual Caps for the GL Sale Transactions and the WS Sale Transactions for each of the two years ending 31 December 2021 and 2022, respectively as demonstrated in the table below:

Sale Transactions

	Annual Caps			Revised Annual Caps		
	Year ended			Year ended		
	31 December	Year ending	31 December	31 December	Year ending	31 December
	2020	2021	2022	2020	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
GL Sale Transactions	10,578	11,107	11,662	10,578	33,106	35,662
GB Sale Transactions	69,874	95,404	126,850	69,874	95,404	126,850
WS Sale Transactions	172,238	165,859	166,359	172,238	437,859	492,858
WAT Sale Transactions	<u>16,585</u>	<u>21,552</u>	<u>32,314</u>	<u>16,585</u>	<u>21,552</u>	<u>32,314</u>
Sub-total	269,275	293,922	337,185	269,275	587,921	687,684
Buffer of about 10%	<u>26,725</u>	<u>29,378</u>	<u>33,815</u>	<u>26,725</u>	<u>58,779</u>	<u>68,716</u>
Aggregate Annual Caps for Sale Transactions	<u><u>296,000</u></u>	<u><u>323,300</u></u>	<u><u>371,000</u></u>	<u><u>296,000</u></u>	<u><u>646,700</u></u>	<u><u>756,400</u></u>

Basis of determination of the Revised Annual Caps

The above Revised Annual Caps of the GL Sale Transactions have been determined by reference to:

- (a) the inclusion of the sales of steels by Wuling Industrial Group to Guangling which was not covered in the original plan for the estimation of GL Sale Transactions under the 2020-2022 Master Agreement. Previously, Guangling procured steels from other suppliers for the production of automotive components. For the years ended 31 December 2019 and 2020, Guangling purchased 11,280 tones and 9,337 tones of steels from other suppliers which amounted to approximately RMB63.4 million and RMB51.7 million for the respectively years. With reference to the production plan provided by Guangling for the year ending 31 December 2021, Guangling has estimated to procure approximately 4,400 tones of steels from Wuling Industrial Group for the production of approximately 373,000 units of automotive components which include front door inner shield panels and rear door inner shield panels for the year ending 31 December 2021. As advised by Guangling, the demand of approximately 4,400 tones of steels for the year ending 31 December 2021 is supported by contracts on hand. It is also estimated that the production volume of the respective automotive components would be increased by approximately 9% for the year ending 31 December 2022 based on anticipated market demand and

LETTER FROM THE BOARD

production capacity of Guangling. Accordingly, the estimated volume of steels required for the production would be increased to approximately 4,800 tones. Guangling, therefore, requires to source such volume of steels from Wuling Industrial Group to meet its production plan.

- (b) the selling price of steels offered to Guangling was determined with reference to the latest market prices of steels quoted from BAIINFO, one of the commodity market information suppliers in China (<http://www.baiinfo.com>).
- (c) the aggregate transaction amounts of approximately RMB637,000 under the GL Sale Transactions during the three months ended 31 March 2021, which represents approximately 5.7% of Annual Caps of GL Sale Transactions for the year ending 31 December 2021.
- (d) a buffer of approximately 10% adopted for any unforeseeable circumstance, in particular market fluctuations, changes in government policies on automobile industry, fluctuations in raw material costs including the market price of steels and increase in transportations and labour costs.

Besides, the Revised Annual Caps of the WS Sale Transactions have been determined by reference to:

- (a) The reassessment of the volume of the raw materials, mainly steels, supplied by Wuling Industrial Group to Qingdao Wushun under the 2020-2022 Master Agreement in February 2021. Previously, Qingdao Wushun procured steels from both Wuling Industrial Group and other suppliers for the production of automotive components. For the years ended 31 December 2019 and 2020, Qingdao Wushun purchased 53,458 tones and 67,313 tones of steels from Wuling Industrial Group and other suppliers which amounted to approximately RMB224.4 million and RMB267.0 million for the respectively years. It is estimated that the demand of steels for Qingdao Wushun will be increased from 600 tones and 700 tones to approximately 55,000 tones and 66,000 tones for the two years ending 31 December 2021 and 2022, respectively. With reference to the production plan provided by Qingdao Wushun for the year ending 31 December 2021, Qingdao Wushun has estimated to procure approximately 55,000 tones of steels from Wuling Industrial Group for the year ending 31 December 2021 for the production of approximately 8,300,000 units of automotive components which include front door inner shield panels, rear door inner shield panels, rear pillars etc. As advised by Qingdao Wushun, the demand of approximately 55,000 tones of steels for the year ending 31 December 2021 is supported by contracts on hand. It is also estimated that the production volume of the respective automotive components would be increased by approximately 20% for the year ending 31 December 2022 based on anticipated market demand and production capacity of Qingdao Wushun. Accordingly, the estimated volume of steels required for the production will be increased to approximately 66,000 tones. Qingdao Wushun, therefore, requires to source additional volume of steels from Wuling Industrial Group to meet its production plan.

LETTER FROM THE BOARD

- (b) the selling price of steels offered to Qingdao Wushun was determined with reference to the latest market price of steels quoted from BAIINFO, one of the commodity market information suppliers in China (<http://www.baiinfo.com>).
- (c) the aggregate transaction amounts of approximately RMB6,410,000 under the WS Sale Transactions during the three months ended 31 March 2021, which represents approximately 3.9% of Annual Caps of WS Sale Transactions for the year ending 31 December 2021.
- (d) a buffer of approximately 10% adopted for any unforeseeable circumstance, in particular market fluctuations, changes in government policies on automobile industry, fluctuations in raw material costs including the market price of steels and increase in transportations and labour costs.

As confirmed by the management of the Company, the Directors will continue to monitor the Continuing Connected Transactions and ensure that the Annual Caps for the Sale Transactions will not be exceeded prior to obtaining the Independent Shareholder's approval for the Revised Annual Caps with respect to the aggregate Sale Transactions at the SGM.

Estimated quantities and unit prices of sales of steels

Set out below are the estimated quantities and unit prices of steels to be sold by Wuling Industrial Group to Guangling and Qingdao Wushun pursuant to the Second Supplemental Agreement. The estimated quantities to be sold by Wuling Industrial Group have been determined based on the production plan, anticipated market demand and the production capacity of Guangling and Qingdao Wushun for the two years ending 31 December 2021 and 2022 respectively. The selling price of steels offered to Guangling and Qingdao Wushun was determined with reference to the latest market prices of steels quoted from BAIINFO, one of the commodity market information suppliers in China.

The estimated quantities and unit prices of steels under GL Sale Transactions

	Year Ending 31 December	
	2021	2022
Steel	4,400 tones	4,800 tones
<i>Price: approximately RMB5,000 per tone</i>	<i>(Estimated total value: approximately RMB22.00 million)</i>	<i>(Estimated total value: approximately RMB24.00 million)</i>

LETTER FROM THE BOARD

The estimated quantities and unit prices of steels under WS Sale Transactions

	Year Ending 31 December	
	2021	2022
Steel	55,000 tones	66,000 tones
<i>Price: approximately RMB5,000 per tone</i>	<i>(Estimated total value: approximately RMB275.00 million)</i>	<i>(Estimated total value: approximately RMB330.00 million)</i>

Note: The above prices and total values have not included value-added tax.

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 Latest Practicable Date, 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 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 Latest Practicable Date. 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 SECOND SUPPLEMENTAL AGREEMENT

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 disclosed in the annual reports of the Company for the year ended 31 December 2019 and the

LETTER FROM THE BOARD

year ended 31 December 2020, the revenue generated from the automotive components and other industrial services division which include the trading of steels, accounted for approximately 50.0% and 46.5% of the total revenue of the Group for the respectively periods. As such, entering into the Second Supplemental Agreement to provide steels to the Guangxi Automobile Group is within the principal business activities of the Group and give more opportunities to the Wuling Industrial Group to broaden its revenue stream from trading of steels.

The Wuling Industrial Group has been providing centralized procurement services to its group companies, customers, and suppliers, including the Guangxi Automobile Group, for the supply of raw materials, mainly steels, and utilities services, which include water and electricity suppliers. Such centralized procurement function strengthens the business relationship among the entities involved and enhances the efficiency and productivity of the entities' operations through the benefits of bulk purchases and scale operation. In addition, the Wuling Industrial Group will continue to maintain a diversified revenue stream by supplying products and services to others, including the Guangxi Automobile Group. The Wuling Industrial Group therefore would like to provide more types of automotive parts and accessories, raw material (including steels) and other consumables and materials to the Guangxi Automobile Group.

The Wuling Industrial Group has adopted and implemented standard pricing policies on both the sale transactions with Independent Third Parties and the Sale Transactions under the 2020-2022 Master Agreement (which incorporated the Supplemental Agreement) in order to ensure the payment terms and pricing basis of the Sale Transactions will be on market terms or on terms which are no less favourable than those available to Independent Third Parties, i.e. charging of a reasonable profit margin over the cost of production. This standard pricing policies adopted by the Wuling Industrial Group applies to all the Sale Transactions of the Wuling Industrial Group, including the trading of steels.

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 Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions are conducted in 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.

INTERNAL CONTROL PROCEDURES IN RELATION TO THE CONTINUING CONNECTED TRANSACTIONS

As stated under the section headed "VII. INTERNAL CONTROL PROCEDURES" in the circular of the Company dated 24 December 2019 in relation to the 2020–2022 Master Agreement, Wuling Industrial Group has adopted and implemented standard internal control procedures on all purchase and sales transactions, which cover the Purchase (Materials and Parts) Transactions, the Purchase (Finished Products) Transactions and the Sale Transactions and ensure the payment terms and pricing basis thereof will be on market terms or on terms which are no less favourable than those available from/to Independent Third Parties. Please

LETTER FROM THE BOARD

refer to pages 27 to 29 in the circular of the Company dated 24 December 2019 for details of standard internal control procedures on all purchase and sales transactions. The standard internal control procedures on Sale Transactions are set out as follows:

Sale Transactions

The Wuling Industrial Group has adopted and implemented its standard pricing policies on both the sale transactions with Independent Third Parties and the Sale Transactions under the 2020-2022 Master Agreement in order to ensure the above payment terms and pricing basis of the Sale Transactions will be on market terms or on terms which are no less favourable than those available to Independent Third Parties, i.e. charging of a reasonable profit margin over the cost of production. The standard pricing policies adopted by the Wuling Industrial Group cover the pricing policies and procedures of all the sale transactions of the Wuling Industrial Group.

With respect to raw materials, the sale department (the “**Sale Department**”) of the Wuling Industrial Group would make references to the updated market prices of the raw materials in the open market as well as the latest traded and quoted prices that are available by the leading suppliers of such raw materials. For the sales of steel, the Sale Department would obtain the reference prices published online (i.e. BAIINFO, <http://www.baiinfo.com>) or from monthly quotations by two leading suppliers which were state-owned steel company. The market price data will be updated on a monthly basis under normal circumstance and on a more frequent basis if the relevant market is volatile.

In regard to the automotive components, the Sale Department will collect and analyse price information from the customers and the sale network including its authorized distributors for the same/similar products offered by its competitors in the market in formulating the pricing strategies of the end products and the related automotive components. There is no specific number of same/similar products to be collected in such assessment. However, the standard pricing policies of the Wuling Industrial Group would ensure appropriate market prices data and adequate consideration in terms of the technical knowhow, specific qualifications, volume of transactions, market environment, cost structure and development strategy have been properly gone through in the pricing procedures of a product.

The Finance Department, with the support from the Purchase Department and the technical department and manufacturing department of the Wuling Industrial Group, will then evaluate the products’ total cost of sale, upon which a price determination committee of the Wuling Industrial Group will be established to determine the price of the products to be sold in consideration of the aforesaid market and cost information. The Wuling Industrial Group will also conduct periodic reviews, normally semi-annually and at least annually, of the profit margins earned by the Wuling Industrial Group from the Sale Transactions as compared to the profit margins earned by the Wuling Industrial Group from products sold to other Independent Third Parties, as well as the profit margins earned by the related connected parties from the related transactions.

LETTER FROM THE BOARD

Independent Non-Executive Directors and Auditors' Review

In addition, all of the Continuing Connected Transactions, including the Sale Transactions, will be reviewed by the independent non-executive Directors and the auditors of the Company annually, and their respective relevant reports, together with information on all of the Continuing Connected Transactions, will be set out in the Company's next annual report following the occurrence of such transactions. In order to facilitate the review process, relevant members of the Guangxi Automobile Group will also provide their relevant records to the auditors of the Company during the course of auditors' review.

In view of the above, the Directors consider that the internal control procedures are effective to ensure that the continuing connected transactions contemplated under the 2020-2022 Master Agreement as amended by the Supplemental Agreement and the Second Supplemental Agreement will be conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, 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. In this regard, Guangxi Automobile is a connected person of the Company under the Listing Rules. The Second Supplemental Agreement and the transactions contemplated thereunder 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 Annual Caps for the GL Sale Transactions, GB Sale Transactions, WS Sale Transactions and WAT Sale Transactions have been aggregated into the Sale 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 Sale Transactions contemplated under the Second 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.

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 Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions. As at the Latest Practicable, Mr. Yuan Zhijun and his associates held 3,000,000 Shares, representing approximately 0.09% of the Shares in issue of the Company. Mr. Wei Mingfeng and his associates held 270,000 Shares, representing approximately 0.01% of the Shares in issue of the Company. Mr. Yang Jianyong and his associates did not hold any Shares of the Company as at the Latest Practicable Date. Save as disclosed above, no other Director is regarded having a material interest in the

LETTER FROM THE BOARD

Continuing Connected Transactions and required to abstain from voting on the board resolution to approve the Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions.

RE-ELECTION OF THE RETIRING DIRECTOR

In accordance with Bye-law 91 of the Company, Mr. Wei Mingfeng who was appointed as an executive Director of the Company on 24 March 2021, will retire at the SGM, and being eligible, offer himself for re-election at the SGM. Details of the retiring Director proposed to be re-elected at the SGM are set out in Appendix II to this circular.

THE SGM

A notice convening the SGM to be held at Unit 1901, 19/F., Beautiful Group Tower, 77 Connaught Road Central, Hong Kong on Thursday, 20 May 2021 at 10:00 a.m., at which ordinary resolution(s) will be proposed to the Independent Shareholders to consider and, if thought fit, approve (i) the Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions; (ii) the re-election of the retiring Director.

The ordinary resolution(s) as set out in the notice of the SGM will be put to the vote of the Independent Shareholders by poll. An announcement will be made by the Company following the conclusion of the SGM to inform you of its results.

The register of member of the Company will be closed from Friday, 14 May 2021 to Thursday, 20 May 2021 (both dates inclusive), for the purpose of determining the Shareholder's eligibility to attend and vote at the SGM and during which period no transfer of the Share(s) will be effected. In order to qualify for attendance of the SGM, all completed transfer forms accompanied by the relevant share certificates of the Company must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 13 May 2021.

A form of proxy is enclosed with this circular for use at the SGM. Whether or not you are able to attend the SGM (or any adjournment thereof) in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not less than 48 hours before the time required for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

In view of their interests in the Second Supplemental Agreement, Guangxi Automobile and its associates, holding or being interested in 1,864,698,780 Shares, representing approximately 56.54% of the Shares in issue of the Company, in aggregate, will abstain from voting on the resolution(s) in relation to the Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions at the SGM.

LETTER FROM THE BOARD

Saved as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder is required to abstain from voting at the SGM in respect of the Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions.

RECOMMENDATION

The Independent Board Committee, comprising all 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 Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions. Your attention is drawn to the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders on pages 23 and 24 of this circular.

The Independent Board Committee, after taking into account the advice and recommendations of Gram Capital, considers that the revised terms of the 2020-2022 Master Agreement as amended by the Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions are in the ordinary and usual course of business 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. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant ordinary resolution(s) to be proposed at the SGM to approve the second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions.

The Directors consider that the revised terms of the 2020-2022 Master Agreement as amended by the Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions are in the ordinary and usual course of business 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. The Directors also consider the re-election of the retiring Director is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolutions, in relation to (i) the Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions; and (ii) the re-election of the retiring Director, to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the general information on the Group set out in Appendix I to this circular.

Yours faithfully
For and on behalf of the Board
Wuling Motors Holdings Limited
Yuan Zhijun
Chairman

* for identification purpose only



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)

27 April 2021

To the Independent Shareholders

Dear Sir or Madam,

**SECOND SUPPLEMENTAL AGREEMENT TO
THE 2020-2022 MASTER AGREEMENT
AND
REVISION OF ANNUAL CAPS**

We refer to the circular of the Company dated 27 April 2021 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, terms and expressions defined in the Circular shall have the same meanings in this letter.

We, being the independent non-executive Directors, have been appointed by the Company as members of the Independent Board Committee to advise the Independent Shareholders in respect of the revised terms of the 2020-2022 Master Agreement as amended by the Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions. Gram Capital has been appointed to advise the Independent Shareholders and us in this regard. Details of the advice and recommendations from Gram Capital, together with the principal factors and reasons taken into consideration by it in arriving at such advice and recommendations, are set out in the “Letter from Gram Capital” on pages 25 to 35 of the Circular.

Having considered, among other things, the factors and reasons considered by, and the advice and recommendations of Gram Capital, we are of the opinion that the revised terms of the 2020-2022 Master Agreement as amended by the Second Supplemental Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions, are in the ordinary and usual course of business 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.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the Second Supplemental Agreement in relation to the amendment of certain terms of the 2020-2022 Master Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions.

Yours faithfully
For and on behalf of the
Independent Board Committee
Ye Xiang Wang Yuben Mi Jianguo
Independent non-executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the revision of terms of the 2020–2022 Master Agreement and the adoption of Revised Annual Caps with respect to the Sale Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

27 April 2021

*To: The independent board committee and the independent shareholders
of Wuling Motors Holdings Limited*

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the revision of terms of the 2020–2022 Master Agreement and the adoption of Revised Annual Caps with respect to the Sale Transactions (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 27 April 2021 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

References are made to the Company’s announcements dated 22 November 2019 and 7 September 2020, together with the Company’s circulars dated 27 December 2019 and 9 October 2020, in relation to the Continuing Connected Transactions.

With reference to the Board Letter, on 18 March 2021, Wuling Industrial, a non-wholly owned subsidiary of the Company, and Guangxi Automobile entered into the Second Supplemental Agreement to amend certain terms of the 2020-2022 Master Agreement. Besides, the Board also propose to revise the aggregate Annual Caps for the Sale Transactions including the revision of Annual Caps for GL Sale Transactions and WS Sale Transactions for the two years ending 2021 and 2022 respectively, hence revision of the aggregate Annual Caps for the Sale Transactions for the corresponding periods.

With reference to the Board Letter, the 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.

LETTER FROM GRAM CAPITAL

The Independent Board Committee comprising Mr. Ye Xiang, Mr. Wang Yuben and Mr. Mi Jianguo (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms or better and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transactions at the SGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser in relation to (i) the transactions contemplated under the 2020–2022 Master Agreement (details of which was set out in the Company’s circular dated 27 December 2019); and (ii) the transactions contemplated under the Supplemental Agreement (details of which was set out in the Company’s circular dated 9 October 2020). As the aforesaid engagements were independent financial adviser engagements, they do not affect our independence to act as the Independent Financial Adviser. Notwithstanding the aforesaid engagements, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as hindrance to Gram Capital’s independence to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors’ representation and confirmation that there is no undisclosed private agreement/ arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

LETTER FROM GRAM CAPITAL

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Guangxi Automobile or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, 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.

LETTER FROM GRAM CAPITAL

Set out below are the consolidated financial information of the Group for the two years ended 31 December 2020 as extracted from the Company's annual report for the year ended 31 December 2020:

	For the year ended 31 December 2020 RMB'000	For the year ended 31 December 2019 RMB'000	Year on year change %
Revenue	15,382,213	14,237,305	8.04
— Engines and related parts	3,115,390	2,632,657	18.34
— Automotive components and other industrial services	7,148,068	7,117,211	0.43
— Specialized vehicles	5,097,664	4,474,073	13.94
— Others	21,091	13,364	57.82

The Group recorded revenue of approximately RMB15.38 billion for the year ended 31 December 2020 (“**FY2020**”), representing an increase of approximately 8.04% as compared to that for the year ended 31 December 2019 (“**FY2019**”). Each of the Group's segment recorded an increase in revenue for FY2020, as compared to those for FY2019.

Revenue from the automotive components and other industrial services segment (which represents manufacture and sale of automotive components and accessories, trading of steels, and provision of water and power supply services) amounted to approximately RMB7.15 billion for FY2020 and RMB7.12 billion for FY2019, representing approximately 46.47% and 49.99% of the Group's revenue for FY2020 and FY2019 respectively.

Information on Guangxi Automobile

With reference to the Board Letter, Guangxi Automobile is the ultimate controlling Shareholder as at the Latest Practicable Date. 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.

LETTER FROM GRAM CAPITAL

Reasons for and benefits on the Transactions

As mentioned in the section above, the automotive components and other industrial services segment (which includes the trading of steels) is one of the major sources of the Group's revenue, contributing approximately 46.47% of the Group's revenue for FY2020. The provision of steels to the Guangxi Automobile Group according to the Second Supplemental Agreement under the GL Sale Transactions and the WS Sale Transactions is in the Group's ordinary and usual course of business.

With reference to the Board Letter, the Wuling Industrial Group has been providing centralized procurement services to its group companies, customers, and suppliers, including the Guangxi Automobile Group, for the supply of raw materials, mainly steels, and utilities services, which include water and electricity suppliers. Such centralized procurement function strengthens the business relationship among the entities involved and enhances the efficiency and productivity of the entities' operations through the benefits of bulk purchases and scale operation. In addition, the Wuling Industrial Group will continue to maintain a diversified revenue stream by supplying products and services to others, including the Guangxi Automobile Group. The Wuling Industrial Group therefore would like to provide more types of automotive parts and accessories, raw material (including steels) and other consumables and materials to the Guangxi Automobile Group.

Having considered the above, we concur with the Directors that the Transactions are in the interests of the Company and the Shareholders as a whole and are in the ordinary and usual course of business of the Group.

Principal terms of the Second Supplemental Agreement in relation to the Transactions

Set out below are principal terms of the Second Supplemental Agreement in relation to the Transactions:

Date:	18 March 2021
Parties:	Wuling Industrial and Guangxi Automobile
Terms amended:	Original terms under the 2020–2022 Master Agreement as amended by the Supplemental Agreement: <ul style="list-style-type: none">— (Clause 6.2.2) The estimated amount of relevant products and services to be transacted between Wuling Industrial Group and 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.

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

- (Clause 6.2.2) The estimated amount of relevant products and services to be transacted between Wuling Industrial Group and Guangxi Automobile Group within the validity period as set out under Annex II to Annex VII to the 2020-2022 Master Agreement (as amended by the Second Supplemental Agreement) shall be in accordance with the relevant business needs.

The Annual Caps for the aggregate Sale Transactions amounting to RMB323.3 million and RMB371.0 million for the two years ending 31 December 2021 and 2022, respectively as set out in Annex I to the 2020-2022 Master Agreement will be revised to RMB646.7 million and RMB756.4 million for the two years ending 31 December 2021 and 2022, respectively as set out in Annex A-1 to the Second Supplemental Agreement.

The forecast of sale of steels to Guangling and Qingdao Wushun set out in Annex B-1 to the Second Supplemental Agreement will form Annex VII to the 2020-2022 Master Agreement.

Save as disclosed above, all existing material terms and conditions under the 2020-2022 Master Agreement (which incorporated the Supplemental Agreement) remain unchanged.

The principal terms of the Continuing Connected Transactions under the 2020–2022 Master Agreement as amended by the Supplemental Agreement and Second Supplemental Agreement are summarized in the Board Letter.

As advised by the Directors, the products sold by the Group to Guangxi Automobile Group under the Sale Transactions are generally specific. During 2020, the products sold by the Group under the GL Sale Transactions, the WS Sale Transactions and the WAT Sale Transactions were not comparable to those sold by the Group to Independent Third Parties; while a few products sold by the Group under the GB Sale Transactions were comparable to those sold by the Group to Independent Third Parties. For our due diligence purpose, we obtained individual invoices regarding the sale of comparable automotive components and materials by the Group to the Guangxi Automobile Group and Independent Third Parties under the GB Sale Transactions during 2020 (i.e. for the first half of 2020, one invoice for sale to Guangxi Automobile Group and one invoice for sale to Independent Third Party were obtained; and for the second half of 2020, one invoice for sale to Guangxi Automobile Group and one invoice for sale to Independent Third Party were obtained). As confirmed by the Directors, the invoices were selected on a random basis. As the invoices were obtained on a random basis and the invoices cover historical Sale Transactions of the Group under the 2020–2022 Master Agreement (i.e. the GB Sale Transactions) throughout the agreement term in 2020, we consider such documents to be sufficient, fair and representative. We noted from

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such documents that the prices of products sold by the Group to the Guangxi Automobile Group were not lower than those sold to Independent Third Parties (“**Our Due Diligence on Previous Sale Transactions**”).

As confirmed by the Directors, the GL Sale Transactions and the WS Sale Transactions will continue to follow the same certain internal control procedures in relation to the Sale Transactions, details of which are set out in the Company’s circular in relation to the 2020-2022 Master Agreement dated 27 December 2019. Having considered, in particular, that

- (a) the Wuling Industrial Group has adopted and implemented its standard pricing policies on both the sale transactions with Independent Third Parties and the Sale Transactions in order to ensure the payment terms and pricing basis of the Sale Transactions will be on market terms or on terms which are no less favourable than those available to Independent Third Parties, i.e. charging of a reasonable profit margin over the cost of production;
- (b) with respect to raw materials, the Sale Department would make references to the updated market prices of the raw materials in the open market as well as the latest traded and quoted prices that are available by the leading suppliers of such raw materials. For the sales of steel, the Sale Department would obtain the reference prices published online (i.e. BAIINFO, <http://www.baiinfo.com>) or from monthly quotations by two leading suppliers which were state-owned steel company. The market price data will be updated on a monthly basis under normal circumstance and on a more frequent basis if the relevant market is volatile;
- (c) in regard to the automotive components, the Sale Department will collect and analyse price information from the customers and the sale network including its authorized distributors for the same/similar products offered by its competitors in the market in formulating the pricing strategies of the end products and the related automotive components; and
- (d) the finance department, with the support from the purchase department and the technical department and manufacturing department, will then evaluate the products’ total cost of sale, upon which a price determination committee of the Wuling Industrial Group will be established to determine the price of the products to be sold in consideration of the aforesaid market and cost information. The Wuling Industrial Group will also conduct periodic reviews, normally semi-annually and at least annually, of the profit margins earned by the Wuling Industrial Group from the Sale Transactions as compared to the profit margins earned by the Wuling Industrial Group from products sold to other Independent Third Parties, as well as the profit margins earned by the related connected parties from the related transactions,

we consider the effective implementation of such internal control measures would help to ensure fair pricing of the Sale Transactions (including the GL Sale Transactions and the WS Sale Transactions). Having also considered Our Due Diligence on Previous Sale Transactions, we do not doubt the effectiveness of the internal control measures.

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In light of the above, we are of the view that the terms of the GL Sale Transactions and the WS Sale Transactions to be conducted pursuant to the Second Supplemental Agreement are on normal commercial terms or better and are fair and reasonable.

The Revised Annual Caps

Set out below are (i) the existing Annual Caps of the Sale Transactions for each of the three years ending 31 December 2022; and (ii) the Revised Annual Caps for each of the three years ending 31 December 2022 as extracted from the Board Letter:

	Existing Annual Caps for the year ended/ending 31 December			Revised Annual Caps for the year ended/ending 31 December		
	2020	2021	2022	2020	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
GL Sale Transactions	10,578	11,107	11,662	10,578	33,106	35,662
GB Sale Transactions	69,874	95,404	126,850	69,874	95,404	126,850
WS Sale Transactions	172,238	165,859	166,359	172,238	437,859	492,858
WAT Sale Transactions	<u>16,585</u>	<u>21,552</u>	<u>32,314</u>	<u>16,585</u>	<u>21,552</u>	<u>32,314</u>
Sub-total	269,275	293,922	337,185	269,275	587,921	687,684
Buffer of about 10%	<u>26,725</u>	<u>29,378</u>	<u>33,815</u>	<u>26,725</u>	<u>58,779</u>	<u>68,716</u>
Aggregate Annual Caps for Sale Transactions	<u>296,000</u>	<u>323,300</u>	<u>371,000</u>	<u>296,000</u>	<u>646,700</u>	<u>756,400</u>

In arriving at the Revised Annual Caps for the GL Sale Transactions and WS Sale Transactions, the Directors have considered factors as mentioned in the section headed “Basis of determination of the Revised Annual Caps” of the Board Letter.

Pursuant to the Second Supplemental Agreement, the annual caps of the GB Sale Transactions and the WAT Sale Transactions remain unchanged for each of the two years ending 31 December 2022.

With reference to the Board Letter, the inclusion of the sales of steels by Wuling Industrial Group to Guangling was not covered in the original plan for the estimation of GL Sale Transactions under the 2020–2022 Master Agreement. As advised by the Directors, Guangling previously procured steels from other suppliers for the production of automotive components. Upon the entering into of the Second Supplemental Agreement, Guangling would also procure steels from Wuling Industrial Group.

With reference to the Board Letter, there was a reassessment of the volume of the raw materials, mainly steels, supplied by Wuling Industrial Group to Qingdao Wushun under the 2020–2022 Master Agreement. As advised by the Directors, Qingdao Wushun previously

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procured steels from both Wuling Industrial Group and other suppliers for the production of automotive components, and Qingdao Wushun expected to procure more steels from Wuling Industrial Group upon the entering into of the Second Supplemental Agreement.

Revised Annual Caps of the GL Sale Transactions

For our due diligence purpose, we obtained a calculation of the Revised Annual Caps of the GL Sale Transactions. We noted that the Revised Annual Caps of the GL Sale Transactions comprised (i) the existing annual caps part (of approximately RMB11.1 million for 2021 and approximately RMB11.7 million for 2022 respectively) which caters for the sales of automotive components by Wuling Industrial to Guangling and (ii) the new transactions part which caters for the sales of steels by Wuling Industrial to Guangling (of approximately RMB22 million for 2021 and approximately RMB24 million for 2022 respectively).

For the new transactions part, we noted that the estimated transaction amounts during 2021 and 2022 were determined based on (i) the estimated quantities of steels to be sold (of approximately 4,400 tones for 2021 and approximately 4,800 tones for 2022) and (ii) the estimated the unit price of steels (of approximately RMB5,000/tonne).

As advised by the Directors, the estimated quantities of steels to be sold were determined after discussion with Guangling. In relation to the steels consumption demand of Guangling, we obtained a production summary of Guangling's products (which are products of steels). We noted from the production summary (i) the various types of automotive parts produced by Guangling, (ii) the weight of the respective types of automotive parts, and (iii) the estimated sales volume of each types of automotive parts. Based on the production summary, the estimated quantities of steels required by Guangling amounted to approximately 4,400 tones for 2021 and approximately 4,800 tones for 2022.

For the estimated unit price of steels (of approximately RMB5,000/tonne), we examined the prices of cold reduced steel sheets in PRC during the term period from 1 January 2020 to 18 March 2021, based on information obtained from Wind Financial Terminal (*Note: According to the website of Wind Financial Terminal, Wind was founded in 1994. As the market leader in China's financial information services industry, Wind is dedicated to provide accurate and real-time information, as well as sophisticated communication platforms for financial professionals. In the PRC, Wind serves more than 90% of financial institutions including hedge funds, asset management firms, securities companies, insurance companies, banks, research institutions, and government regulatory bodies.*). As the review period represents the term of the 2020–2022 Master Agreement prior to the entering into of the Second Supplemental Agreement, we consider such period to be sufficient, fair and representative. During the review period, the price of cold reduced steel sheets ranged from RMB4,221/tonne (record on 1 May 2020) and to RMB5,195/tonne (recorded on 12 March 2021). The estimated the unit price of steels of RMB5,000/tonne is within the said price range (“**Our Due Diligence on Price of Steels**”).

In light of the above, we consider that the Revised Annual Caps of the GL Sale Transactions are fair and reasonable.

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Revised Annual Caps of the WS Sale Transactions

For our due diligence purpose, we obtained a calculation of the Revised Annual Caps of the WS Sale Transactions. We noted that the Revised Annual Caps of the WS Sale Transactions comprised (i) the existing part which catered for the sale of automotive components (of approximately RMB162.9 million for each of 2021 and 2022 respectively) and represented approximately 98% of the existing annual caps of the WS Sale Transactions for each of 2021 and 2022 respectively (while the remaining part of the existing annual caps covered the sales of steels) and (ii) the revised part which covered the sales of steels (of approximately RMB275 million for 2021 and approximately RMB330 million for 2022 respectively).

For the revised part, we noted that the estimated transaction amounts during 2021 and 2022 were determined based on (i) the estimated quantities of steels to be sold (of approximately 55,000 tones for 2021 and approximately 66,000 tones for 2022) and (ii) the estimated the unit price of steels (of approximately RMB5,000/tonne).

As advised by the Directors, the estimated quantities of steels to be sold were determined after discussion with Qingdao Wushun. In relation to the steels consumption demand of Qingdao Wushun, we obtained a production summary of Qingdao Wushun's products (which are products of steels). We noted from the production summary (i) the various types of automotive parts, (ii) the weight of the respective types of automotive parts, and (iii) the estimated sales volume of each types of automotive parts. Based on the production summary, the estimated quantities of steels required by Qingdao Wushun amounted to approximately 55,000 tones for 2021 and approximately 66,000 tones for 2022.

In light of the above and Our Due Diligence on Price of Steels, we consider that the Revised Annual Caps of the WS Sale Transactions are fair and reasonable.

Revised Annual Caps of the Sale Transactions

As illustrated above, the Company applied a buffer of approximately 10% to the sum of annual caps for (i) the GL Sale Transactions, (ii) the GB Sale Transactions, (iii) the WS Sale Transactions and (iv) the WAT Sale Transactions when determining the Revised Annual Caps for the Sale Transactions. As advised by the Directors, the buffer was applied for unforeseeable circumstances such as (a) the unexpected increase in demand of products; and (b) the unexpected increase in price of the products. We consider such buffer to be justifiable.

Taking into account the above, we consider that the Revised Annual Caps of the Sale Transactions are fair and reasonable.

Shareholders should note that as the Revised Annual Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2022, and they do not represent forecasts of transaction amount to be incurred from the Sale Transactions. Consequently, we express no opinion as to how closely the actual transaction amount to be incurred from the Sale Transactions will correspond with the Revised Annual Caps.

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Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the GL Sale Transactions, the WS Sale Transactions and the Sale Transactions must be restricted by the respective Revised Annual Caps; (ii) the terms of the Sale Transactions (including the GL Sale Transactions and the WS Sale Transactions) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Sale Transactions (including the GL Sale Transactions and the WS Sale Transactions) must be included in the Company's subsequent published annual report. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Sale Transactions (including the GL Sale Transactions and the WS Sale Transactions) (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the respective Revised Annual Caps. In the event that the total amounts of the GL Sale Transactions/the WS Sale Transaction/the Sale Transactions are anticipated to exceed the respective Revised Annual Caps, or that there is any proposed material amendment to the terms of the GL Sale Transactions/the WS Sale Transaction/the Sale Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms or better and are fair and reasonable; and (ii) the Transactions are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors and chief executive of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company held any interest or short positions in the Shares, underlying Shares or debentures of the Company and any of its associated corporations (within the meaning of part XV of the Securities Future Ordinance (the “SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange:

Long Position

Name of Director	Capacity	Number of Shares held	Approximate % of the total number of Shares in issue*
Mr. Lee Shing	Interest in controlled corporation (<i>Note</i>)	356,622,914	10.81%
	Beneficial owner	4,636,350	0.14%
	Interest held by spouse	<u>2,472,720</u>	<u>0.08%</u>
	Sub-total	<u>363,731,984</u>	<u>11.03%</u>
Mr. Yuan Zhijun	Beneficial owner	<u>3,000,000</u>	<u>0.09%</u>
Mr. Ye Xiang	Beneficial owner	<u>1,030,300</u>	<u>0.03%</u>
Mr. Wei Mingfeng	Beneficial owner	<u>270,000</u>	<u>0.01%</u>

Note: This represents the Shares held by Dragon Hill Development Limited (“**Dragon Hill**”), a company wholly-owned by Mr. Lee Shing.

* The percentages above have been rounded up (if any) based on a total of 3,298,161,332 Shares in issue as at the Latest Practicable Date.

(ii) Substantial Shareholders

Save as disclosed below, as at the Latest Practicable Date, so far as it was known to the Directors and chief executive of the Company, no other persons had an interest or a short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO, or who (other than a member of the Group) was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long Position

Name of shareholder	Capacity	Nature of interest	Number of Shares held	Approximate % of the total number of Shares in issue*
Dragon Hill (<i>Note 1</i>)	Beneficial owner	Corporate	<u>356,622,914</u>	<u>10.81%</u>
Mr. Lee Shing	Interest in controlled corporation (<i>Note 1</i>)	Corporate	356,622,914	10.81%
	Beneficial owner (<i>Note 2</i>)	Personal	4,636,350	0.14%
	Interest held by spouse (<i>Note 2</i>)	Family	2,472,720	0.08%
	Sub-total		<u>363,731,984</u>	<u>11.03%</u>
Wuling (Hong Kong) Holdings Limited (“ Wuling HK ”) (<i>Note 3</i>)	Beneficial owner	Corporate	1,864,698,780	56.54%
Wuling Motors (Hong Kong) Company Limited (“ Wuling Motors ”) (<i>Note 3</i>)	Interest in controlled corporation	Corporate	1,864,698,780	56.54%
Guangxi Automobile Holdings Limited (“ Guangxi Automobile ”) (<i>Note 3</i>)	Interest in controlled corporation	Corporate	1,864,698,780	56.54%

Notes:

- (1) Mr. Lee Shing is beneficially interested in 356,622,914 Shares, which interests are held by Dragon Hill, a company wholly-owned by Mr. Lee Shing. This parcel of Shares has also been disclosed as long position of Mr. Lee under the above section.
- (2) These represent the Shares held by Mr. Lee Shing and his spouse as beneficial owners, respectively.
- (3) The entire issued share capital of Wuling HK is currently held by Wuling Motors, whereas the entire issued share capital of Wuling Motors is currently held by Guangxi Automobile. Accordingly, Wuling Motors and Guangxi Automobile are deemed to be interested in the Shares in which Wuling HK is interested under the SFO.

* The percentages above have been rounded up (if any) based on a total of 3,298,161,332 Shares in issue as at the Latest Practicable Date.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group which does not expire or which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

In addition to the Second Supplemental Agreement entered into between Wuling Industrial and Guangxi Automobile, details of which were fully disclosed in this circular, the Company and its subsidiaries entered into the following contracts or arrangements which are subsisting and significant in relation to the business to the Group:

- (a) On 23 November 2018, Wuling Industrial, as borrower and Guangxi Automobile as lender, entered into a loan agreement for a loan in a maximum amount (calculated as the aggregate amount of drawdowns) of RMB3,000,000,000, RMB3,300,000,000 and RMB3,600,000,000 respectively for the year ending 31 December 2019, 2020 and 2021 with each drawdown for a term of not more than six (6) months from the date of each drawdown granted by Guangxi Automobile to Wuling Industrial. On the same day, Wuling Liuji, as borrower and Guangxi Automobile as lender, entered into a loan agreement for a loan in a maximum amount (calculated as the aggregate amount of drawdowns) of RMB1,600,000,000, RMB1,800,000,000 and RMB2,000,000,000 respectively for the year ending 31 December 2019, 2020 and 2021 with each drawdown for a term of not more than six (6) months from the date of each drawdown granted by Guangxi Automobile to Wuling Liuji (collectively, the "**Loan Agreements**"). Details of the Loan Agreements were fully described in the Company's announcement dated 23 November 2018 and the Company's circular dated 2 January 2019.

- (b) On 7 December 2018, Wuling Industrial, as tenant, and Guangxi Automobile, as landlord, entered into a master tenancy agreement in respect of, among others, the lease of properties situated in Liuzhou, the PRC, for a term of three years commencing from 1 January 2019 and expiring on 31 December 2021 (the “**Master Tenancy Agreement**”). Details of the Master Tenancy Agreement were fully described in the Company’s announcement dated 7 December 2018 and the Company’s circular dated 14 January 2019.
- (c) On 26 April 2019, Wuling Industrial and Shanghai Yipu Automatic Equipment Co., Limited* (上海詣譜自動化裝備有限公司) (“**Shanghai Yipu**”) entered into an equipment purchase framework agreement (the “**Shanghai Yipu Equipment Purchase Framework Agreement**”) in relation to any purchase of equipment and/or production line/toolings by the Wuling Industrial Group from Shanghai Yipu as well as the modification and/or upgrade of the existing equipment and/or production line/toolings to be undertaken by the Wuling Industrial Group and such other transactions to meet the actual needs of the Wuling Industrial Group (such as after-sale services, installations and testings) pursuant to the Shanghai Yipu Equipment Purchase Framework Agreement and the relevant specific sale and purchase agreements for the period commencing from the 27 June 2019 to 31 December 2021. Details of the Shanghai Yipu Equipment Purchase Framework Agreement were fully described in the Company’s announcement dated 26 April 2019 and the Company’s circular dated 30 May 2019.
- (d) On 22 November 2019, Wuling Industrial and Guangxi Automobile entered into the 2020–2022 Master Agreement in relation to the continuing connected transactions of the Group to be carried out between the Wuling Industrial Group and the Guangxi Automobile Group, including the Sale Transactions (being the GL Sale Transactions, the GB Sale Transactions, the WS Sale Transactions and the WAT Sale Transactions), the Purchase (Materials and Parts) Transactions (being the GL Purchase Transactions, the WS Purchase Transactions and the GXGY Purchase Transactions), the Purchase (Finished Products) Transactions (being the GB Purchase Transactions) and the Utility Supply Transactions (being the GL Utility Supply Transactions and the WRE Utility Supply Transactions) for the term of three years from 1 January 2020 to 31 December 2022. Details of the 2020–2022 Master Agreement were fully described in the Company’s announcement dated 22 November 2019 and the Company’s circular dated 27 December 2019.
- (e) On 29 December 2019, Wuling Industrial and Liuzhou Zhuotong Automotive Parts and Components Company Limited* (柳州卓通汽車部件有限公司) (“**Liuzhou Zhuotong**”), both being subsidiaries of the Company and in the capacity as vendors, and Liuzhou AAM Automotive Driveline System Co., Ltd.* (柳州美橋汽車傳動系統有限公司) (the “**JV Company**”), as purchaser, entered into a sale and purchase agreement (the “**Assets Sale and Purchase Agreement**”), pursuant to which the parties have conditionally agreed to the sale and purchase of the WL Assets (comprising 4 sets of machinery, 361 sets of station appliances and 1 set of IT equipment) and the LZ Assets (comprising 36 sets of machinery and 6 sets of IT

equipment), collectively as the “**Assets**”. The Assets shall then be employed by the JV Company to carry out the business in developing, manufacturing and selling independent rear drive axles assembly, prop shafts, Salisbury drive axles (including drive axles assembly), passenger vehicle e-drive units of new energy vehicles and other driveline components for motor vehicles. Details of the Assets Sale and Purchase Agreement were fully described in the Company’s announcement dated 29 December 2019.

- (f) On 2 January 2020, the Company announced a rights issue exercise for the raising of a total of approximately HK\$205.01 million, before expenses, by way of the issue of new Shares of the Company on the basis of one (1) rights share for every two (2) shares held on 21 February 2020 (i.e., the record date) at the subscription price of HK\$0.20 per rights share (the “**Rights Issue**”). In the Rights Issue, Wuling (Hong Kong) Holdings Limited and Dragon Hill Development Limited, respectively controlling and substantial shareholder of the Company, had irrevocably and unconditionally undertaken to, among other things, apply for and pay for the certain number of rights shares of the Company as provisionally allotted to them, whereas, the rights shares not taken up by the shareholders of the Company were fully underwritten by the underwriter, Zhongtai International Securities Limited and/or other sub-underwriters to the Rights Issue. According to the right issue exercise, the net proceeds of the Rights Issue which amounted to approximately HK\$200.01 million would be fully used as a partial repayment of all of the outstanding amount of the convertible loan notes of the Company (the “**Convertible Loan Notes**”) in the amount of approximately HK\$260.00 million (including both outstanding principal and related interests) upon its maturity on 23 May 2020. The Rights Issue subsequently became unconditional on 10 March 2020 and was completed on 16 March 2020 where a total number of 1,025,053,777 new Shares were allotted and issued accordingly. On 23 May 2020, the Convertible Loan Notes were fully redeemed by the Company. Details of the Rights Issue were fully described in the Company’s announcements dated 2 January 2020, 29 January 2020 and 16 March 2020 and the Company’s prospectus dated 24 February 2020.
- (g) On 28 April 2020, Wuling Industrial and Wuling Auto Tech, a wholly-owned subsidiary of Guangxi Automobile, entered into an equipment purchase framework agreement (the “**Wuling Auto Tech Equipment Purchase Framework Agreement**”) in relation to any purchase of equipment, machineries and/or toolings by the Wuling Industrial Group from Wuling Auto Tech and such other transactions to meet the actual needs of the Wuling Industrial Group pursuant to the terms of the Wuling Auto Tech Equipment Purchase Framework Agreement and any other sale and purchase agreement(s) to be entered into between the Wuling Industrial Group (as purchaser) and Wuling Auto Tech (as vendor) in the event that Wuling Auto Tech is selected as successful bidder of tender(s) published by the Wuling Industrial Group for supply of equipment, machineries and/or toolings to the Wuling Industrial Group commencing from 28 April 2020 to 31 December 2020. Details of the Wuling Auto Tech Equipment Purchase Framework Agreement were fully described in the Company’s announcement dated 28 April 2020.

- (h) the Supplemental Agreement entered into between Wuling Industrial and Guangxi Automobile on 7 September 2020 to amend certain terms of the 2020–2022 Master Agreement and to adopt New Annual Caps for the GX Purchase Transactions, from which the annual caps for the Purchase (Materials and Parts) Transactions were increased by RMB106,000,000, RMB298,000,000 and RMB384,000,000 for the three years ending 31 December 2020, 2021 and 2022, respectively to RMB273,600,000, RMB486,200,000 and RMB617,300,000 for the three years ending 31 December 2020, 2021 and 2022, respectively. Details of the Supplemental Agreement were disclosed in the Company’s announcement dated 7 September 2020 and the Company’s circular dated 9 October 2020.
- (i) On 22 January 2021, the Company, Dragon Hill Development Limited (as the vendor) and Guotai Junan Securities (Hong Kong) Limited (as the placing agent) entered into a placing and subscription agreement, pursuant to which, (i) Guotai Junan Securities (Hong Kong) Limited agreed to place 223,000,000 existing Shares at a price of HK\$2.47 per placing share on behalf of Dragon Hill Development Limited to not less than six (6) independent placees; (ii) Dragon Hill Development Limited has conditional to subscribe for, and the Company has conditionally agreed to allot and issue to Dragon Hill Development Limited, 223,000,00 subscription shares at the subscription price (being the same as the placing price), in each case upon the terms and subject to the conditions set out in the Placing and Subscription Agreement. Completion of the Placing and the Subscription took place on 26 January 2021 and 1 February 2021, respectively. Details of the placing and subscription agreement were fully described in the Company’s announcements dated 21 January 2021 and 1 February 2021.
- (j) On 19 February 2021, the Company and Wuling Industrial, entered into a loan agreement, 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, for a term of one (1) year from the drawdown date, with an option to the Company (subject to conditions and exercisable at the discretion of the Company) to convert the loan into equity interest in Wuling Industrial. Details of the loan agreement were fully described in the Company’s announcement dated 17 February 2021.

Mr. Yuan Zhijun, chairman of the Board and an executive Director, is currently a director of Guangxi Automobile, Wuling HK and Wuling Motors. Mr. Yang Jianyong being an executive Director, is currently a senior executive of Guangxi Automobile. Mr. Yang Jianyong is also currently a director of Wuling HK and Wuling Motors. Mr. Wei Mingfeng being an executive Director, is currently a senior executive of Guangxi Automobile.

Save as disclosed herein, as at the Latest Practicable Date, (i) none of the Directors had any interest in any assets which had been since 31 December 2020 (being the date to which the latest published consolidated audited financial statements of the Group were made up) acquired or disposed of by or leased to, any member of the Group, or were proposed to be acquired or disposed of by or leased to, any member of the Group; and (ii) none of the

Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Yuan Zhijun, the chairman of the Board and an executive Director, is also a director of 上汽通用五菱汽車股份有限公司 (SAIC-GM-Wuling Automobile Co., Limited*) (“SGMW”), a company established in the PRC and a joint venture formed among Shanghai Automobile Industry (Group) Company Limited, GM (China) Investment Co., Limited and Guangxi Automobile, and a major customer of the Wuling Industrial Group’s businesses in engines and automotive components. SGMW is principally engaged in the manufacturing and trading businesses of motor vehicles and engines, which may have direct or indirect competition with the businesses of the Group. Although Mr. Yuan is taken to have competing interests in SGMW by virtue of their common directorships, he fulfills his fiduciary duty in order to ensure that he acts in the best interest of the Shareholders and the Company as a whole at all times. Besides, as SGMW is operated and managed under a publicly listed company with independent management and administration, the Directors are satisfied that the Group is capable of carrying its businesses independently of, and at arm’s length basis from, the businesses of SGMW.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective close associates has interests in a business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

6. CONSENT AND QUALIFICATION OF EXPERT

The following is the qualification of the expert which has given advice contained in this circular:

Name	Qualification
Gram Capital Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) of the regulated activity under the SFO

As at the Latest Practicable Date, Gram Capital did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Gram Capital did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2020, being the date to which the latest published consolidated audited financial statements of the Group were made up.

On 27 April 2021, Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter to the Independent Board Committee and the Independent Shareholders and references to its name in the form and context in which they are included in this circular.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position or outlook of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any business day at the principal place of business of the Company in Hong Kong at Unit 1901, 19/F, Beautiful Group Tower, 77 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the SGM of the Company to be held on 20 May 2021:

- (a) the letter from the Board, the text of which is set out in the section headed “Letter from the Board” of this circular;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Board Committee” of this circular;
- (c) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from Gram Capital” of this circular;
- (d) the written consent from Gram Capital referred to in the section headed “6. Consent and Qualification of Expert” in this appendix;
- (e) the 2020–2022 Master Agreement, the Supplemental Agreement and the Second Supplemental Agreement; and
- (f) this circular.

MR. WEI MINGFENG, AGED 46, EXECUTIVE DIRECTOR (“MR. WEI”)**(a) Positions held with the Company and other members of the Group**

Mr. Wei was appointed as an executive Director on 24 March 2021. Mr. Wei is currently a director and deputy general manager of Wuling Industrial, our principal subsidiary supervising the divisions of human resources and purchasing. Mr. Wei is also currently a director of certain subsidiaries and associated companies of the Group, which include Wuling Liuji, Faurecia (Liuzhou) Emission Control Technologies Co., Limited* (佛吉亞(柳州)汽車排氣有限公司), Faurecia (Liuzhou) Automotive Seating Sales Co., Limited* (佛吉亞(柳州)汽車座椅銷售有限公司) and Guangxi Weixiang Machinery Company Limited* (廣西威翔機械有限公司), and is also the assistant to the chief executive of Guangxi Automobile, the ultimate holding company of the Company.

(b) Previous experience including other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong, or overseas and other major appointments and professional qualifications

Mr. Wei graduated from Tianjin University majoring in Chemical Mechanical Engineering and holds a master degree in business administration of Huazhong University of Science and Technology and holds the profession as a senior engineer. Mr. Wei joined the group of Guangxi Automobile in 1996 and has over 24 years' of extensive experience in business operations, production management, quality control, human resources management, purchasing and supply chain management of the automotive components industry. Mr. Wei does not hold or did not hold any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong, or overseas and any other major appointments and professional qualifications.

(c) Length or proposed length of service with the Company

Mr. Wei has been an executive Director since 24 March 2021. There is no service contract entered into between Mr. Wei and the Company. Mr. Wei is not appointed for a specific term but is subject to retirement by rotation and re-election in the SGM in accordance with the provision of the Bye-laws and the Listing Rules. The re-election of Mr. Wei as executive Director has been approved by the Nomination Committee and the Board.

(d) Relationships with any directors, senior management or substantial or controlling shareholders of the Company

Save as disclosed above, Mr. Wei does not have any relationships with any Directors, senior management or substantial or controlling Shareholders.

(e) Interest in Shares within the meaning of Part XV of the SFO

As at the Latest Practicable Date, Mr. Wei holds 270,000 Shares as beneficial owner. Other than disclosed herein, Mr. Wei does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

- (f) Amount of the Director's emoluments and the basis of determining the Director's emoluments (including any bonus payments, whether fixed or discretionary in nature, irrespective of whether the Director has or does not have a service contract) and how much of these emoluments are covered by a service contract**

Under the terms of appointment as Director, Mr. Wei, as an executive Director will not receive any directors' fees from the Company. As Mr. Wei holds positions as director and/or senior executive of Wuling Industrial, the remuneration package of Mr. Wei is paid by Wuling Industrial in accordance with the remuneration policy of Wuling Industrial. The total remuneration of Mr. Wei received from Wuling Industrial for the year ended 31 December 2020 amounted to RMB546,340.

- (g) Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules**

There is no information which is discloseable nor is/was Mr. Wei involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

- (h) Other matters that need to be brought to the attention of the Shareholders**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Wei as Director that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

NOTICE OF THE SGM



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)

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Wuling Motors Holdings Limited (the “Company”) will be held at Unit 1901, 19/F., Beautiful Group Tower, 77 Connaught Road Central, Hong Kong on Thursday, 20 May 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions, which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

Words and expressions that are not expressly defined in this notice shall bear the same meaning as that defined in the circular of the Company dated 27 April 2021 (the “Circular”).

1. “**THAT:**

- (a) the Second Supplemental Agreement (copy of which have been tabled at the meeting and signed by the chairman of the meeting for identification purpose), in relation to the revision of certain terms of the 2020–2022 Master Agreement and the Revised Annual Caps with respect to the aggregate Sale Transactions be and are hereby approved, ratified and confirmed;
- (b) the Directors be and are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors in their discretion may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Second Supplemental Agreement and any of the transactions contemplated thereunder and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents, which are not fundamentally different from those as provided under the Second Supplemental Agreement) as are, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole.”

2. “**THAT** to re-elect Mr. Wei Mingfeng as Director and to authorize the Board of Directors to fix his remuneration.”

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

Hong Kong, 27 April 2021

NOTICE OF THE SGM

Notes:

- (1) Any member of the Company entitled to attend and vote at the above meeting convened by this notice is entitled to appoint one or, if he/she is the holder of two or more shares of the Company, more than one proxy to attend and vote his/her stead. A proxy need not be a shareholder of the Company.
- (2) Where there are joint holders of any share, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the registers of members of the Company in respect of such share will alone be entitled to vote in respect thereof.
- (3) The register of members of the Company will be closed from Friday, 14 May 2021 to Thursday, 20 May 2021 (both dates inclusive), for the purpose of determining the Shareholders' eligibility to attend and vote at the SGM and during which period no transfer of the Shares will be effected. In order to qualify for attendance of the SGM, all completed transfer forms accompanied by the relevant share certificates of the Company must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 13 May 2021. To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of such power or authority must be deposited at the Company's share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 48 hours before the time for holding the above meeting or any adjournment thereof.
- (4) A form of proxy for use in connection with the SGM is enclosed and such form is also published on the website of the Stock Exchange (www.hkexnews.hk).
- (5) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of such power of authority must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (6) All resolutions at the meeting will be taken by poll (except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (7) In view of the travelling restrictions imposed by various jurisdictions including Hong Kong to prevent the spread of the COVID-19, certain Director(s) may attend the Annual General Meeting through telephone/video conference or similar electronic means.
- (8) Shareholders are advised to read the Circular which contains information concerning the resolutions to be proposed in this notice.

NOTICE OF THE SGM

PRECAUTIONARY MEASURES AND SPECIAL ARRANGEMENTS FOR THE SGM

The holding of the SGM in order to comply with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the bye-laws of the Company could potentially create a significant risk in terms of the spread of the coronavirus (COVID-19) because of large crowds coming together.

To reduce the risk of spreading the COVID-19 and for the health and safety of the attendees of the SGM, the Company wishes to remind the Shareholders and their proxies as follows:

No attendance

Those individual Shareholders who have any symptoms of upper respiratory system diseases or are under any quarantine requirements are advised not to attend the SGM in person.

Not later than 48 hours before the time of the SGM

For the health and safety of the Shareholders, the Company would like to encourage the Shareholders to exercise their right to vote at the SGM by appointing the chairman of the SGM as their proxy instead of attending the SGM in person. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the SGM or any adjournment thereof should they subsequently so wish. Shareholders may appoint the chairman of the SGM to attend and vote on their behalf by completing and depositing the forms of proxy enclosed with the circular with the Company's Hong Kong branch share registrar below:

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong

At the venue of the SGM

Considering the outbreak of the coronavirus (COVID-19), certain measures will be implemented at the SGM with a view to addressing the risk to attendees of infection, including without limitation: (i) all attendees being required to (a) undergo compulsory body temperature check; (b) complete a health declaration (a copy of the form is enclosed with this circular), which may be used for contact tracing, if required; and (c) wear surgical masks prior to admission to the SGM venue; (ii) attendees who are subject to health quarantine prescribed by the HK Government not being admitted to the SGM venue; (iii) all attendees being required to wear surgical masks throughout the SGM; (iv) each attendee being assigned a designated seat at the time of registration to ensure social distancing; (v) no refreshment packs or coffee/tea being provided; and (vi) the management will be available either in person or through video conference facilities to host the SGM and answer questions from Shareholders.

The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the SGM.

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



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)
(於百慕達註冊成立之有限公司) (股份代號 Stock Code : 305)

將於二零二一年五月二十日召開之股東特別大會(「股東特別大會」) SPECIAL GENERAL MEETING TO BE HELD ON 20 MAY 2021 (“SGM”) 健康申報表 HEALTH DECLARATION FORM

經考慮近期冠狀病毒 (COVID-19) 的爆發情況，本公司將於股東特別大會實施防疫措施及特別安排旨在針對出席人士受感染的風險。敬請閣下如實填寫以下表格，並交回於股東特別大會股東登記櫃檯的工作人員。

Considering the recent outbreak of the coronavirus (COVID-19), the Company will implement precautionary measures and special arrangements at the SGM with a view to addressing the risk to attendees of infection. **Please complete this form to the best of your knowledge and return it to the staff at the registration counters at the SGM venue.**

如閣下(i)出現甲部所列出的任何一項症狀或(ii)於乙部的任何問題的回答為「是」，閣下可能不會獲准進入股東特別大會會場。

If (i) you have any of the symptoms as set out in Part A, or (ii) your answer to any of the questions under Part B is “YES”, you may not be admitted to the SGM venue.

甲部 Part A (請圈選適用的症狀 Please circle as appropriate)

閣下是否有以下任何症狀？ Do you have any of the following symptoms?		
發燒 Fever	咽喉痛 Sore Throat	氣促 Shortness of Breath
咳嗽 Cough	呼吸困難 Breathing Difficulty	

乙部 Part B (請圈選適用的答案 Please circle as appropriate)

在過去14日內， In the past 14 days,		
(i) 閣下曾否到訪香港以外地方？ Did you travel outside Hong Kong?	是 Yes	否 No
(ii) 閣下是否曾經或現正接受香港衛生署的強制檢疫或醫學監察安排？ Have you ever been under compulsory quarantine or medical surveillance order by the Department of Health of Hong Kong?	是 Yes	否 No
(iii) 閣下是否與COVID-19的確診者及/或疑似確診者曾有或現有密切接觸的人士#？ Have you ever been in close contact# with confirmed case(s) and/or probable case(s) of COVID-19 patient(s)?	是 Yes	否 No
(iv) 閣下是否曾經或現在與正在接受家居檢疫的人士同住？ Have you ever lived with any person under home quarantine?	是 Yes	否 No

指從(a)疑似病例或確診病例症狀出現前2天開始；或(b)無症狀感染者標本採樣前2天開始，未採取有效防護與其有近距離接觸的人士。
Refers to any person who has not taken effective protection and has been in close contact with (a) probable case(s) or confirmed case(s) 2 days before the symptoms onset; or (b) asymptomatic infected person(s) 2 days before the sampling.

本人聲明以上申報內容全部屬實。 I declare that all the above information is true.

姓名：
Name in full: _____

簽名：
Signature: _____

日期：
Date: _____

收集個人資料聲明：閣下須提供在此表格中收集的所有資料，以用於本公司預防傳染病發生或傳播相關之工作。若閣下未能提供所有資料，本公司將無法評估閣下是否適合出席股東特別大會，而閣下將可能不會獲准進入股東特別大會會場。所有資料只會在閣下同意或在《個人資料(私隱)條例》允許的情況下，向其他人士或機構作出披露。所有收集的資料將在股東特別大會結束後21天內銷毀。有關存取及/或更正相關個人資料的要求可按照《個人資料(私隱)條例》條文提出，而有關要求均須以書面形式郵寄至本公司/卓佳登捷時有限公司。

Personal Information Collection Statement: Your supply of all information collected in this form is required for the purpose of the Company's prevention of the occurrence or spread of Infectious Diseases. If you fail to provide the information, the Company will not be able to assess your suitability to attend the SGM and you may not be granted access to the SGM venue. The information will only be disclosed to other parties or authorities with your consent or where it is permitted under the Personal Data (Privacy) Ordinance. All information collected will be destroyed in 21 days after the SGM. Request for access to and/or correction of the relevant personal data can be made in accordance with the provisions of the Personal Data (Privacy) Ordinance and any such request should be in writing by mail to the Company/Tricor Tengis Limited.