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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) SUPPLEMENTAL AGREEMENT TO
THE 2017–2019 MASTER AGREEMENT;
(2) REVISION OF ANNUAL CAPS;
AND (3) ADOPTION OF THE NEW ANNUAL CAP**

**SUPPLEMENTAL AGREEMENT, REVISION OF ANNUAL CAPS AND
ADOPTION OF THE NEW ANNUAL CAP**

Reference is made to the announcement and circular of the Company dated 16 November 2016 and 15 December 2016 respectively, in relation to, among other things, the 2017–2019 Master Agreement and the Continuing Connected Transactions.

On 28 April 2017, the Company and Guangxi Automobile entered into the Supplemental Agreement to amend certain terms of the 2017–2019 Master Agreement. Besides, the Board also proposed to (i) revise the Annual Caps for the GL Sale Transactions, GL Purchase Transactions and GB Purchase Transactions for the three years ending 31 December 2017, 2018 and 2019 respectively; and (ii) adopt the New Annual Cap for the Outsourcing Services for the year ending 31 December 2017.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in approximately 56.04% 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 Supplemental Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As (i) the aggregate Annual Caps of the Purchase Transactions remain unchanged; and (ii) the highest of the applicable percentage ratios for the GL Purchase Transactions contemplated under the Supplemental Agreement, on an annual basis, is less than 5%, such transactions constitute continuing connected transactions for the Company and are subject to the reporting, announcement but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios for the aggregate Sale Transactions contemplated under the 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.

As the highest of the applicable percentage ratios for the Outsourcing Services under the Supplemental Agreement, on an annual basis, is higher than 0.1% and less than 5%, the Outsourcing Services under the Supplemental Agreement are subject to the reporting, announcement but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The approval of the Independent Shareholders will be sought at the SGM by way of poll in respect of the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions. Mr. Yuan Zhijun, Mr. Zhong Xianhua and Mr. Yang Jianyong, being the Directors and the directors and/or senior executives of Guangxi Automobile, have abstained from voting on the board resolutions passed to approve the Supplemental Agreement, the Revised Annual Caps and the New Annual Cap. Save as disclosed above, no other Director is regarded having a material interest in the Continuing Connected Transactions and required to abstain from voting on the board resolution to approve the Supplemental Agreement, the Revised Annual Caps and the New Annual Cap.

The Independent Board Committee (which consists all of independent non-executive Directors) has been established to advise the Independent Shareholders the terms of the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions, and to advise the Independent Shareholders on how to vote, taking into account the recommendations on the same to be given by the Independent Financial Adviser.

The Company has appointed Hooray Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders to consider the terms of the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions.

A circular containing, among other things, (i) details of the Supplemental Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders giving its recommendations in respect of the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice in relation to the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions; and (iv) a notice of the SGM, will be despatched to the Shareholders on or before 23 May 2017.

BACKGROUND

Reference is made to the announcement and circular of the Company dated 16 November 2016 and 15 December 2016 respectively, in relation to, among other things, the 2017–2019 Master Agreement and the Continuing Connected Transactions.

On 28 April 2017, the Company and Guangxi Automobile entered into the Supplemental Agreement to amend certain terms of the 2017–2019 Master Agreement. Besides, the Board also proposed to (i) revise the Annual Caps for the GL Sale Transactions, GL Purchase Transactions and GB Purchase Transactions for the three years ending 31 December 2017, 2018 and 2019 respectively; and (ii) adopt the New Annual Cap for the Outsourcing Services for the year ending 31 December 2017.

THE SUPPLEMENTAL AGREEMENT

The principal terms of the Supplemental Agreement are summarized as follows:

Date: 28 April 2017

Parties: (a) Wuling Industrial, a non-wholly owned subsidiary of the Company; and
(b) Guangxi Automobile, being the controlling Shareholder, indirectly interested in approximately 56.04% of the total issued share capital of the Company and a connected person of the Company under the Listing Rules.

Terms amended: Original terms under the 2017–2019 Master Agreement:

- Guangxi Automobile Group agreed to supply consumables and materials, finished products and semi-finished products (including but not limited to passenger mini-buses, automotive components, mould parts and accessories, and automotive air-conditioners-related parts and accessories) to Wuling Industrial Group, collectively the “Purchase Transactions” of the Group.
- Wuling Industrial Group agreed to provide power supply services to Guangxi Automobile Group.

New terms under the 2017–2019 Master Agreement as amended by the Supplemental Agreement:

- Guangxi Automobile Group agreed to supply consumables and materials, scrap materials, finished products and semi-finished products (including but not limited to passenger mini-buses, automotive components, mould parts and accessories, and automotive air-conditioners-related parts, accessories) to Wuling Industrial Group, collectively the “Purchase Transactions” of the Group.

- Wuling Industrial Group agreed to provide power supply services and production outsourcing services to Guangxi Automobile Group.

Save as disclosed above, all existing terms and conditions under the 2017–2019 Agreement remain unchanged.

HISTORICAL TRANSACTION AMOUNTS

Set out below are the historical transaction amounts of the GL Sale Transactions, GL Purchase Transactions and GB Purchase Transactions for the years ended 31 December 2015 and 2016 and three months ended 31 March 2017.

	Historical transaction amounts		
	Year ended 31 December		Three months ended 31 March
	2015	2016	2017
	(audited)	(audited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
GL Sale Transactions	<u>62,690</u>	<u>78,244</u>	<u>27,004</u>
Annual Caps	<u>168,100</u>	<u>210,200</u>	<u>72,000</u>
Utilization Rate	<u>37.3%</u>	<u>37.2%</u>	<u>37.5% (note)</u>
GL Purchase Transactions	<u>71,350</u>	<u>71,057</u>	<u>14,591</u>
Annual Caps	<u>152,700</u>	<u>180,800</u>	<u>16,000</u>
Utilization Rate	<u>46.7%</u>	<u>39.3%</u>	<u>91.2% (note)</u>
GB Purchase Transactions	<u>267,995</u>	<u>393,913</u>	<u>93,056</u>
Annual Caps	<u>630,200</u>	<u>840,500</u>	<u>575,000</u>
Utilization Rate	<u>42.5%</u>	<u>46.9%</u>	<u>16.2% (note)</u>

Note: The utilization rate is calculated based on the actual transactions amounts for the three months ended 31 March 2017 against the Annual Caps for the year ending 31 December 2017.

As demonstrated in above table, the respective aggregate annual amounts of the GL Sale Transactions, GL Purchase Transactions and GB Purchase Transactions for the year ended 31 December 2015 and the 2016 did not exceed the annual caps as approved by the then Independent Shareholders of the Company at the SGM held at 23 January 2014. Besides, the Board confirmed that, as at the date of this announcement, the aggregate amounts of GL Sale Transactions, GL Purchase Transactions and GB Purchase Transactions for the three months ended 31 March 2017 did not exceed the respective Annual Caps for the year ending 31 December 2017 under the 2017–2019 Master Agreement.

Outsourcing Services

The Outsourcing Services commenced from July 2016 and the historical transaction amount for the year ended 31 December 2016 was RMB1,599,000, which was fully exempted from the annual review, reporting, announcement, circular and independent shareholders' approval requirements as de minimis transactions under Chapter 14A of the Listing Rules.

The historical transaction amount of the Outsourcing Services for the three months ended 31 March 2017 was RMB2,169,000.

REVISION OF THE ANNUAL CAPS FOR GL TRADING TRANSACTIONS

The Board proposed to revise the Annual Caps for the GL Sale Transactions, GL Purchase Transactions and GB Purchase Transactions for each of the three years ending 31 December 2017, 2018 and 2019 respectively as demonstrated in the tables below:

(i) Sale Transactions

	Annual Caps			Revised Annual Caps		
	Year ending 31 December			Year ending 31 December		
	2017	2018	2019	2017	2018	2019
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(i) GL Sale Transactions	72,000	74,000	74,000	170,000	175,000	175,000
(ii) GB Sale Transactions	360,000	460,000	570,000	360,000	460,000	570,000
Aggregate Annual Caps for Sale Transactions	<u>432,000</u>	<u>534,000</u>	<u>644,000</u>	<u>530,000</u>	<u>635,000</u>	<u>745,000</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 aggregate transaction amounts of approximately RMB27 million under the GL Sale Transactions during the three months ended 31 March 2017, which represents approximately 37.5% of Annual Caps of GL Sale Transactions for the year ending 31 December 2017;
- (b) Wuling Industrial Group and Guangling estimated that the volume of the raw materials, mainly steels, supplied by Wuling Industrial Group to Guangling under the 2017–2019 Master Agreement will be increased from 16,000 tons, 16,500 tons and 16,500 tons to 28,800 tons, 29,300 tons and 29,300 tons for the years ending 31 December 2017, 2018 and 2019 respectively, due to additional orders to be received from Guangling (including the additional orders to be placed by Wuling Industrial Group under the GL Purchase Transactions as revised by the Supplemental Agreement);
- (c) the increase in selling price of steels supplied to Guangling. In view of the increase in market price of steels, Wuling Industrial estimated that the average price of steels in 2017 will be increased by approximately 30% to 40% as compared to the corresponding period in 2016. In this regard, the Board confirmed that the increase in the cost of steels will be transferred to the selling price charged to Guangling; and
- (d) a buffer of approximately 5% adopted for any unforeseeable circumstance, in particular market fluctuations, changes in government policies on automobile industry, fluctuations in raw material costs and increase in labour costs.

(ii) Purchase Transactions

	Annual Caps			Revised Annual Caps		
	Year ending 31 December			Year ending 31 December		
	2017	2018	2019	2017	2018	2019
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(i) GL Purchase Transactions	16,000	17,000	17,000	54,000	54,000	54,000
(ii) GB Purchase Transactions	575,000	750,000	850,000	537,000	713,000	813,000
(iii) Baomali Purchase Transactions	4,700	5,200	5,700	4,700	5,200	5,700
Aggregate Annual Caps for Purchase Transactions	<u>595,700</u>	<u>772,200</u>	<u>872,700</u>	<u>595,700</u>	<u>772,200</u>	<u>872,700</u>

Basis of determination of the Revised Annual Caps

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

- (a) the aggregate transaction amounts of approximately RMB14 million under the GL Purchase Transactions during the three months ended 31 March 2017, which represents approximately 91.2% of Annual Caps of GL Purchases Transactions for the year ending 31 December 2017;
- (b) the estimated increase in the volume of automotive components to be sourced from Guangling by Wuling Industrial Group, primarily the automotive front-floors components under the GL Purchase Transactions. Wuling Industrial and Guangling estimated that the target volume of these specific automotive components will be increased from approximately 208,000 units, 222,000 units and 222,000 units to approximately 285,000 units, 275,000 units and 275,000 units for the three years ending 31 December 2019 respectively.
- (c) the inclusion of the purchases of a specific automotive component to be sourced from Guangling by Wuling Industrial Group which was not covered in the original plan for the estimation of GL Purchase Transactions between the parties for the three years ending 31 December 2019 under the Supplemental Agreement. Due to change in the production plan, the main automotive component, namely, the car roof components, sourced from Guangling by Wuling Industrial Group under the GL Purchase Transactions for the year ended 31 December 2016 will continue to be sourced from Guangling for the production facilities of Wuling Industrial Group in Liuzhou in serving this particular needs of SGMW, which amounts are estimated to be approximately RMB18.0 million, RMB14.4 million and RMB9.0 million (consists of estimated quantities of 200,000 units, 160,000 units and 100,000 units respectively) for the years ending 31 December 2017, 2018 and 2019 respectively
- (d) as a result of the increase in volume of transactions with Guangling, the corresponding mould parts and scarp materials to be sourced from Guangling by Wuling Industrial Group will be increased accordingly, which amounts are estimated to be approximately RMB14.2 million, RMB17.7 million and RMB24.0 million for the years ending 31 December 2017, 2018 and 2019 respectively;
- (e) respective buffers of approximately 9%, 12% and 10% are adopted for any unforeseeable circumstance, in particular market fluctuations, changes in government policies on automobile industry, fluctuations in raw material costs and increase in labour costs.

The above Revised Annual Caps of the GB Purchase Transactions have been determined by reference to:

- (a) the decrease in the Annual Caps of the GB Purchase Transactions of RMB38 million, RMB37 million and RMB37 million for the three years ending 31 December 2017, 2018 and 2019 respectively, representing respective decreases of approximately 6.6%, 4.9% and 4.4% of the Annual Caps of the GB Purchase Transactions; and
- (b) the aggregate transaction amounts of approximately RMB93,056,000 under the GB Purchase Transactions during the three months ended 31 March 2017, which represents approximately 16.2% of the Annual Caps or 17.3% of the Revised Annual Caps of GB Purchase Transactions for the year ending 31 December 2017.

By way of the revision of Annual Caps of the GL Purchase Transactions and GB Purchase Transactions, the aggregate Annual Caps for the Purchase Transactions (including the GL Purchase Transactions, GB Purchase Transactions and Baomali Purchase Transactions) under the 2017–2019 Master Agreement will accordingly remain unchanged for the three years ending 31 December 2017, 2018 and 2019 respectively.

NEW ANNUAL CAP FOR OUTSOURCING SERVICES

The New Annual Cap of the Outsourcing Services for the year ending 31 December 2017 is RMB13,000,000.

Basis of determination of the New Annual Cap

The New Annual Cap of the Outsourcing Services has been determined by reference to:

- (a) The historical transaction amount of RMB2,169,000 of the Outsourcing Services for the three months ended 31 March 2017;
- (b) the estimated volume of the automotive components to be outsourced by Guangling for the period from 1 April 2017 to 31 December 2017;
- (c) the actual cost plus a reasonable profit margin to be charged by Wuling Industrial Group for the automotive components to be outsourced by Guangling; and
- (d) a buffer of approximately 4% adopted for any unforeseeable circumstance, in particular market fluctuations, changes in government policies on automobile industry, fluctuations in raw materials costs and increases in labour costs.

INFORMATION ON THE GROUP

The Group, including Wuling Industrial Group, is principally engaged in the manufacturing and trading of engines and parts, automotive components and accessories, specialized vehicles, as well as the trading of raw materials, water and power supply services in the PRC.

INFORMATION ON GUANGXI AUTOMOBILE

Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in 1,028,846,806 Shares, representing approximately 56.04% of the total number of Shares in issue of the Company, and is the ultimate controlling Shareholder of the Company as at the date of this announcement. Guangxi Automobile is currently a state-controlled company established in the PRC with the State-owned Assets Supervision and Administration Commission of the People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府國有資產監督管理委員會), being the registered shareholder empowered by the People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府). Guangxi Automobile, together with its subsidiaries, including the Group, is mainly engaged in the trading, manufacturing and design of (i) various types of vehicles, primarily passenger coaches and mini-buses, automotive components 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 SUPPLEMENTAL AGREEMENT

GL Sale Transactions and GL Purchase Transactions

The revision of the GL Purchase Transactions and the GL Sale Transactions under the Supplemental Agreement is due to following reasons:

- (1) As disclosed in the annual report of the Company for the year ended 31 December 2016, SGMW is the major customer of Wuling Industrial, the principal operating subsidiary of the Group in the business divisions of (1) engines and related parts and (2) automotive components and other industrial services. As such, Wuling Industrial Group, being the direct and indirect manufacturers of automotive components for SGMW, is always required to review and adjust their production plans frequently to meet with the specific requests and demands of SGMW, which needs to respond to changing market and business environment.

With the change in the demand of SGMW, it has impact on Wuling Industrial Group when procuring certain parts and components from Guangling and supplying raw materials to Guangling.

Guangling has been familiar with the standards and specifications and therefore it has been able to respond quickly and in a cost efficient manner to any new requirement from Wuling Industrial Group. Besides, the centralized procurement services provided by the Group to supply raw materials, mainly steels, to its group companies, customers and suppliers will (i) strengthen the business relationships among the parties; and (ii) enhance the operating efficiency and productivity of the parties through the benefits of bulk purchases and scale operation.

- (2) Meanwhile, since the beginning of the year 2017, the market price of steels has been increased by more than 30% as compared to the corresponding period of 2016, so it is necessary for both parties to re-formulate the original plans by adjusting the unit selling price of the steels upward in order to reflect the change in the market situation.

GB Purchase Transactions

With the revision of the Annual Caps for the GL Purchase Transactions under the Supplemental Agreement, the Board proposed to reduce the Annual Caps for the GB Purchase Transaction, having considered that:

- (a) due to the competitive market of automobile in the PRC, the aggregate transactions amounts of the GB Purchase Transactions during the three months ended 31 December 2017, representing approximately 16.2% of the Annual Cap of the GB Purchase Transactions for the year 2017, are lower than the Group's estimation. In this regard, the Revised Annual Caps of the GB Purchase Transactions for the year ending 31 December 2017 is expected to be sufficient for the GB Purchase Transactions.
- (b) the decrease in the Annual Caps of the GB Purchase Transactions represents 6.6%, 4.9% and 4.4% of the Annual Caps of GB Purchase Transactions for the three years ending 31 December 2017, 2018 and 2019 respectively, which are considered a relatively small proportion of the respective Annual Cap.

Besides, the Directors are of the view that the reduction on the Annual Caps of the GB Purchase Transactions will prevent exceeding of aggregate Annual Caps of the Purchase Transactions under the 2017-2019 Master Agreement.

Outsourcing Services

Guangling has obtained production contracts from SGMW, for the production of the automotive components, primarily the car-door cover components, since July 2016. Since the production facilities of Guangling in Qingdao is still under construction, the management of Guangling decided to temporarily outsource the production processes of these automotive components to Wuling Industrial by utilizing certain factory spaces and labour force of the production plant of Wuling Industrial in Qingdao.

As mentioned above, the Group and Guangling have a solid business relationship. The entering into the Outsourcing Services will not only enable Wuling Industrial Group to earn a reasonable profit margin from the transactions, but also further strengthen the business relationships among the entities and promote future business opportunities to Wuling Industrial Group, including the supplying of parts to Guangling.

In the view of above, the Directors (excluding the Directors who have abstained from voting in this regard) are of the view that the terms of the Supplemental Agreement with respect to the GL Purchase Transactions and the Outsourcing Services, the Revised Annual Caps with respect to the GL Purchase Transactions and the New Annual Cap are on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In view of the above, the Directors (excluding the Directors who have abstained from voting in this regard, and the independent non-executive Directors who will express their views after receiving advice from the Independent Financial Adviser) are of the view that the terms of the Supplemental Agreement and the Revised Annual Caps with respect to the GL Sale Transactions are on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, is interested in approximately 56.04% 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 Supplemental Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As (i) the aggregate Annual Caps of the Purchase Transactions remain unchanged; and (ii) the highest of the applicable percentage ratios for the GL Purchase Transactions contemplated under the Supplemental Agreement, on an annual basis, is less than 5%, such transactions constitute continuing connected transactions for the Company and are subject to the reporting, announcement but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios for the aggregate Sale Transactions contemplated under the 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.

As the highest of the applicable percentage ratios for the Outsourcing Services under the Supplemental Agreement, on an annual basis, is higher than 0.1% and less than 5%, the Outsourcing Services under the Supplemental Agreement are subject to the reporting, announcement but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The approval of the Independent Shareholders will be sought at the SGM by way of poll in respect of the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions. Mr. Yuan Zhijun, Mr. Zhong Xianhua and Mr. Yang Jianyong, being the Directors and the directors and/or senior executives of Guangxi Automobile, have abstained from voting on the board resolutions passed to approve the Supplemental Agreement, the Revised Annual Caps and the New Annual Cap. Save as disclosed above, no other Director is regarded having a material interest in the Continuing Connected Transactions and required to abstain from voting on the board resolution to approve the Supplemental Agreement, the Revised Annual Caps and the New Annual Cap.

The Independent Board Committee (which consists all of independent non-executive Directors) has been established to advise the Independent Shareholders the terms of the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions, and to advise the Independent Shareholders on how to vote, taking into account the recommendations on the same to be given by the Independent Financial Adviser.

The Company has appointed Hooray Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders to consider the terms of the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions.

A circular containing, among other things, (i) details of the Supplemental Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders giving its recommendations in respect of the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice in relation to the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions; and (iv) a notice of the SGM, will be despatched to the Shareholders on or before 23 May 2017.

DEFINITIONS

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

“2017–2019 Master Agreement”	the agreement dated 16 November 2016 entered into between Wuling Industrial and Guangxi Automobile in relation to the Sale Transactions and the Purchase Transactions for a term of three years from 1 January 2017 to 31 December 2019
“Annual Cap(s)”	the annual caps of the Sale Transactions and the Purchase Transactions set out in the 2017–2019 Master Agreement for each of the three years ending 31 December 2019
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Baomali”	柳州五菱寶馬利汽車空調有限公司 (Liuzhou Wuling Baomali Automotive Air-Conditioner Co., Limited*), a company established in the PRC of which Guangxi Automobile is beneficially interested in approximately 42% of its total registered capital
“Baomali Purchase Transactions”	purchase of certain automotive air-conditioners-related parts and accessories by Wuling Industrial Group from Baomali
“Board”	the board of Directors

“Company”	Wuling Motor Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 305)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	means (i) GL Trading Transactions, GB Trading Transactions and Baomali Purchase Transactions under the 2017–2019 Master Agreement; and (ii) GL Trading Transactions, GB Trading Transactions, Baomali Purchase Transactions and Outsourcing Services under the 2017–2019 Master Agreement as amended by the Supplemental Agreement.
“controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“GB Purchase Transactions”	purchase of passenger mini-buses, primarily passenger coaches and mini-buses, and other related products by Wuling Industrial Group from Guilin Bus
“GB Sale Transactions”	sale of automotive parts, raw materials, consumables and materials by Wuling Industrial Group to Guilin Bus
“GL Purchase Transactions”	purchase of automotive components, mould parts and other related products by Wuling Industrial Group from Guangling
“GL Sale Transactions”	sale of parts and raw materials by Wuling Industrial Group to Guangling
“GL Trading Transactions”	the GL Purchase Transactions and GL Sale Transactions
“Group”	the Company and its subsidiaries
“Guangling”	柳州廣菱汽車技術有限公司 (Liuzhou Guangling Moulds & Tools Technology Limited*), a company established in the PRC of which Guangxi Automobile is beneficially interested in approximately 50.1% of its total registered capital
“Guangxi Automobile”	廣西汽車集團有限公司 (Guangxi Automobile Group Co., limited*), a state-controlled company established in the PRC, being the ultimate beneficial controlling Shareholder which is indirectly interested in approximately 56.04% of the total number of Shares in issue of the Company

“Guangxi Automobile Group”	Guangxi Automobile, its subsidiaries and associates (excluding the Group and including but not limited to Baomali, Guangling and Guilin Bus)
“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 70.00% of its total registered capital
“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 terms of the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions
“Independent Financial Adviser” or “Hooray Capital”	Hooray Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions
“Independent Shareholder(s)”	Shareholder(s) other than Guangxi Automobile and its associates
“Independent Third Party(ies)”	person(s) or entity(ies) who/which is(are) not a connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Annual Cap”	the annual cap of the Outsourcing Services for the year ending 31 December 2017 under the 2017–2019 Master Agreement as amended by the Supplemental Agreement
“Outsourcing Services”	provision of production outsourcing services by Wuling Industrial Group to Guangling under the 2017–2019 Master Agreement as amended by the Supplemental Agreement
“PRC”	the People’s Republic of China
“Purchase Transactions”	the GL Purchase Transactions, GB Purchase Transactions and the Baomali Purchase Transactions pursuant to the 2017–2019 Master Agreement or the 2017–2019 Master Agreement as amended by the Supplemental Agreement, as appropriate

“Revised Annual Caps”	the proposed annual caps of the GL Sale Transactions, GL Purchase Transactions, GB Purchase Transactions and Sale Transactions respectively and as appropriate, as amended by the Supplemental Agreement for each of the three years ending 31 December 2019
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Transactions”	the GL Sale Transactions and GB Sale Transactions pursuant to the 2017–2019 Master Agreement or the 2017–2019 Master Agreement as amended by the Supplemental Agreement, as appropriate
“SGM”	the special general meeting of the Company to be held to approve the Supplemental Agreement and the Revised Annual Caps with respect to the Sale Transactions
“SGMW”	上汽通用五菱汽車股份有限公司 (SAIC-GM-Wuling Automobile Co., Limited*), 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 is currently a major customer of Wuling Industrial Group’s businesses in engines and automotive components
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 28 April 2017 entered into between Wuling Industrial and Guangxi Automobile to amend certain terms of the 2017–2019 Master Agreement and revise the Annual Caps for GL Sale Transactions, GL Purchase Transactions, GB Purchase Transactions and Sale Transactions and to adopt the New Annual Cap for the Outsourcing Services
“Wuling Industrial”	柳州五菱汽車工業有限公司 (Liuzhou Wuling Motors Industrial Company Limited*), a company established in the PRC and a non-wholly owned subsidiary of the Company

“Wuling Industrial Group” Wuling Industrial and its subsidiaries

“%” per cent

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

Hong Kong, 28 April 2017

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

* *For identification purposes only*