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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)*

**PROPOSED OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY FIVE EXISTING SHARES HELD ON THE RECORD DATE**

**Financial Adviser**



**上銀國際有限公司**  
BOSC International Company Limited

**Underwriter**

**Wuling (Hong Kong) Holdings Limited**

**PROPOSED OPEN OFFER**

The Company proposes to raise not less than approximately HK\$212.52 million and not more than approximately HK\$217.97 million, before expenses, by issuing not less than 303,598,595 Offer Shares and not more than 311,391,824 Offer Shares by way of Open Offer at a price of HK\$0.70 per Offer Share on the basis of one Offer Share for every five existing Shares held on the Record Date. The Open Offer will be available only to the Qualifying Shareholders.

The Offer Shares will be fully underwritten by the Underwriter on the terms and subject to the conditions as set out in the Underwriting Agreement.

The invitation to apply for the Offer Shares is not transferable or capable of renunciation and there will not be any trading of entitlements to apply for Offer Shares on the Stock Exchange.

**WARNING OF RISKS OF DEALING IN THE SHARES**

**The Open Offer is conditional upon several Conditions Precedent, details of which are set out in the section headed “Conditions of the Open Offer” in the full text of this announcement below. The Underwriter is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events set out below. The Open Offer is therefore also subject, inter alia, to the Underwriting Agreement not being terminated by the Underwriter. Accordingly, the Open Offer may or may not proceed.**

**Any dealings in the Shares from the date of this announcement up to the date on which all the Conditions Precedent are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their own professional advisers. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

To qualify for the Open Offer, a Shareholder (other than a Non-Qualifying Shareholder) must be registered as a member of the Company on the Record Date. Any transfers of Shares (with relevant certificates) must be lodged for registration by 4:30 p.m. on Friday, 3 July 2015 with the Company's registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. The register of members of the Company will be closed from Monday, 6 July 2015 to Wednesday, 8 July 2015 (both days inclusive). No transfer of Shares will be registered during this period. Existing Shares will be dealt in on an ex-entitlements basis from Thursday, 2 July 2015.

The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than approximately HK\$210.02 million but not more than HK\$215.47 million. The Company intends to apply the net proceeds from the Open Offer for the Potential WI Capital Increase and apply any remaining balance for repayment of bank loans. If the Potential WI Capital Increase does not proceed, the Company will apply the net proceeds from the Open Offer for repayment of bank loans, general working capital purposes and other future business and investment opportunities.

## **GENERAL**

The Underwriter holds 778,479,561 Shares, representing approximately 51.28% of the issued share capital of the Company. Accordingly, the Underwriter is regarded as a connected person of the Company under the Listing Rules. However, given that (i) no underwriting commission is payable by the Company to the Underwriter pursuant to the Underwriting Agreement; and (ii) the Company will allocate the Offer Shares in excess of assured allotments at their discretion on a fair and equitable basis, and on a pro-rata basis based on the excess Offer Shares applied for by the Qualifying Shareholders, the issue of Offer Shares to the Underwriter is fully exempt from the connected transaction requirements under Rule 14A.92 of the Listing Rules. Furthermore, the Open Offer will not increase the issued share capital or the market capitalization of the Company by more than 50% within the 12-month period immediately preceding this announcement, and thus the Open Offer is not subject to the approval of the Shareholders pursuant to the Listing Rules.

The Prospectus Documents setting out details of the proposed Open Offer are expected to be sent to the Qualifying Shareholders on or about Thursday, 9 July 2015. The Prospectus together with the Overseas Letter (but not the Application Form or the EAF) will be despatched to the Non-Qualifying Shareholders for information only.

## **PROPOSED OPEN OFFER**

### **Issue Statistics**

|   |  |
|---|--|
| Basis of the Open Offer:  | Assured allotments of one Offer Share for every five existing Shares held by a Qualifying Shareholder on the Record Date   |
| Number of existing Shares in issue:                                   | 1,517,992,976 Shares as at the date of this announcement   |
| Number of Option Shares:  | The Company's outstanding Options, are exercisable into 105,990,000 Option Shares, as at the date of this announcement. The Underwriting Agreement is conditional upon the Underwriter remaining to be interested in not less than 50% of the issued share capital of the Company on or before the Latest Time for Termination and no Option having been exercised which would result in the Underwriter ceasing to be interested in not less than 50% of the issued share capital of the Company on or before completion of the allotment and issue of the Offer Shares. To fulfill this condition, no more than 38,966,145 Option Shares (i.e. the Maximum Exercisable Option Shares) may be issued on or before completion of the allotment and issue of the Offer Shares |
| Number of Offer Shares to be issued under the Open Offer:             | Not less than 303,598,595 Offer Shares and not more than 311,391,824 Offer Shares (assuming the Maximum Exercisable Option Shares being allotted and issued on or before the Record Date)  |
| Number of enlarged Shares in issue upon completion of the Open Offer: | Not less than 1,821,591,571 Shares and not more than 1,868,350,945 Shares  |
| Subscription Price for the Offer Shares:                              | HK\$0.70 per Offer Share   |

As at the date of this announcement, save for the outstanding Options, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to convert into or subscribe for Shares.

Assuming the Maximum Exercisable Option Shares (being 38,966,145 Option Shares) being allotted and issued pursuant to the exercise of Options on or before the Record Date, a maximum of 311,391,824 Offer Shares are proposed to be allotted and issued representing approximately 20.51% of the Company's issued share capital as at the date of this announcement and approximately 16.67% of the Company's issued share capital of 1,868,350,945 Shares as enlarged by the allotment and issue of the 38,966,145 Option

Shares (being the Maximum Exercisable Option Shares) and 311,391,824 Offer Shares (being the maximum number of Offer Shares to be allotted and issued under the Open Offer) immediately after completion of the Open Offer.

### **Qualifying Shareholders:**

The Company will send the Prospectus Documents to the Qualifying Shareholders only.

To qualify for the Open Offer, a Shareholder must at the close of business on the Record Date:

- be registered as a member of the Company; and
- not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfer of Shares (together with the relevant share certificate(s)) with the Company's registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Friday, 3 July 2015.

### **Closure of the Register of Members**

The register of members of the Company will be closed from Monday, 6 July 2015 to Wednesday, 8 July 2015 (both days inclusive) for determination of entitlements of the Qualifying Shareholders to the Open Offer as at the Record Date. No transfer of Shares will be registered during this period.

## **TERMS OF THE PROPOSED OPEN OFFER**

### **Subscription price**

The Subscription Price is HK\$0.70 per Offer Share, payable in full by a Qualifying Shareholder upon acceptance of the assured allotment under the Open Offer. The Subscription Price represents:

- i. a discount of 15.66% to the closing price of HK\$0.830 per Share as quoted on the Stock Exchange on the Last Trading Day;
- ii. a discount of approximately 17.26% to the average closing price of HK\$0.846 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- iii. a discount of approximately 19.26% to the average of the closing prices of HK\$0.867 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Date; and
- iv. a discount of approximately 13.37% to the theoretical ex-entitlement price of approximately HK\$0.808 per Share based on the closing price of HK\$0.830 per Share as quoted on the Stock Exchange on the Last Trading Day.

Each Offer Share will have a par value of HK\$0.004.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions prior to the Last Trading Day. The Directors (including the independent non-executive Directors) consider the terms of the Open Offer, including the Subscription Price which has been set at a discount to the recent closing prices of the Shares to encourage existing Shareholders to take up their entitlements to maintain their pro-rata shareholdings and participate in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

### **Basis of assured allotment**

The basis of assured allotment is one Offer Share for every five existing Shares held by a Qualifying Shareholder on the Record Date at the Subscription Price. Applications for all or any part of a Qualifying Shareholder's assured allotment should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for. Fractions of assured allotments will not be issued and will be aggregated and made available for application by the Qualifying Shareholders who wish to apply for Shares in excess of their own assured allotments.

### **Status of the Offer Shares**

When allotted, issued and fully-paid, the Offer Shares will rank pari passu in all respects with the existing Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid, on the record date of which falls on or after the date of allotment and issue of the fully-paid Offer Shares.

### **Rights of Non-Qualifying Shareholders**

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. Prior to the issue of the Prospectus, the Company will make enquiries as to whether the offer or issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges pursuant to Rule 13.36(2)(a) of the Listing Rules. If after making such enquiries, the Board is of the opinion that it would be necessary or expedient not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Accordingly the Offer Shares will not be offered to the Non-Qualifying Shareholders and no application for Offer Shares will be accepted from the Non-Qualifying Shareholders. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only.

Any Offer Shares which would otherwise have been in assured allotments of the Non-Qualifying Shareholders will be available for application by the Qualifying Shareholders who wish to apply for Shares in excess of their own assured allotments. The basis for excluding the Non-Qualifying Shareholders, if any, from the Open Offer will be set out in the Prospectus to be issued.

## **Application for Offer Shares in excess of assured allotments**

Qualifying Shareholders will have the right to apply for any Offer Shares in excess of their own assured allotments under the EAFs but are not assured of being allocated any Shares in excess of those in their assured allotments.

The Company will allocate the Offer Shares in excess of assured allotments at their discretion on a fair and equitable basis, and on a pro-rata basis based on the excess Offer Shares applied for by the Qualifying Shareholders by completing the EAFs and lodging the same with a separate remittance for the excess Offer Shares being applied for. The basis of allocation of such excess Offer Shares will be disclosed in the Prospectus. However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offered Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for excess Offer Shares.

Any Offer Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

The Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee as a single Shareholder according to the register of members of the Company. Shareholders should note that the number of excess Offer Shares which may be allocated to them may be different when they make applications for excess Offer Shares by different means, such as making applications in their own names as against through nominees who also hold Shares for other Shareholders. Shareholders should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names and apply for the excess Offer Shares themselves.

## **Share certificates and refund cheques for the Offer Shares**

Subject to the fulfilment of the conditions of the Conditions Precedent, share certificates for fully-paid Offer Shares are expected to be posted to successful applicants at their own risk on or before Thursday, 30 July 2015. Refund cheques in respect of wholly or partially unsuccessful applications for Offer Shares in excess of assured allotments are also expected to be posted on or before Thursday, 30 July 2015 by ordinary post to the applicants at their own risk.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in Offer Shares on the Stock Exchange will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

## UNDERWRITING ARRANGEMENT

### Underwriting Agreement:

|                                      |  |
|--------------------------------------|--|
| Date:                                | 18 June 2015 (after trading hours)   |
| Underwriter:                         | Wuling HK, a company incorporated in Hong Kong with limited liability and a controlling Shareholder which is beneficially interested in approximately 51.28% of the issued share capital of the Company as at the date of this announcement. It is an indirect wholly-owned subsidiary of Guangxi Automobile. Wuling HK's ordinary course of business does not include underwriting. |
| Number of Offer Shares underwritten: | Not less than 147,902,683 Offer Shares but not more than 155,695,912 Offer Shares, being the total number of Offer Shares to which holders of the Shares are entitled pursuant to the Open Offer less 155,695,912 Offer Shares agreed to be taken up by the Underwriter in relation to its own assured allotment in respect of the Open Offer.                                       |
| Underwriter's Commission:            | The Underwriter will not receive any underwriting commission. The Company will reimburse the Underwriter for all reasonable costs and expenses incurred by it in connection with the Underwriting Agreement.   |

As at the date of this announcement, the Underwriter is interested in 778,479,561 Shares, representing approximately 51.28% of the existing issued share capital of the Company. The Underwriter has irrevocably undertaken to the Company that (i) it will apply for the entire number of the Offer Shares in the assured allotments in which it is beneficially interested; and (ii) save and except pursuant to the Underwriting Agreement, it shall not, during the period from immediately after the execution of the Underwriting Agreement and prior to or on the earlier of completion of the allotment and issue of the Offer Shares and termination of the Underwriting Agreement, transfer or otherwise dispose of or acquire any Shares or any interests therein. The Open Offer is fully underwritten by the Underwriter.

The Board considers that the terms of the Underwriting Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

## **Termination of the Underwriting Agreement**

**The Underwriter may terminate the underwriting arrangements set out in the Underwriting Agreement by notice in writing given by the Underwriter to the Company at any time prior to the Latest Time for Termination, if:**

- (a) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (1) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which would in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (2) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement, of a political, financial, economic, currency market or other nature (whether or not ejusdem generic with any of the foregoing) or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (3) any change, effect or development that is or is reasonably likely to be, individually or in the aggregate with other changes, effects or developments, materially adverse to: (i) the business, assets, condition (financial or otherwise), operating results, operations or business prospects of the Group taken as a whole; or (ii) the ability of the Company to consummate the transactions contemplated hereunder in accordance with the terms of the Underwriting Agreement (excluding any such adverse change, effect or development which has been cured); or
  - (4) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole;
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the business of the Group taken as a whole and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Open Offer;



- (c) the Prospectus Documents in connection with the Open Offer when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which, in the reasonable opinion of the Underwriter, is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to apply for its assured entitlements of Offer Shares under the Open Offer; or
- (d) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement of a material nature which would materially and adversely affect the success of the Open Offer.

**If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.**

#### **CONDITIONS OF THE OPEN OFFER**

The Open Offer is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon the following being fulfilled:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong, respectively, one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution(s) of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and the Overseas Letter to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Posting Date;
- (c) the Listing Committee of the Stock Exchange granting and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings as stated in the Prospectus;
- (d) the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof;
- (e) compliance with and performance of all the undertakings and obligations of the Company and the Underwriter under the Underwriting Agreement; and

- (f) the Underwriter remaining to be interested in not less than 50% of the issued share capital of the Company on or before the Latest Time For Termination and no Option having been exercised which would result in the Underwriter ceasing to be interested in not less than 50% of the issued share capital of the Company on or before completion of the allotment and issue of the Offer Shares.

**If any of the above conditions is not fulfilled, the Open Offer will not proceed. As the Open Offer is subject to the above conditions, it may or may not proceed accordingly.**

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer:

- (a) Assuming no Option Shares were allotted and issued on or before the Record Date:

|   | As at the date of the Underwriting Agreement |                | Immediately after completion of the Open Offer and assuming that all Offer Shares are taken up by Qualifying Shareholders |                | Immediately after completion of the Open Offer and assuming that no Offer Shares are taken up by Qualifying Shareholders (other than Wuling HK) |                |
|---|--|----------------|---|----------------|---|----------------|
|   | <i>approx.</i>                               |                | <i>approx.</i>  |                | <i>approx.</i>  |                |
|   | <i>No. of Shares</i>                         | <i>%</i>       | <i>No. of Shares</i>  | <i>%</i>       | <i>No. of Shares</i>  | <i>%</i>       |
| Wuling HK   | 778,479,561                                  | 51.28%         | 934,175,473   | 51.28%         | 1,082,078,156   | 59.40%         |
| Dragon Hill Development Limited ( <i>Note 1</i> ) | 281,622,914                                  | 18.56%         | 337,947,497   | 18.56%         | 281,622,914   | 15.46%         |
| Mr. Zhou Sheji ( <i>Note 2</i> )                  | 44,770,000                                   | 2.95%          | 53,724,000  | 2.95%          | 44,770,000  | 2.46%          |
| Mr. Wei Hongwen ( <i>Note 2</i> )                 | 200,000                                      | 0.01%          | 240,000   | 0.01%          | 200,000   | 0.01%          |
| Public ( <i>Note 5</i> )                          | 412,920,501                                  | 27.20%         | 495,504,601   | 27.20%         | 412,920,501   | 22.67%         |
| Total   | <u>1,517,992,976</u>                         | <u>100.00%</u> | <u>1,821,591,571</u>  | <u>100.00%</u> | <u>1,821,591,571</u>  | <u>100.00%</u> |

- (b) Assuming the Maximum Exercisable Option Shares (being 38,966,145 Option Shares) were allotted and issued on or before the Record Date and no other Option Shares were allotted and issued on or before completion of the Open Offer:

|   | As at the date of the Underwriting Agreement |                  | Immediately after completion of the Open Offer and assuming that all Offer Shares are taken up by Qualifying Shareholders and the Maximum Exercisable Option Shares are allotted and issued on or before Record Date |                  | Immediately after completion of the Open Offer and assuming that no Offer Shares are taken up by Qualifying Shareholders (other than Wuling HK) and the Maximum Exercisable Option Shares are allotted and issued on or before Record Date |                  |
|---|--|------------------|--|------------------|--|------------------|
|   | <i>No. of Shares</i>                         | <i>approx. %</i> | <i>No. of Shares</i>   | <i>approx. %</i> | <i>No. of Shares</i>   | <i>approx. %</i> |
| Wuling (Hong Kong) Holdings Limited                       | 778,479,561                                  | 51.28%           | 934,175,473  | 50.00%           | 1,089,871,385  | 58.33%           |
| Dragon Hill Development Limited ( <i>Note 1 &amp; 4</i> ) | 281,622,914                                  | 18.56%           | 339,976,868  | 18.20%           | 283,314,057  | 15.16%           |
| Mr. Zhou Sheji ( <i>Note 2</i> )                          | 44,770,000                                   | 2.95%            | 54,606,336   | 2.93%            | 45,505,280   | 2.44%            |
| Mr. Wei Hongwen ( <i>Note 2</i> )                         | 200,000                                      | 0.01%            | 1,563,503  | 0.08%            | 1,302,919  | 0.07%            |
| Mr. Sun Shaoli ( <i>Note 2</i> )                          | 0  | 0.00%            | 1,323,503  | 0.07%            | 1,102,919  | 0.06%            |
| Mr. Zhong Xianhua ( <i>Note 2</i> )                       | 0  | 0.00%            | 882,336  | 0.05%            | 735,280  | 0.04%            |
| Ms. Liu Yaling ( <i>Note 2</i> )                          | 0  | 0.00%            | 882,336  | 0.05%            | 735,280  | 0.04%            |
| Mr. Zuo Duofu ( <i>Note 2</i> )                           | 0  | 0.00%            | 441,168  | 0.02%            | 367,640  | 0.02%            |
| Mr. Ye Xiang ( <i>Note 2</i> )                            | 0  | 0.00%            | 441,168  | 0.02%            | 367,640  | 0.02%            |
| Public ( <i>Note 5</i> )                                  | <u>412,920,501</u>                           | <u>27.20%</u>    | <u>534,058,254</u>   | <u>28.58%</u>    | <u>445,048,545</u>   | <u>23.82%</u>    |
| Total   | <u>1,517,992,976</u>                         | <u>100.0%</u>    | <u>1,868,350,945</u>   | <u>100.0%</u>    | <u>1,868,350,945</u>   | <u>100.0%</u>    |

*Note:*

- (1) Mr. Lee Shing, an executive director of the Company, is beneficially interested in 281,622,914 Shares, which interests are held by Dragon Hill Development Limited, a company wholly-owned by Mr. Lee Shing.
- (2) Mr. Zhou Sheji, Mr. Wei Hongwen, Mr. Sun Shaoli, Mr. Zhong Xianhua, Ms. Liu Yaling, Mr. Zuo Duofu and Mr. Ye Xiang are Directors.
- (3) For illustration purpose, the Maximum Exercisable Option Shares are assumed to be issued to the holders of the Options on a basis pro-rata to their holdings of the Options.
- (4) These include the pro-rata Option Shares assumed to be issued to Mr. Lee Shing and his spouse.

- (5) In the event that there ceases to be a sufficient public float of the Company within the meaning of the Listing Rules solely because of the Underwriter's performance of its obligations pursuant to the Underwriting Agreement, the Underwriter agrees to place down its shareholding interests in the Company to maintain the minimum public float for the Shares in compliance with Rule 8.08(1) of the Listing Rules.

## **WARNING OF THE RISKS OF DEALING IN SHARES**

**Existing Shares are expected to be dealt in on an ex-entitlements basis from Thursday, 2 July 2015.**

**The Open Offer is conditional upon several Conditions Precedent, details of which are set out in the section headed "Conditions of the Open Offer" above. The Underwriter is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events set out above. The Open Offer is therefore also subject, inter alia, to the Underwriting Agreement not being terminated by the Underwriter. Accordingly, the Open Offer may or may not proceed.**

**Any dealings in the Shares from the date of this announcement up to the date on which all the Conditions Precedent are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their own professional advisers. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS**

The Company, through Wuling Industrial and its subsidiaries, is principally engaged in manufacturing and trading of engines and parts, automotive components and accessories, specialized vehicles and the trading of raw materials, water and power supply services in the PRC.

The gross proceeds from the Open Offer will not be less than approximately HK\$212.52 million and not more than approximately HK\$217.97 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than approximately HK\$210.02 million but not more than HK\$215.47 million.

The Company will apply the net proceeds from the Open Offer for the Potential WI Capital Increase, pursuant to which the Group may contribute and inject capital in cash in the amount of RMB160.00 million (equivalent to approximately HK\$203.68 million) into Wuling Industrial on a non pro-rata basis as fully paid up capital to provide funds for the various corporate and business development projects as described below. Any balances of the net proceeds will be applied for repayment of bank loans of the Company.

Wuling Industrial was established on 30 October 2006 as a state-owned limited company in the PRC, and was converted into a sino-foreign joint venture on 17 August 2007 which is currently owned as to approximately 50.98% and 49.02% by the Company and Guangxi Automobile.

Wuling Industrial and its subsidiaries are the only operating subsidiaries of the Company that are engaged in the principal activities of the Group. For the financial year ended 31 December 2014, Wuling Industrial's turnover accounted for the entire turnover of the Group, except for the property rental income of RMB118,000 (equivalent to approximately HK\$150,214). As disclosed in the section headed "Chairman's Statement" of the annual report of the Company for the financial year ended 31 December 2014 (the "**Annual Report**"), as the controlling shareholder of Wuling Industrial, the Group will implement appropriate financing strategies in a timely manner to provide funding for the development of Wuling Industrial, including utilizing the fund raising platform of the Company as a listed company. To keep pace with the development of customers and shift the Group's focus to high value-added products, the Group, via Wuling Industrial, is proceeding with various projects in terms of equity, capital and research and development of new products. The Group will also commit to major technology enhancement projects and equity investment projects.

The Potential WI Capital Increase will strengthen the financial position of the Wuling Industrial and provide funding for the Group's various expansion and enhancement projects including technical re-engineering projects, business expansion programs, capacity expansion programs, technical capacity strengthening programs and upgrading and integration programs. Details of the various programs undertaken by the Group, via Wuling Industrial, are set out in the Annual Report and the announcements published by the Company dated 11 February 2015, 15 April 2015 and 11 May 2015.

As Wuling Industrial and Guangxi Automobile are connected persons of the Company, the Potential WI Capital Increase, if materialized, will constitute a connected transaction of the Company. The Company will comply with the Listing Rules and publish an announcement and a circular on details of the Potential WI Capital Increase as appropriate and seek independent Shareholders' approval where necessary, once the terms of the Potential WI Capital Increase are finalized and the corresponding capital increase agreement is entered into.

If the Potential WI Capital Increase does not proceed, the Company will apply the net proceeds from the Open Offer for repayment of bank loans, general working capital purposes and other future business and investment opportunities.

Having considered other fund raising alternatives for the Group, such as placing of new Shares or other convertible securities, and taking into account the benefits and cost of each of the alternatives, the Directors (including the independent non-executive Directors) are of the view that the Open Offer is in the interest of the Company and the Shareholders as a whole since it offers the Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company.

#### **FUND-RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS IMMEDIATELY PRECEDING THIS ANNOUNCEMENT**

The Company issued a total number of 1,000,000 new Shares to a resigned employee of the Group upon exercise of the Options held by him on 20 June 2014 and raised an aggregate net proceeds of approximately HK\$490,000 for use as working capital by the Company. Save as disclosed in this paragraph, the Company has not conducted any fundraising activities in the past 12 months immediately preceding the date of this announcement.

## EXPECTED TIMETABLE OF THE OPEN OFFER

The expected timetable for the Open Offer is set out below:

|   |   |
|---|---|
| Last day of dealings in Shares on a cum-entitlements basis.....   | Tuesday, 30 June 2015                         |
| First day of dealings in Shares on an ex-entitlements basis .....   | Thursday, 2 July 2015                         |
| Latest time for lodging transfers of Shares in order to qualify for Open Offer .....  | 4:30 p.m. on Friday, 3 July 2015              |
| Book closure period (both days inclusive).....  | Monday, 6 July 2015 to Wednesday, 8 July 2015 |
| Record Date .....   | Wednesday, 8 July 2015                        |
| Register of members reopens.....  | Thursday, 9 July 2015                         |
| Prospectus Documents to be despatched on or about.....  | Thursday, 9 July 2015                         |
| Latest time for acceptance of and payment for Offer Shares.....   | 4:00 p.m. on Thursday, 23 July 2015           |
| Underwriting Agreement becomes unconditional.....   | 4:00 p.m. on Tuesday, 28 July 2015            |
| Announcement of results of the Open Offer and excess application.....   | Wednesday, 29 July 2015                       |
| Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares expected to be despatched on or before ..... | Thursday, 30 July 2015                        |
| Certificates for Offer Shares expected to be despatched on or before .....  | Thursday, 30 July 2015                        |
| Dealings in Offer Shares expected to commence on.....   | Friday, 31 July 2015                          |

**All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Open Offer are indicative only and may be extended or varied by the Company. Any changes to the anticipated timetable for the Open Offer will be published or notified to Shareholders as appropriate.**

## **Effect of bad weather on the latest time for acceptance of Offer Shares**

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Thursday, 23 July 2015, being the date of the latest time for acceptance of Offer Shares:

- i. at any time before 12:00 noon and no longer in force after 12:00 noon, the latest time for acceptance of Offer Shares will be postponed to 5:00 p.m. on the same Business Day; or
- ii. at any time between 12:00 noon and 4:00 p.m., the latest time for acceptance of Offer Shares will be postponed to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of Offer Shares does not take place on Thursday, 23 July 2015, the dates mentioned in the above section headed “Expected timetable of the Open Offer” in this announcement may be affected. An announcement will be made by the Company in such event.

## **POSSIBLE ADJUSTMENTS TO THE OPTIONS**

As a result of the Open Offer, the exercise price and the number of Shares to be issued pursuant to the Options may be adjusted in accordance with the respective terms and conditions of the Share Option Scheme. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

## **INFORMATION ON GUANGXI AUTOMOBILE**

Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, namely Wuling Motors (Hong Kong) Company Limited and Wuling HK, is currently interested in approximately 51.28% of the total issued share capital 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 limited company established in the PRC with one of the registered shareholders being 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) as 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, molds 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.

## GENERAL

The Underwriter holds 778,479,561 Shares, representing approximately 51.28% of the issued share capital of the Company. Accordingly, the Underwriter is regarded as a connected person of the Company under the Listing Rules. However, given that (i) no underwriting commission is payable by the Company to the Underwriter pursuant to the Underwriting Agreement; and (ii) the Company will allocate the Offer Shares in excess of assured allotments at their discretion on a fair and equitable basis, and on a pro-rata basis based on the excess Offer Shares applied for by the Qualifying Shareholders, the issue of Offer Shares to the Underwriter is fully exempt from the connected transaction requirements under Rule 14A.92 of the Listing Rules. Furthermore, the Open Offer will not increase the issued share capital or the market capitalization of the Company by more than 50% within the 12-month period immediately preceding this announcement, and thus the Open Offer is not subject to the approval of the Shareholders pursuant to the Listing Rules.

The Prospectus Documents setting out details of the proposed Open Offer are expected to be sent to the Qualifying Shareholders on or about Thursday, 9 July 2015. The Prospectus together with the Overseas Letter (but not the Application Form or the EAF) will be despatched to the Non-Qualifying Shareholders for information only.

As disclosed in the Annual Report, the Board recommends the payment of a final dividend of HK\$0.5 cent per ordinary share in respect of the year ended 31 December 2014 to Shareholders whose names appear on the register of members of the Company on Tuesday, 16 June 2015. For avoidance of doubt, the Offer Shares, which are expected to commence dealings on Friday, 31 July 2015 (being a day subsequent to the record day for the entitlement of the final dividend), will not be entitled to the final dividend.

## DEFINITIONS

|                              |   |
|------------------------------|---|
| “Application Form(s)”        | the form(s) of application in respect of the Open Offer to be issued to the Qualifying Shareholders   |
| “Board”                      | the board of Directors  |
| “Business Day”               | a day (excluding Saturdays, Sundays and public holidays in Hong Kong) on which licensed banks generally are open for business in Hong Kong        |
| “Companies (WUMP) Ordinance” | the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended from time to time)            |
| “Conditions Precedent”       | the conditions precedent as set out in the section headed “Conditions of the Open Offer”  |
| “Company”                    | Wuling Motors Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange |
| “connected person(s)”        | has the meaning ascribed to it under the Listing Rules  |



|                                     |   |
|-------------------------------------|---|
| “controlling Shareholder(s)”        | has the meaning ascribed to it under the Listing Rules  |
| “Director(s)”                       | the directors of the Company  |
| “EAF(s)”                            | the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Offer Shares   |
| “Final Acceptance Date”             | 23 July 2015 or such other date as may be agreed between the Company and the Underwriter in writing   |
| “Group”                             | the Company and its subsidiaries  |
| “Guangxi Automobile”                | 廣西汽車集團有限公司 (Guangxi Automobile Holdings Limited*) formerly “柳州五菱汽車有限責任公司” (Liuzhou Wuling Motors Company Limited*), a state-controlled limited enterprise established in the PRC  |
| “HK\$”                              | Hong Kong dollar  |
| “Hong Kong”                         | the Hong Kong Special Administrative Region of the PRC  |
| “Last Trading Day”                  | 18 June 2015  |
| “Latest Time for Termination”       | the latest time for the Underwriter to terminate the Underwriting Agreement, being 4:00 p.m. on the third Business Day after the Final Acceptance Date, or such later time and date as may be agreed by the Underwriter and the Company in writing  |
| “Listing Rules”                     | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Maximum Exercisable Option Shares” | the maximum number of Option Shares being 38,966,145, that can be issued pursuant to the exercise of the Options on or before the Latest Time for Termination for the Underwriting Agreement not to be terminated   |
| “Non-Qualifying Shareholder(s)”     | the Overseas Shareholder(s) whom the Board, after making enquiry, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges in those places not to offer the Offer Shares to them |
| “Offer Share(s)”                    | share(s) to be issued and allotted under the Open Offer, being not less than 303,598,595 but not more than 311,391,824 Shares   |

|                                 |  |
|---------------------------------|--|
| “Open Offer”                    | the proposed issue by the Company of the Offer Shares by way of open offer to Qualifying Shareholders on the basis of an assured allotment of one Offer Share for every five existing Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents |
| “Options”                       | the share options granted under the Share Option Scheme  |
| “Option Shares”                 | the new Shares to be issued pursuant to the exercise of the Options  |
| “Overseas Letter”               | the letter in respect of the exclusion of the Non-Qualifying Shareholders from the Open Offer in such form as may be agreed between the Company and the Underwriter  |
| “Overseas Shareholder(s)”       | the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown in the register of members of the Company on that date is/are outside Hong Kong   |
| “Posting Date”                  | 9 July 2015 or such other date as the Underwriter may agree in writing with the Company  |
| “Potential WI Capital Increase” | the proposed contribution and injection of capital in cash in the amount of RMB160,000,000 (equivalent to approximately HK\$203,680,000) into Wuling Industrial by the Company on a non pro-rata basis   |
| “PRC”                           | the People’s Republic of China   |
| “Prospectus”                    | the prospectus to be issued by the Company in relation to the Open Offer   |
| “Prospectus Documents”          | the Prospectus, the Application Forms and the EAFs   |
| “Qualifying Shareholder(s)”     | the Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date   |
| “Record Date”                   | 8 July 2015, being the record date for determining entitlements to participate in the Open Offer   |
| “RMB”                           | Renminbi, the lawful currency of the PRC   |
| “SFC”                           | The Securities and Futures Commission  |
| “Shareholder(s)”                | holder(s) of Share(s)  |

|                              |  |
|------------------------------|--|
| “Share(s)”                   | ordinary share(s) of HK\$0.004 each in the issued and unissued share capital of the Company  |
| “Share Option Scheme”        | the share option scheme of the Company adopted on 28 May 2012  |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited  |
| “Subscription Price”         | the issue price of HK\$0.70 per Offer Share  |
| “Underwriter” or “Wuling HK” | Wuling (Hong Kong) Holdings Limited, a company incorporated in Hong Kong with limited liability and a controlling Shareholder which is beneficially interested in approximately 51.28% of the issued share capital of the Company as at the date of this announcement. It is an indirect wholly-owned subsidiary of Guangxi Automobile |
| “Underwriting Agreement”     | the underwriting agreement dated 18 June 2015 entered into between the Company and the Underwriter in respect of the Open Offer  |
| “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  |
| “%”                          | percentage   |

On behalf of the Board  
**Wuling Motors Holdings Limited**  
**Wei Hongwen**  
*Chairman*

Hong Kong, 18 June 2015

*In this announcement, unless otherwise specified, conversion of RMB into Hong Kong dollars is based on the exchange rate of RMB1 to HK\$1.273, for information purpose only. Such conversion should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.*

*As at the date of this announcement, the Board comprises Mr. Wei Hongwen (Chairman), Mr. Lee Shing (Vice-chairman and Chief Executive Officer), Mr. Sun Shaoli, Mr. Zhong Xianhua, Ms. Liu Yaling, and Mr. Zhou Sheji as executive Directors, and Mr. Zuo Duofu, Mr. Ye Xiang and Mr. Wang Yuben as independent non-executive Directors.*

\* For identification purposes only