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五菱汽車集團控股有限公司
WULING MOTORS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability) (股份代號 Stock Code : 305)

INSIDE INFORMATION
DECREASE IN LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2021

This announcement is made by Wuling Motors Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 (2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the “**Relevant Period**”) and information currently available to the Board, it is expected that the Group would report a net loss for the Relevant Period. However, as compared to the net loss of RMB294,025,000 for the corresponding period in 2020, the net loss incurred for the Relevant Period is expected to be substantially decreased by over 70%. Meanwhile, the loss attributable to the owners of the Company for the Relevant Period is also expected to be substantially decreased by over 70% as compared to the loss attributable to the owners of the Company of RMB198,697,000 for the corresponding period in 2020.

In the first half of 2021, with the gradual easing of the coronavirus outbreak in the PRC and the favourable factors on the back of the continuous overall recovery of the PRC economy since the second half of 2020, the revenue of the main business segments of the Group, namely the vehicles’ power supply systems division (formerly known as the engines and related parts division), the automotive components and other industrial services division and the commercial vehicles assembly (including new energy vehicles) division (formerly known as the specialized vehicles division) during the Relevant Period were increased as compared to the corresponding period in 2020. However, as affected by the increase of the cost of raw materials and the tightening supply of the integrated circuits during the Relevant Period, operating costs increased and put pressure on the gross profit performance of the Group. Besides, active implementation of the new businesses, which included projects relating to new energy vehicles during the Relevant Period, had also led to a significant increase in the research and development expenses as compared to the corresponding period in 2020.

The Company has commenced the related review work of the interim results of the Group for the Relevant Period. The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the Relevant Period and the information currently available. The related review work is yet to be completed, and will also be subject to the final review and confirmation by the Company's audit committee and the review by the Company's external auditors. Accordingly, the actual results of the Group for the Relevant Period may differ from the information set out in this announcement. Details of the Group's interim results for the six months ended 30 June 2021 will be disclosed in the interim results announcement of the Company for the Relevant Period.

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

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

Hong Kong, 4 August 2021

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