

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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

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

**CONTINUING CONNECTED TRANSACTION**  
**AFTER-SALE SERVICES SUBCONTRACTING AGREEMENT**

**Financial Adviser to the Company**



**THE AFTER-SALE SERVICES SUBCONTRACTING AGREEMENT**

On 27 June 2023, Wuling Industrial and Wuling New Energy entered into the After-sale Services Subcontracting Agreement, pursuant to which Wuling New Energy will provide after-sale services for the New Energy Vehicles on behalf of Wuling Industrial.

**IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Wuling New Energy is owned as to 70.69% by Guangxi Automobile, 13.50% by the Company and 13.26% by Wuling Industrial. Guangxi Automobile is interested in approximately 56.54% of the total number of Shares in issue and is the ultimate controlling shareholder of the Company. In this regard, Wuling New Energy is a connected person of the Company under the Listing Rules, and the Transaction constitutes a continuing connected transaction for the Company under the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in relation to the Annual Caps exceeds 0.1% but is less than 5%, the Transaction is subject to reporting and announcement requirements but is exempt from circular (including independent financial advice) and the Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board approved the After-sale Services Subcontracting Agreement, the Transaction and the Annual Caps on 27 June 2023, where Mr. Yuan Zhijun, Mr. Yang Jianyong and Mr. Wei Mingfeng, being the Directors and at the same time the directors and/or senior executives of Guangxi Automobile, had declared their interest in the After-sale Services Subcontracting Agreement, and had abstained from voting on the Board resolutions to approve the After-sale Services Subcontracting Agreement, the Transaction and the Annual Caps. Save as disclosed above, none of the other Directors were considered having material interest in the After-sale Services Subcontracting Agreement, the Transaction and the Annual Caps. As such, no other Directors were required to abstain from voting on the resolutions approving the same.

## **INTRODUCTION**

On 27 June 2023, Wuling Industrial and Wuling New Energy entered into the After-sale Services Subcontracting Agreement, pursuant to which Wuling New Energy will provide after-sale services for the New Energy Vehicles on behalf of Wuling Industrial.

## **THE AFTER-SALE SERVICES SUBCONTRACTING AGREEMENT**

The principal terms of the After-sale Services Subcontracting Agreement are summarized as below:

### **Date**

27 June 2023

### **Parties**

- (i) Wuling Industrial; and
- (ii) Wuling New Energy

### **Subject Matter**

Wuling New Energy will provide after-sale services for the New Energy Vehicles (which were sold by Wuling Industrial between 1 January 2020 and 30 June 2022 and are still within warranty period since the date of this announcement and up to 31 December 2025) on behalf of Wuling Industrial.

### **Term**

From 27 June 2023 to 31 December 2025

## Payment terms

### *After-sale service expense*

Regarding the expense to be incurred by Wuling New Energy for the provision of after-sale service for the New Energy Vehicles,

- (i) in the event the expense for the provision of after-sale service is incurred due to the defects of the components of the New Energy Vehicles, Wuling New Energy would make a claim against the suppliers of the components directly for the expense incurred for the after-sale service; and
- (ii) otherwise, Wuling New Energy will charge Wuling Industrial the expense incurred for the provision of after-sale service for the New Energy Vehicles.

### *Subcontracting fees*

Wuling Industrial will pay subcontracting fees to Wuling New Energy on a monthly basis. Such subcontracting fees will be determined with reference to the expense incurred for the provision of after-sale service and charged to Wuling Industrial multiplied by 19% which is refer to the market price.

## ANNUAL CAPS

The table below sets out the Annual Caps during the term of the After-sale Services Subcontracting Agreement, i.e., from 27 June 2023 to 31 December 2025:

	<b>Period from 27 June 2023 to 31 December 2023 <i>RMB'000</i></b>	<b>For the year ending 31 December 2024 <i>RMB'000</i></b>	<b>For the year ending 31 December 2025 <i>RMB'000</i></b>
Annual Caps	7,500	2,500	1,100

Given Wuling Industrial has not yet provided after-sale services for the New Energy Vehicles in the past, no historical transaction amounts in relation to the Transaction were incurred up to the date of this announcement.

## **Basis of the Annual Caps**

The Annual Caps have been determined by Wuling Industrial based on:

- (i) the expense to be incurred for the provision of after-sale service for the New Energy Vehicles. Such expense was estimated with reference to:
  - (a) the number of New Energy Vehicles within warranty period from 30 June 2022 to 31 December 2025;
  - (b) the estimated labor cost to be incurred for the provision of after-sale services for each New Energy Vehicle, which is anticipated based on the hourly wage of the workers and the proposed hours for the provision of such services; and
  - (c) the estimated material cost to be incurred for the provision of after-sale services for each New Energy Vehicle, which is anticipated based on the market prices of the materials in the open market;
- (ii) the subcontracting fee paid by Wuling Industrial to Wuling New Energy, the basis of which has been disclosed under the paragraph headed “THE AFTER-SALE SERVICES SUBCONTRACTING AGREEMENT — Payment terms”; and
- (iii) a buffer of approximately 10% which is set to prepare for unforeseeable circumstances, including but not limited to
  - (a) the increase in the material cost to be incurred for the provision of the after-sale services; and
  - (b) unpredictable material and other costs, and after-sale services fees that exceed estimated calculations.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is incorporated in Bermuda with limited liability and is an investment holding company. As at the date of this announcement, the ultimate beneficial owner of the Company is Guangxi Automobile, which owns approximately 56.54% issued share capital of the Company.

The Group, through Wuling Industrial, is principally engaged in the manufacturing and trading of automotive components, vehicles’ power supply systems and commercial vehicles assembly, as well as the trading of raw materials and the provision of water and power.

## **INFORMATION ON WULING INDUSTRIAL**

Wuling Industrial was established on 30 October 2006 in the PRC. As at the date of this announcement, Wuling Industrial is owned as to approximately 60.90% by the Company and as to approximately 39.10% by Guangxi Automobile. Wuling Industrial Group is principally engaged in the manufacturing and trading of automotive components, vehicles' power supply systems and commercial vehicles assembly, as well as trading of raw materials and the provision of water and power.

## **INFORMATION ON WULING NEW ENERGY**

Wuling New Energy is a company incorporated in the PRC on 4 June 2021. As at the date of this announcement, Wuling New Energy is owned as to 70.69% by Guangxi Automobile, 13.50% by the Company and 13.26% by Wuling Industrial. Wuling New Energy is principally engaged in research and development, manufacture and sale of new energy vehicles in the PRC, including but not limited to highly competitive electric and plug-in hybrid new energy vehicles, as well as other new energy smart travel products, subject to the compliance of the requirements of the applicable laws and regulations.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AFTER-SALE SERVICES SUBCONTRACTING AGREEMENT**

In response to the market development and the competition of new energy vehicles, Guangxi Automobile has reorganized the Group's new energy vehicle related assets and businesses which were transferred to Wuling New Energy. In consequences of this reorganisation, Wuling New Energy would focus on the business activities relating to trading and manufacturing of new energy vehicles, whereas Wuling Industrial Group would serve as the strategic key supplier by supplying automotive components and parts to Wuling New Energy for its production of new energy vehicles. Moreover, prior to the abovementioned reorganisation, Wuling Industrial had sold certain number of New Energy Vehicles to the market which required the after-sale services as part of the warranty conditions in the Transaction. The subcontracting of the after-sales services to Wuling Energy will enable Wuling Industrial to shift the administrative and supporting work and effort associated with these warranty services to a capable and reliable service provider, while Wuling Industrial could focus more on its core businesses of the manufacturing and trading of automotive components.

In addition, due to the long-term business relationship between Wuling Industrial and Wuling New Energy, Wuling New Energy is familiar with Wuling Industrial's standards of new energy vehicle business including the requirements for the provision of after-sale services. As such, the Transaction will facilitate Wuling Industrial to provide the after-sales services to its customers.

The Directors (including the independent non-executive Directors but excluding Mr. Yuan Zhijun, Mr. Yang Jianyong and Mr. Wei Mingfeng) consider that (i) the entering into of the After-sale Services Subcontracting Agreement is in the ordinary and usual course of business of the Group; and (ii) the terms of the After-sale Services Subcontracting Agreement, together with the Transaction and the Annual Caps, are on normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Wuling New Energy is owned as to 70.69% by Guangxi Automobile, 13.50% by the Company and 13.26% by Wuling Industrial. Guangxi Automobile is interested in approximately 56.54% of the total number of Shares in issue and is the ultimate controlling shareholder of the Company. In this regard, Wuling New Energy is a connected person of the Company under the Listing Rules, and the Transaction constitutes a continuing connected transaction for the Company under the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in relation to the Annual Caps exceeds 0.1% but is less than 5%, the Transaction is subject to reporting and announcement requirements but is exempt from circular (including independent financial advice) and the Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board approved the After-sale Services Subcontracting Agreement, the Transaction and the Annual Caps on 27 June 2023, where Mr. Yuan Zhijun, Mr. Yang Jianyong and Mr. Wei Mingfeng, being the Directors and at the same time the directors and/or senior executives of Guangxi Automobile, had declared their interest in the After-sale Services Subcontracting Agreement, and had abstained from voting on the Board resolutions to approve the After-sale Services Subcontracting Agreement, the Transaction and the Annual Caps. Save as disclosed above, none of the other Directors were considered having material interest in the After-sale Services Subcontracting Agreement, the Transaction and the Annual Caps. As such, no other Directors were required to abstain from voting on the resolutions approving the same.

## **DEFINITION**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“After-sale Services Subcontracting Agreement”	the agreement dated 27 June 2023 entered into between Wuling Industrial and Wuling New Energy in relation to the Transaction
“Annual Cap(s)”	the annual caps of the Transaction set out in the After-sale Services Subcontracting Agreement

“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangxi Automobile”	廣西汽車集團有限公司 (Guangxi Automobile Holdings Limited*), a state-controlled enterprise established in the PRC, being the ultimate controlling Shareholder which 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 as at the date of this announcement
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Energy Vehicle(s)”	the new energy vehicle(s) which were sold by Wuling Industrial between 1 January 2020 and 30 June 2022 and are still within warranty period since the date of this announcement and up to 31 December 2025
“PRC”	The People’s Republic of China, but for the purpose of this announcement only and except where the context requires otherwise, references in this announcement to “PRC” do not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transaction”	the after-sale services for the New Energy Vehicles subcontracted by Wuling Industrial to Wuling New Energy pursuant to the After-sale Services Subcontracting Agreement
“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 as at the date of this announcement
“Wuling Industrial Group”	Wuling Industrial and its subsidiaries
“Wuling New Energy”	柳州五菱新能源汽車有限公司 (Liuzhou Wuling New Energy Motors Company Limited*), a company established in the PRC and is owned as to 70.69% by Guangxi Automobile, 13.50% by the Company and 13.26% by Wuling Industrial as at the date of this announcement
“%”	per cent

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

Hong Kong, 27 June 2023

*As at the date of this announcement, the Board comprises Mr. Yuan Zhijun (Chairman), Mr. Yang Jianyong and Mr. Wei Mingfeng as executive Directors, Mr Li Zheng as non-executive Director and Mr. Ye Xiang, Mr. Wang Yuben and Mr. Xu Jinli as independent non-executive Directors.*

\* *For identification purposes only*