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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2015	2014	Change
	RMB'000	*RMB'000*	*(%)*
Revenue	**6,716,275**	6,473,752	3.7%
Gross profit	**728,469**	707,842	2.9%
Profit for the period	**70,920**	71,973	-1.5%
Profit attributable to the owners of the Company	**28,601**	32,233	-11.3%

INTERIM RESULTS

The board of directors (the "Board") of Wuling Motors Holdings Limited (the "Company") announces the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015.

The interim financial results are unaudited, but have been reviewed by Deloitte Touche Tohmatsu in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, whose independent review report is included in the interim report to be sent to the shareholders. The interim financial results have also been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**6,716,275**	6,473,752
Cost of sales		**(5,987,806)**	(5,765,910)
Gross profit		**728,469**	707,842
Other income		**31,283**	26,590
Other gains and losses	*4*	**(1,286)**	(27,617)
Selling and distribution costs		**(156,420)**	(170,522)
General and administrative expenses		**(470,507)**	(402,131)
Share of results of joint ventures		**(3,463)**	(396)
Finance costs		**(34,963)**	(46,130)
Profit before taxation		**93,113**	87,636
Income tax expense	*5*	**(22,193)**	(15,663)
Profit for the period	*6*	**70,920**	71,973
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences arising from translation of foreign operation		**2,636**	2,288
Total comprehensive income for the period		**73,556**	74,261
Profit for the period attributable to:			
Owners of the Company		**28,601**	32,233
Non-controlling interests		**42,319**	39,740
		70,920	71,973
Total comprehensive income for the period attributable to:			
Owners of the Company		**31,237**	34,521
Non-controlling interests		**42,319**	39,740
		73,556	74,261
Earnings per share	*8*		
— Basic		**RMB1.88 cents**	RMB2.58 cents
— Diluted		**RMB1.85 cents**	RMB2.58 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2015

	NOTES	**30 June 2015 *RMB'000* (Unaudited)**	31 December 2014 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**2,029,459**	1,857,279
Prepaid lease payments		**252,676**	220,512
Premium on prepaid lease payments		**885**	897
Investment properties	*9*	**7,940**	7,936
Intangible assets		**628**	628
Interests in joint ventures		**76,675**	80,138
Deposits paid for acquisition of property, plant and equipment		**292,042**	291,647
Deposit paid for acquisition of land use rights		**–**	7,010
Available-for-sale investment		**22,000**	22,000
		2,682,305	2,488,047
CURRENT ASSETS			
Inventories		**1,275,938**	1,449,146
Trade and other receivables	*10*	**6,118,337**	5,023,153
Prepaid lease payments		**6,365**	4,956
Pledged bank deposits		**1,231,680**	647,524
Bank balances and cash		**627,795**	201,752
		9,260,115	7,326,531
CURRENT LIABILITIES			
Trade and other payables	*11*	**7,743,911**	7,246,366
Amounts due to shareholders	*13*	**7,869**	–
Amount due to a related party	*13*	**10,210**	3,235
Provision for warranty		**172,537**	164,179
Tax payable		**31,566**	27,557
Bank borrowings	*12*	**2,035,489**	533,264
		10,001,582	7,974,601
NET CURRENT LIABILITIES		**(741,467)**	(648,070)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,940,838**	1,839,977

	NOTES	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Amounts due to shareholders	*13*	**277,849**	191,314
Deferred income		**19,006**	19,739
Deferred tax liabilities		**16,439**	15,732
		313,294	226,785
		1,627,544	1,613,192
CAPITAL AND RESERVES			
Share capital	*14*	**5,627**	5,627
Reserves		**816,113**	788,711
Equity attributable to owners of the Company		**821,740**	794,338
Non-controlling interests		**805,804**	818,854
		1,627,544	1,613,192

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Group's principal operations are conducted in the PRC. The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

In preparing the interim financial information, the directors of the Company have given careful consideration to the future liquidity and going concern of the Group in light of the Group's current liabilities exceed its current assets by approximately RMB741 million at as 30 June 2015 (31 December 2014: RMB648 million). The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, after taking into consideration the available borrowing facilities of RMB35 million (31 December 2014: RMB93 million), estimated future cash flows of the Group and assets available to pledge for obtaining further banking facilities.

In addition, Guangxi Automobile, the ultimate holding company, has agreed to provide adequate funds to enable the Group to meet in full its financial obligations as and when they fall due in the foreseeable future.

Accordingly, the directors of the Company believe that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis without including any adjustments that would be required should the Group fail to continue as a going concern.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated interim financial information for the six months ended June 30, 2015 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 31 December 2014.

In the current interim period, the Group has applied the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA for the first time in current year.

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The directors of the Company anticipate that the application of these new and revised HKFRSs did not have any material impact on the Group's condensed consolidated interim financial information.

3. **SEGMENT INFORMATION**

The following is an analysis of the Group's revenue and results by reportable operating segments for the period under review:

	Engines and related parts *RMB'000*	Automotive components and other industrial services *RMB'000*	Specialized vehicles *RMB'000*	Others *RMB'000*	Elimination *RMB'000*	Consolidated *RMB'000*
Six months ended 30 June 2015						
REVENUE						
External sales	**1,500,443**	**4,214,940**	**1,000,831**	**61**	**–**	**6,716,275**
Inter-segment sales	**26,540**	**5,001**	**–**	**–**	**(31,541)**	**–**
Total	**1,526,983**	**4,219,941**	**1,000,831**	**61**	**(31,541)**	**6,716,275**
Segment profit (loss)	**45,086**	**103,844**	**11,162**	**(9,346)**		**150,746**
Bank interest income						**10,365**
Central administration costs						**(28,690)**
Share-based payment expenses						**(882)**
Share of results of joint ventures						**(3,463)**
Finance costs						**(34,963)**
Profit before taxation						**93,113**
Six months ended 30 June 2014						
REVENUE						
External sales	1,440,449	4,026,128	1,007,118	57	–	6,473,752
Inter-segment sales	30,869	1,929	–	–	(32,798)	–
Total	1,471,318	4,028,057	1,007,118	57	(32,798)	6,473,752
Segment profit (loss)	45,117	108,141	15,301	(2,770)		165,789
Bank interest income						12,675
Central administration costs						(26,318)
Change in fair value of derivative financial instrument						(1,282)
Impairment loss on goodwill						(5,252)
Impairment loss on prepaid lease payments						(11,450)
Share of result of joint ventures						(396)
Finance costs						(46,130)
Profit before taxation						87,636

4. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Change in fair value of derivative financial instruments	**–**	(1,282)
Loss on disposal of property, plant and equipment	**(1,314)**	(9,578)
Impairment loss on goodwill	**–**	(5,252)
Impairment loss on prepaid lease payments	**–**	(11,450)
Net exchange gain (loss)	**28**	(55)
Other gains and losses	**(1,286)**	(27,617)

5. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Tax charge represents:		
PRC Enterprise Income Tax ("EIT")		
Current period	**20,095**	21,926
Overprovision in prior years	**–**	(5,492)
	20,095	16,434
Deferred tax		
Current period	**2,098**	(771)
	22,193	15,663

The PRC

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to the tax notice, Caishui 2001 No. 202 and the Implementation Regulations of the EIT Law issued by the State Council of the PRC on 6 December 2008, the relevant state policy and the approval obtained from tax authorities in charge, all the Group's major PRC operating subsidiaries which are located in specified provinces of Western China and engaged in a specific state-encouraged industry were subject to a preferential tax rate of 15% during the period from 2001 to 2010 when the annual revenue from the encouraged business exceeded 70% of its total revenue in a fiscal year. Pursuant to Caishui 2011 No. 58 issued in 2011, such preferential tax treatment is further extended for a period of ten years from 2011 to 2020 on the condition that the enterprises are engaged in state-encouraged industries as defined under the "Catalogue of Encouraged Industries in the Western Region" (the "Catalogue"), and confirmation notice from the relevant authority on the 15% EIT rate, which for the year 2012 had been obtained by the enterprises. The Catalogue will be issued separately. In addition, with reference to the Notice 2011 No. 2 issued by Guangxi Local Tax Bureau and the local practices adopted, for the transition between Caishui 2011 No. 202 and Caishui 2011 No. 58, entities which enjoyed preferential EIT rate for the development of the western regions in Guangxi Province previously, could adopt 15% preferential tax rate when making their quarterly EIT prepayments in 2014 and 2015. The Catalogue setting out the qualifying industries has not been issued yet up to the end of the reporting period.

The EIT Law also requires withholding tax of 5% or 10% upon distribution of profits by the PRC subsidiaries since 1 January 2008 to its overseas (including Hong Kong) shareholders. In July 2013, the Group received confirmation from the relevant tax authority that it was entitled to a withholding tax rate of 5% effective from October 2009. Accordingly, the Group had accrued withholding tax at 5%.

During the period, deferred tax of RMB2,054,000 (2014: RMB3,381,000) has been provided in respect of the undistributed earnings of the Group's PRC subsidiaries and charge to profit or loss accordingly.

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

No provision for taxation has been made as the Group has no assessable profits in Hong Kong, for both periods.

6. PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Profit for the period has been arrived at after charging (crediting) the following items:		
Directors' emoluments	**1,930**	1,823
Other staff costs	**281,837**	271,590
Equity-settled share based payments	**882**	–
Retirement benefit scheme contributions, excluding directors	**57,784**	55,319
Total staff costs	**342,433**	328,732
Property rental income	**(198)**	(993)
Cost of inventories recognized as an expense	**5,987,806**	5,765,910
Depreciation of property, plant and equipment	**83,242**	85,354
Impairment loss on trade receivables	**6,650**	1,580
Release of prepaid lease payments (included in general and administrative expenses)	**4,798**	2,365
Release of premium on prepaid lease payments (included in general and administrative expenses)	**12**	12
Research and development expenses (included in general and administrative expenses)	**163,462**	104,341
Reversal of allowance for inventories, net (included in cost of sales)	**–**	(1,198)
Bank interest income	**(10,365)**	(12,675)

7. DIVIDEND

During the current interim period, a final dividend of HK0.5 cent per share in respect of the year ended 31 December 2014 (2014: HK0.5 cent per share in respect of the year ended 31 December 2013) was declared and paid to the owners of the Company. The aggregate amount of the final dividend paid in the current interim period amounted to approximately HK$7,590,000 (or equivalent to RMB5,957,000) (2014: HK$7,585,000 or equivalent to RMB6,004,000).

The directors of the Company have determined that no dividend will be paid in respect of the current interim period (2014: Nil).

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Earnings:		
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	**28,601**	32,233

	For the six months ended 30 June	
	2015	2014
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,517,993**	1,248,431
Effect of dilutive potential ordinary shares:		
Share options	**27,303**	33
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,545,296**	1,248,464

9. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Investment properties

The Group's investment properties on 30 June 2015 were fair valued by Vigers Appraisal and Consulting Limited ("Vigers"), a firm of qualified professional valuers not connected with the Group.

The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the similar locations and conditions.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

One of the key inputs used in valuing the investment properties was the price per square feet, which ranged from RMB5,952 to RMB6,089 and RMB2,035 to RMB2,520. A slight increase in the price per square feet used would result in a significant increase in fair value measurement of the respective investment property and vice versa.

The fair value hierarchy of the Group's investment properties as at 30 June 2015 and 31 December 2014 are categorized as level 3.

There were no transfers into or out of Level 3 during the period.

For the current interim period, no fair value change was recognized by the Group attributable to its investment properties in profit or loss (2014: nil).

All the Group's investment properties are situated in Hong Kong and held under long term leases.

Property, plant and equipment

During the current interim period, additions to the Group's property, plant and equipment amounted to RMB305,062,000 (2014: RMB200,009,000). In addition, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB49,636,000 (2014: RMB14,768,000) for a cash proceeds of RMB48,322,000 (2014: RMB5,190,000), resulting in a loss on disposal of RMB1,314,000 (2014: loss on disposal of RMB9,758,000).

10. TRADE AND OTHER RECEIVABLES

	notes	**At 30 June 2015** *RMB'000*	At 31 December 2014 *RMB'000*
Trade and bills receivables			
— SAIC-GM-Wuling Automobile Co., Limited ("SGMW")	*(i)*	**2,777,687**	3,266,927
— Guangxi Automobile Group	*(ii)*	**35,865**	4,281
— Guangxi Weixiang Machinery Company Limited ("Guangxi Weixiang")	*(iii)*	**8,556**	8,053
— third parties		**1,293,036**	1,147,301
		4,115,144	4,426,562
Less: Allowance for doubtful debts		**(26,957)**	(30,611)
	(iv)	**4,088,187**	4,395,951
Other receivables:			
Prepayments for expenses		**4,180**	2,324
Prepayments for purchase of raw materials	*(v)*	**243,872**	287,967
Value-added tax recoverable		**18,165**	47,057
Others		**66,391**	50,954
		332,608	388,302
Bills receivables discounted with recourse			
— third parties	*(vi)*	**1,697,542**	238,900
Total trade and other receivables		**6,118,337**	5,023,153

Notes:

(i) Guangxi Automobile has significant influence over SGMW.

(ii) Being Guangxi Automobile and its subsidiaries and associates other than the Group and SGMW (collectively referred to as the "Guangxi Automobile Group").

(iii) Guangxi Weixiang is a joint venture of the Group.

(iv) Included in the balance were amounts of RMB1,969,681,000 (2014: RMB2,732,747,000) of bills receivables.

(v) Included in the balance were amounts of RMB111,599,000 (2014: RMB198,888,000) paid to SGMW.

(vi) The amount represents bills receivables discounted to banks with recourse with a maturity period of less than 180 days (2014: less than 180 days). The Group recognizes the full amount of the discount proceeds as liabilities as stated in note 12.

The Group allows its trade customers an average credit period of 90 days to 180 days for sale of goods.

An aged analysis of trade and bills receivables (net of allowance for doubtful debts) based on the invoice date or bills issue date are presented as follows:

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
0 to 90 days	**2,950,088**	3,062,387
91 to 180 days	**1,087,568**	1,295,407
181 to 365 days	**32,112**	20,403
Over 365 days	**18,419**	17,754
	4,088,187	4,395,951

11. TRADE AND OTHER PAYABLES

	Notes	**At 30 June 2015** *RMB'000*	At 31 December 2014 *RMB'000*
Trade and bills payables:			
— SGMW		**212,711**	43,110
— Guangxi Automobile Group		**20**	51,729
— Qingdao Dianshi Motors Accessories Company Limited 青島點石汽車配件有限公司 ("Qingdao Dianshi")	*(i)*	**12,617**	2,279
— third parties		**6,839,415**	6,237,665
		7,064,763	6,334,783
Other payables and accruals	*(ii)*	**679,148**	911,583
Total trade and other payables		**7,743,911**	7,246,366

Notes:

(i) Qingdao Dianshi is a joint venture of the Group.

(ii) The amount represents receipt in advance from customers, accrued staff costs and accruals for other operating expenses, payables for acquisition of property, plant and equipment and other miscellaneous payables.

An aged analysis of trade and bills payables based on the invoice date or bills issue date is as follows:

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
0 to 90 days	**5,702,442**	4,605,521
91 to 180 days	**1,285,489**	1,655,607
181 to 365 days	**34,144**	34,443
Over 365 days	**42,688**	39,212
	7,064,763	6,334,783

12. BANK BORROWINGS

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Secured	**15,469**	184,825
Unsecured	**337,699**	110,205
	353,168	295,030
Advances drawn on bills receivable discounted with recourse *(note)*	**1,682,321**	238,234
Amount due on demand or within one year	**2,035,489**	533,264

Note: The amount represents the Group's other borrowings secured by the bills receivable discounted to banks with recourse (see note 10(vi)).

The Group's bank loans carry interest at variable market rates based on Hong Kong Inter-bank Offered Rate or the People's Bank of China Benchmark Interest Rate, ranging from 2.28% to 6.71% (2014: 2.2% to 7.22%) per annum and are repayable in installments over a period of 1 to 8 years (2014: 1 to 8 years).

13. AMOUNTS DUE TO SHAREHOLDERS/A RELATED PARTY

	Notes	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Amounts due to shareholders			
— Guangxi Automobile	*(i)*	**277,849**	191,314
— Wuling HK	*(ii)*	**7,869**	–
		285,718	191,314
Carrying amount repayable:			
On demand or within one year		**7,869**	–
More than one year, but not exceeding two years		**277,849**	191,314
		285,718	191,314
Less: Amount due within one year shown under current liabilities		**7,869**	–
Amount shown under non-current liabilities		**277,849**	191,314
Amount due to a related party	*(iii)*	**10,210**	3,235

Notes:

(i) The entire balance is unsecured and interest-free and repayable one year after the end of the reporting period.

(ii) The entire balance is unsecured, interest-bearing at 4.5% per annum.

(iii) The amount represents amount due from Jenpoint Limited ("Jenpoint"), an entity controlled by Mr. Lee Shing ("Mr. Lee"), an executive director and who has significant influence over the Company. The entire amount was interest bearing at 4.25% per annum, unsecured and repayable on demand.

14. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Authorized:		
Ordinary shares of HK$0.004 each	25,000,000,000	100,000
Convertible preference shares of HK$0.001 each	1,521,400,000	1,521
Balance at 1 January 2014, 31 December 2014 and 30 June 2015		101,521
Ordinary shares issued and fully paid:		
As at 1 January 2014	1,172,165,390	4,688
Exercise of share options	1,000,000	4
Conversion of convertible loan notes	344,827,586	1,379
As at 31 December 2014 and 30 June 2015	1,517,992,976	6,071
		RMB'000
Shown in the condensed consolidated financial statements as at:		
— 31 December 2014 and 30 June 2015		5,627

15. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by the shareholders of the Company on 28 May 2012, the Share Option Scheme with an expiry date on 27 May 2022 was adopted by the Company.

The table below discloses movement of the Company's share options held by the Group's directors and employees under the Share Option Scheme:

	Number of share options			
	Directors	Former Director *(note)*	Employees (Continuous Contracts)	Total
Outstanding at 1 January 2015	17,000,000	1,000,000	78,690,000	96,690,000
Granted during the period	–	–	13,400,000	13,400,000
Forfeited during the period	–	–	(4,100,000)	(4,100,000)
Outstanding at 30 June 2015	17,000,000	1,000,000	87,990,000	105,990,000

Note: the 1,000,000 share options were held by a former independent non-executive director who resigned on 20 March 2015.

The fair values of the share options granted during the period ended 30 June 2015 were calculated by RHL Appraisal Limited at HK$1,119,000 (equivalent to RMB882,000) using the Binominal Option Pricing pricing model which is one of the commonly used models for such purpose. The value of an option varies with different variables of certain subjective assumptions. Any changes in the variables so adopted may materially affect the estimation of the fair value of an option. The inputs into the model were as follows:

Share price	HK$0.55
Exercise price	HK$0.56
Expected volatility	48.47%
Dividend yield	0.91%
Risk-free interest rate	0.226%
Fair value per option	HK$0.0835

Expected volatility was determined by using the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

At 30 June 2015, all outstanding share options were fully vested. The Group recognised the total expense of RMB882,000 for the period ended 30 June 2015 in relation to share options granted by the Company.

Included in the share options held by the employees were 1,600,000 share options which were granted to an employee of the Company who is spouse of Mr. Lee.

Pursuant to the terms of the Share Option Scheme and upon completion of the Open Offer as defined in note 20, the exercise prices and the number of Shares entitled to be subscribed for under the outstanding share options granted had been adjusted with effect from 30 July 2015, which details were fully described in the Company's announcement dated 29 July 2015.

16. CAPITAL AND OTHER COMMITMENTS

	At 30 June 2015	At 31 December 2014
	RMB'000	*RMB'000*
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of:		
— construction in progress	**244,325**	157,700
— property, plant and equipment	**209,756**	273,465
	454,081	431,165

17. OPERATING LEASES

The Group as lessee

Minimum lease payments made under operating leases during the period was RMB22,983,000 (2014: RMB18,605,000).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	At 30 June 2015	At 31 December 2014
	RMB'000	*RMB'000*
Within one year	**16,579**	34,482
In the second to fifth year inclusive	**137**	824
	16,716	35,306

Operating lease payments represent rental payable by the Group for certain of its production facilities, office and warehouse properties with fixed monthly rentals for an average term of three years.

18. ACQUISITION OF ADDITIONAL INTERESTS IN A SUBSIDIARY

On 30 April 2015, Wuling Industrial, a non-wholly owned subsidiary of the Company acquired the remaining 49% equity interest in Liuzhou Chang-peng Automobile Parts Co. Limited ("Liuzhou Chang-peng") from Chongqing Chang-peng Industrial (Group) Co. Limited, an independent third party, at a consideration of RMB3,840,000. After the acquisition, Liuzhou Chang-peng is wholly owned by Wuling Industrial.

19. RELATED PARTY DISCLOSURES

(i) Related party transactions

Company	Relationship	Transactions	For the six months ended 30 June 2015 RMB'000	2014 RMB'000
SGMW	Related party *(note 10(i))*	Sales by the Group	**5,571,201**	4,168,039
		Purchase of materials by the Group	**999,328**	758,586
		Warranty costs incurred by the Group	**1,507**	9,067
Guangxi Automobile Group	Guangxi Automobile being substantial shareholder of the Group, and its affiliates *(note 10(ii))*	Sales of raw materials and automobile components by the Group	**115,347**	182,086
		Purchase of:		
		Automobiles component and other accessories by the Group	**47,164**	64,354
		Mini passenger buses by the Group	**125,807**	105,284
		Electronic devices and components by the Group	**5,086**	4,133
		Air-conditioning parts and accessories by the Group	**2,256**	1,993
			180,313	175,764
		License fee paid by the Group	**–**	650
		Rental expenses paid by the Group	**12,177**	13,328
		Procurement services of water and power by the Group	**–**	1,608
		Interest expenses paid by the Group on		
		— Amounts due to a shareholder *(note 13)*	**16**	2,350
		— Advances drawn on bills receivables	**10,312**	14,888
Qingdao Dianshi	Joint venture	Purchase of automobiles component and other accessories by the Group	**50,213**	31,860
Guangxi Weixiang	Joint venture	Sales of raw materials and automobile components by the Group	**24,384**	28,093
		Rental income received by the Group	**–**	792
Jenpoint	Related party *(note 13(iii))*	Interest expense paid by the Group	**160**	29

(ii) Related party balances

Details of the Group's outstanding balances with related parties are set out in notes 10, 11 and 13.

(iii) Guarantees provided

The Group's bills payables at 30 June 2015 were supported by corporate guarantee to the extent of RMB3,530,000,000 (31 December 2014: RMB3,500,000,000) given by Guangxi Automobile.

(iv) Compensation of key management personnel

The remuneration of the Group's key management in respect of the period are as follows:

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Short-term benefits	**1,807**	1,703
Post-employment benefits	**123**	120
	1,930	1,823

(v) Provision of facility

Guangxi Automobile agreed to provide a facility to the Group, whereby the Group could discount, without recourse, its bill receivables to Guangxi Automobile to the extent of RMB3,000,000,000 (2014: RMB1,000,000,000). The discounting rate was the lower of 90% of market discounting rate or a fixed rate of 3.5%. During the current interim period, the Group discounted bills receivables of RMB961,069,000 (as at 31 December 2014: RMB2,576,000,000) to Guangxi Automobile with a maturity period less than 180 days and at an average discount rate of 3.5%.

(vi) Commitments

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases with Guangxi Automobile Group which fall due as follows:

	At 30 June 2015	At 31 December 2014
	RMB'000	*RMB'000*
Within one year	**13,578**	33,069

20. EVENT AFTER THE END OF THE REPORTING PERIOD

On 30 July 2015, the Company completed an open offer of 303,598,595 offer shares at a subscription price of HK$0.7 per offer share on the basis of one offer share for every five existing shares of the Company ("Open Offer"). Details of the results of the Open Offer are disclosed in an announcement issued by the Company on 29 July 2015.

MESSAGES FROM THE BOARD OF DIRECTORS

Results and Performances

We are pleased to present the unaudited results of Wuling Motors Holdings Limited (the "Group" or "Wuling Motors") for the six months ended 30 June 2015.

The first half of 2015 was full of challenges to the automobile industry in China. In line with a continuous slowdown in the growth of the local economy, total number of motor vehicles sold in China increased moderately by 1.4% on a year-on-year basis and reached 11.85 million vehicles, which registered the lowest growth rate since 2012.

Subsequent to a rapid stage of growth in recent years which were driven by the robust economic environment and the expansionary government policies, the automobile industry had now entered into a stable stage, in which growths and demands were more originated from the composed reasons of the consumers, such as replacements, model upgrades and increases in household income. Under this market condition, during the first six months of 2015, the Group recorded total revenue of RMB6,716,275,000, representing an increase of 3.7% as compared to the corresponding period in last year.

Gross profit for the period under review was RMB728,469,000, representing an increase of 2.9%. Gradual improvement in the operations of the new facilities of the automotive components division and the foundry facilities of the engines division continued to benefit the margin performance of the Group, despite the keen competition business environment. Net profit of the Group for the first half of 2015 was RMB70,920,000, representing a slight decrease of approximately 1.5% as compared to the corresponding period in last year. Profits attributable to the owners of the Company was RMB28,601,000, representing a decrease of 11.3%. A substantial increase in the research and development expenses and an impairment loss on certain receivable balances had affected the net profit and the profits attributable to the owners of the Company for the period.

On 18 June 2015, the Company announced an open offer of not less than 303,598,595 but not more than 311,391,824 shares of the Company (the "Share") to the shareholders on the basis of one offer share for every five Shares held on 8 July 2015 at HK$0.70 per Share (the "Open Offer") , details of which were disclosed in the Company's prospectus dated 9 July 2015, in which Wuling (Hong Kong) Holdings Limited ("Wuling HK"), the controlling shareholder of the Company acted as the underwriter. According to the prospectus, net proceeds from the Open Offer was estimated to be approximately HK$210.02 million (equivalent to approximately RMB168.02 million, where the Company planned to inject cash of RMB160 million as capital on a non pro-rata basis into our non-wholly-owned subsidiary, Liuzhou Wuling Motors Industrial Company Limited ("Wuling Industrial") aiming at further strengthening the financial position of Wuling Industrial and to provide the funding for its various expansion and enhancement projects as detailed in the following sections. The Open Offer was completed on 30 July 2015 where a total number of 303,598,595 new Shares were issued by the Company, which helped to further strengthen our capital base.

Opportunities and Challenges

The economic environment in China continued to undergo certain structural adjustments during the first half of 2015. As China's economy entered the stage of new normal, it was inevitable that enterprises would face intensifying competition and new challenges in their respective industries. Adhering to our operating principles of "Pursuing Growth Amid Stability, Optimizing Business Structure, Promoting Sustainable Development", the Group focused on the enhancement of the corporate standard of quality and efficiency, promotion of business transformation, optimization of our enterprise structure, implementation of a solid growth strategy, without compromising our long-standing competitive strength of operation scalability.

During the period, in co-operation with customers and business partners, new products were unremittingly developed and launched in response to the dynamic market environment. We confidently expect some of which would become the next growth drivers of revenue of the Group in the years ahead. In addition, commencement of operations of the new production plants and other ancillary facilities, such as the completed Liuzhou Hexi Industrial Facilities, the extended Qingdao Facilities and the newly established Liudong Facilities had also provided fundamental supports for our business development. The establishment of these enhanced facilities would also ensure our competitive strength in terms of scalability and geographical locations for future business development and transformation projects. Meanwhile, in response to the specific business environment and the strategy of our key customer, the Group had initiated certain strategic changes in our business operations. In particular for our automotive components division, our business focus had been gradually shifted from a high reliance on the mini-vehicles segment to a balanced mix of contribution from the mini-vehicles and the MPVs segments. The remarkable segmental performances of the automotive components division since last year, in terms of the growth in revenue and operations, had continuously demonstrated the importance and effectiveness of this business strategy in fostering the business potential of the Group.

While the Group has been actively monitoring the changing business environment when implementing business strategies, we have never underestimated the risks associated with excessive capacities and dynamic market situations. Therefore, apart from implementing appropriate capacity expansion strategies, the Group has also undertaken quality services oriented and technical re-engineering programs to further strengthen our product quality standard and technical capability so as to stay competitive in the industry. The Group believes this combined strategy is essential for the corporate development of an enterprise in this challenging environment.

The Group is full of confidence in the long term growth potential of the China automobile industry and realizes in business, challenges and opportunities are indistinguishable to each other. An effective business model can translate challenges into opportunities, which to a great extent, relies on the determined goals and effective strategies of the enterprises.

To cope with the challenges as well as to grasp the opportunities in the automobile industry, the Group has been conscientiously undertaken the following strategies and programs:

a. Technical re-engineering projects such as the specialization programs in our engines and automotive components divisions for the purpose of implementing vertical integration of our existing products, as well as to supplying new lines of products to our core and new customers;

b. Business expansion programs aiming at other car manufacturers in China to develop a healthy diversification of businesses of our (1) engines and parts and (2) automotive components divisions;

c. Various capacity expansion programs in our automotive components and specialized vehicles divisions through the setup of the new production facilities, such as the larger projects in Liuzhou, Qingdao and Chongqing, as well as other minor scale projects, in other geographical regions to enhance productivity and to increase capacity to cope with the increasing demands coming from our core and new customers;

d. Strengthening of the technical capability through research and innovation with market oriented strategies to intensify new product development projects aiming at improving our technical know and enhancing the overall profitability of the Group; and

e. Certain upgrading and integration programs for the operations with the objective to improve efficiency and performance standard, as well as to contain cost of production in order to stay highly competitive in the market.

Outlook

The Group envisages business environment in China to be highly competitive and challenging in this year and the years ahead. Keen competitive business environment will continue to pressurize the automobile related enterprises in formulating appropriate business and market strategies responding to the dynamic market situation. Meanwhile, cyclical fluctuations in the local economy will continue to cause market sentiments to be more conservative and selective. However, being the world largest automobile market, the Group is full of confidence and considers the existing challenges can be overcome by effective strategies and will be beneficial to the industry in the long run. Despite the challenges and difficulties faced under the current market environment, the Group expects the China economy will continue to expand. Rising income of the general public attributable to the sustained economic growth will necessarily encourage demands for motor vehicles and provide promising business opportunities to the Group.

Through conscientious plans and efforts of the Group, the management is confident that our long term business potential in the China automobile industry will continue to be strengthened. With the continuous supports from Guangxi Automobile Holdings Limited ("Guangxi Automobile"), our ultimate controlling shareholder and joint venture partner, and our customers, we firmly believe the business prospect of the Group is promising and will bring rewards to our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review — By Key Business Segments

The business performance and evaluation of the Group's three main business segments namely (1) engines and parts; (2) automotive components and other industrial services; and (3) specialized vehicles for the first half of 2015 are detailed below:

Engines and Parts

Turnover (based on external sales) of the engines and parts division for the six months ended 30 June 2015 was RMB1,500,443,000, representing an increase of 4.2% as compared to the corresponding period in last year. Operating profit for the respective period was maintained at a similar level of RMB45,086,000.

Total number of engines sold by the subsidiary, Liuzhou Wuling Liuji Motors Company Limited ("Wuling Liuji"), for the first half of 2015 was approximately 250,000 units, representing a decrease of approximately 7.4% as compared to corresponding period in last year.

Despite a reduction in sale volume, sales to SGMW, our core customer, was increased to approximately RMB970,000,000 during the period, and continued to account for the majority portion of the division's revenue. The increase was mainly attributable from the mass production of NP18, the Group's first self-propriety engine for commercial passenger vehicles, which was installed in the Baojun 730 model of SGMW and had a higher selling price.

For further expansion and diversification of the Group's engines and parts businesses, Wuling Liuji has been actively pursuing projects for other automobile manufacturers over the years. Sales, primarily engine sets, to other customers amounted to approximately RMB530,000,000 for the first half of 2015, representing approximately 35.3% of the total revenue of this division.

Operating margin maintained at 3.0% as compared to the corresponding period in last year. During this period, gradual improvement of the operations of the foundry facilities since the commencement of scale operation in 2014 continued to benefit the margin performance of the division despite the tough business environment with declining orders for the engine sets. Besides, launch of the abovementioned NP18 new model with higher selling price and better profit margin also resulted in an improvement in profitability of the division.

The production capacity of Wuling Liuji for the assembly functions at present is about 800,000 units a year, whereas the foundry facilities of cylinder block and cylinder head are having a capacity of 600,000 units. Wuling Liuji will continue to monitor the growth of customers' businesses volume in order to derive an optimum capacity and utilization level for its operations.

To further expand the product range and to achieve higher technical capability, Wuling Liuji has actively undertaken research and development projects, either in house or in co-operation with other business partners, for the production of the upgraded engine products in serving the different needs of the customers. As mentioned above, Wuling Liuji has successfully launched NP18, its first engine product for the passenger vehicles, in which mass production orders from the main customer has commenced in November 2014 and accounted for a significant portion of the division's turnover for the period.

Meanwhile, Wuling Liuji is also making significant progress in our owned proprietary V6 cylinder engine products which is undertaken by a joint venture company formed with a technical partner, namely Liuzhou Lingte Motor Technology Company Limited ("Liuzhou Lingte"). Following the successful completion of the research and development of the 3.0L Advanced Model and entering into the planning stage of the production facilities by Liuzhou Lingte, on 15 April 2015, the Company announced a further capital injection of RMB49,450,000 to Liuzhou Lingte for construction of the infrastructure and the main assembly line and for funding other ongoing projects of Liuzhou Lingte. The successful development of the V6 products by Liuzhou Lingte will significantly enhance our products range and capability in the industry.

The Group remains optimistic on the business outlook of the second half of 2015 and believes our product competitiveness in the market and the gradual positive impact from the on-going research and development projects will be beneficial to the performance of this division as well as to place the Group in a better position in facing with the current keen competitive market situation.

Automotive Components and Other Industrial Services

Turnover (based on external sales) of the automotive components and other industrial services division for the six months ended 30 June 2015 was RMB4,214,940,000, representing an increase of 4.7% as compared to the corresponding period in last year. Increase in research and development expenses during the period had affected profitability, as a result, operating profit for the respective period decreased to RMB103,844,000, representing a decrease of 4.0%.

The automotive components and other industrial services division continued to be the key supplier for supplying a majority portion of the key automotive components to SGMW. Total sales to SGMW, comprised the range of products including the brake and the chassis assembly components, seat sets, various plastic and welding parts and other automotive accessories, continued to increase and accounted for approximately 77% of the total turnover for this business division. Strong demands for and the increasing market share achieved by the key products of SGMW benefited the business performance of this division during this period. The satisfactory market performance of the passenger vehicles model such as Wuling Hongguang (五菱宏光) and the Baojun series (寶駿) of SGMW essentially contributed to the business performance and provide promising business potential to this division.

Meanwhile, sales to other customers comprising specific automotive components and other industrial services amounted to approximately RMB960,000,000, which was gradually increased during the period.

During the period, operating margin was able to remain stable resulting from scale operations and the positive effects from the cost control and integration exercises, despite higher administrative costs, in particular the research and development expenses, incurred for the launches and new models and the various capacity expansion and upgrading projects.

In view of the anticipated growth of business of SGMW from the existing models and the launch of new models, the Group has been actively undertaken capacity expansion and upgrading programmes. With respect to the Qingdao region, due to the continuous increases of businesses from the major customer, the existing self-owned production facilities which were completed and fully operational in 2013 had gradually reached its full capacity level recently. Therefore, the Group has initiated further capacity expansion programme through the leasing of additional factory premises from Liuzhou Wuling commencing from January 2015. From which, the annual production capacity of the Qingdao production facilities will be gradually increased to 800,000 units of key components.

As for the Liuzhou region, the self-owned primary production base in Hexi Industrial Park, Liuzhou, with a site area of over 400,000 sqm., which is primarily for the mini- vehicles' components businesses, has been fully completed in 2014. Implementation of various relocation, integration and upgrading exercises along with the completion of this primary production base in Liuzhou has gradually given rise to a positive impact on the business performance of the division. Meanwhile, in response to the business strategy and the increasing orders of SGMW for the passenger vehicles, in particular for the sedans and MPVs, the division has recently established another production facility in the eastern district of Liuzhou ("Liudong Facilities"), which is mainly targeted at the types of sedan and MPV passenger vehicles' components businesses. Liudong Facilities, which is strategically located in adjacent to the passenger vehicles production base of SGMW, has started operation in late 2014. In view of the future demands from SGMW and other potential customers, the Group has commenced construction of the second phase development of Liudong Facilities in May 2015 to ensure adequate production capacity can be ready on a timely basis. The Group will oversee these passenger vehicles' components businesses from SGMW and will initiate appropriate plans for further expansion of this production facility in due course.

In February 2015, the Group entered into a contract to acquire a piece of industrial land with a site area of 100,000 sqm. in Chongqing as a strategic move for further expanding its production capacity in the western region of the PRC, for serving the needs of SGMW and other new customers in this particular region. Construction of the production facility has been commenced and progressed satisfactorily and the Group has already initiated appropriate business plans in co-operation with the key customer, whereas contract for purchase of the major equipment for establishing the main production line has been entered into by the Group in July 2015 and is expected to be installed in the first half of 2016.

Notwithstanding the highly competitive market condition, the Group considers the competitive strength of its key customer, SGMW, in the market on the back of its successful models and the launch of new models will continue to provide strong supports to the operation of the automotive components and other industrial services division in the second half of 2015 and the years onwards.

Specialized Vehicles

Turnover (based on external sales) of the specialized vehicles division for the six months ended 30 June 2015 was RMB1,000,831,000, maintained at a similar level as compared to the corresponding period in last year. Operating profit for the respective period was RMB11,162,000, representing a decrease of 27.1%.

During this period, the Group sold approximately 24,000 specialized vehicles, representing an increase of 9.1% as compared to the corresponding period in last year. The increase was mainly attributable to an increase in the sale volume of redecorated vans, which have a lower profit margin, whereas sale volume of other products such as mini-school buses, mini-buses and multi-purpose mini-vans, etc, were remained stable. The specialized vehicles division has been actively promote new models to expand its product range and business volume, as well as to enhancing its profitability. Amongst them, the most remarkable are the sight-seeing cars and mini-school buses, which have both successfully achieved respective prominent market share in their particular market segment.

Operating margin declined to 1.1% for the period. High portion of low margin products, market competition and increasing production costs continued to be the primary concerns for the division to tackle. Meanwhile, increasing costs of research and development and warranty incurred for the launches of new products also limited the profitability performance of this division. To enhance the profitability of this division, strategically, the Group has planned to reduce the production of the lower margin redecorated vans and mini-container wagons products so as to reserve more capacity to other more profitable models, such as the mini-school buses and sight-seeing cars as abovementioned. The Group expects the business development costs incurred for these new models will benefit the profitability performance.

At the same time, the specialized vehicles division is also undertaking certain integration programmes similar to the automotive components and other industrial services division aiming at a better control over the production and marketing which helps to promote cost effectiveness and production efficiency. Together with the undertaking of the essential research and development projects as well as the marketing programmes for new product, with specific focus on the new energy vehicles, the Group believes the division is better positioned in entering into the breakthrough stage for improving the profitability of the division.

Going forward, the specialized vehicles division will continue to undertake research and development projects for new product, technical and capability improvement with specific focus on the new energy vehicles. Whilst the Group envisages the challenges facing this division, it remains confident in the long term business potential of this business segment. With the benefits of an effective cost control programmes in production and management, the Group will take this chance to continuously consolidate its existing business and at the same time explore opportunities both locally and overseas so as to fostering the business performance to this division.

Financial Review

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Group's turnover for the six months ended 30 June 2015 was RMB6,716,275,000, representing an increase of 3.7% as compared to the corresponding period in last year. Overall, strong market presence and increasing demands to the products of our key customer ensured a steady growth of the Group in the automobile industry in China.

Gross profit for the period under review was RMB728,469,000, representing an increase of 2.9%. Increases in revenue and the gradual improvement in the operations of the new facilities of the automotive components as well as the foundry facilities of the engines division continued to benefit the margin performance of the Group, despite the keen competition business environment.

Gross margin of the Group slightly decreased to 10.8% during the period as compared to 10.9% recorded in the corresponding period in last year. The relatively low gross margin condition continued to reflect the keen competition environment in the automobile industry in China.

Net profit of the Group for the first half of 2015 was RMB70,920,000, representing a slight decrease of approximately 1.5% as compared to the corresponding period in last year. Profits attributable to the owners of the Company was RMB28,601,000, representing a decrease of 11.3%. A substantial increase in the research and development expenses and an impairment loss on certain receivable balances had affected the net profit and the profits attributable to the owners of the Company for the period.

Other income comprised primarily bank interest income, government subsidies and other services income was in aggregate RMB31,283,000 for the six months ended 30 June 2015, representing an increase of 17.6% as compared to the corresponding period in last year primarily as a result of increases in government subsidies and other services income during the period.

Other losses amounted to RMB1,286,000 in total for the six months ended 30 June 2015, which comprised primarily losses on disposals of certain fixed assets resulting from the relocation of the production facilities.

Selling and distribution costs of the Group comprised primarily transportation costs, warranty expenses and other marketing expenses were in aggregate RMB156,420,000 for the six months ended 30 June 2015, representing a decrease of 8.3% as compared to the corresponding period in last year attributable to a reduction in the transportation cost and marketing expenses.

General and administrative expenses of the Group comprised primarily salary and allowances, various insurance expenses, rental expenses and other administrative expenses were in aggregate RMB470,508,000 for the six months ended 30 June 2015, representing an increase of 17.0% as compared to the corresponding period in last year. The increase was primarily attributable to the additional research and development expenses incurred for various new projects during the period.

Research and development expenses for the six months ended 30 June 2015 amounted to RMB163,462,000, representing an substantial increase of 56.7% as compared to the corresponding period in last year. Such increase was primarily due to launches and development projects of new products undertaken by the Group. The Group will continue to prudently carry out research and development projects in accordance with the strategic plan in furthering its future business opportunities.

Finance costs for the six months ended 30 June 2015 amounted to RMB34,963,000, representing a decrease of 24.2% as compared to the corresponding period in last year, which was primarily due to lower interest rates during the period. The balances had also included the finance cost of RMB10,312,000 which were interest expenses payable to Guangxi Automobile. To contain finance costs of the Group, Guangxi Automobile provided various sources of finance to the Group through borrowings and bills discounting activities at terms favourable than the market. Due to a decline of the market interest rates, these financing arrangements had been gradually reduced during the period.

Basic earnings per share for the six months ended 30 June 2015 was RMB1.88 cents, representing a decrease of 27.1% as compared to corresponding period in last year, whereas, earnings per share on fully diluted basis was RMB1.85 cents, representing a decrease of 28.3%. The decrease was also attributable to the increase in the number of issued shares upon conversion of the convertible loan notes in May 2014.

Consolidated Statement of Financial Position

As at 30 June 2015, total assets and total liabilities of the Group stood at RMB11,942,420,000 and RMB10,314,876,000 respectively.

Non-current assets amounted to RMB2,682,305,000 comprised mainly property, plant and equipment, prepaid lease payments and deposits paid for acquisition of non-current assets, etc.

Current assets amounted to RMB9,260,115,000 comprised mainly inventories of RMB1,275,938,000, trade and other receivables of RMB6,118,337,000 (inclusive of bills receivables discounted with recourse amounting to RMB1,697,542,000), cash and bank balances (inclusive of pledged bank deposits) of RMB1,859,475,000. Amount due from SGMW, a related company and a key customer in the engines and automotive components businesses of the Group amounted to RMB2,777,687,000 was recorded as trade and other receivables in the statement of financial position. These receivables balances were subject to normal commercial settlement terms. Total cash and bank balances amounted to RMB1,859,475,000, in which RMB1,231,600,000 were pledged bank deposits to secure the banking facilities offered to the Group.

Current liabilities amounted to RMB10,001,582,000, comprised mainly trade and other payables of RMB7,743,911,000, provision for warranty of RMB172,537,000, tax payable of RMB31,566,000 and bank borrowings — due within one year of RMB2,035,489,000, which included advances drawn on bills receivables discounted with recourse of RMB1,682,321,000. The corresponding bills receivables discounted with recourse to these advances amounting to RMB1,697,542,000 were recorded as trade and other receivables which would be offset against upon maturity.

The Group recorded net current liabilities of RMB741,467,000 as at 30 June 2015, which had been increased as compared to the net current liabilities of RMB648,070,000 as at 31 December 2014.

Non-current liabilities amounted to RMB313,294,000 comprised mainly amounts due to Guangxi Automobile of RMB277,849,000, deferred income of RMB19,006,000 and deferred tax liability of RMB16,439,000.

Liquidity and Capital Structure

Net cash used in operating activities and investing activities of the Group for the six months ended 30 June 2015 were mainly satisfied by the financing activities of the Group through bills receivables discounted. As a result, the outstanding advances drawn on bills receivables discounted with recourse as at 30 June 2015 were increased to RMB1,682,321,000. The Group considers this is an effective way of financing available to the Group during the period in terms of finance cost consideration.

To contain finance costs of the Group, Guangxi Automobile provided various sources of finance to the Group through borrowings and bills discounting activities at terms favourable than the market. Due to a decline of the market interest rates, these financing arrangements had been gradually reduced during the period. Such changes had also given rise to the increase in the outstanding advances drawn on bills receivables discounted with recourse as abovementioned.

As at 30 June 2015, total cash and bank balances maintained by the Group amounted to RMB1,859,475,000, in which RMB1,231,680,000 were pledged bank deposits to secure the banking facilities offered to the Group. The substantial increase in pledged bank deposits as compared to corresponding balances as at 31 December 2014 was in line with the increase in outstanding advances drawn on bills receivables discounted with recourse as abovementioned.

The Group's bank borrowings (inclusive of advances drawn on bills receivable discounted with recourse) increased from RMB533,264,000 as at 31 December 2014 to RMB2,035,489,000 as at 30 June 2015 due to the increase in outstanding advances drawn on bills receivables discounted with recourse as abovementioned.

Bank borrowings other than advances drawn on bills receivables discounted with recourse amounted to RMB353,168,000 as at 30 June 2015, which was increased by 19.7% as compared to the corresponding balances as at 31 December 2014.

On 18 June 2015, the Company announced an open offer of not less than 303,598,595 but not more than 311,391,824 Shares to the shareholders on the basis of one offer share for every five Shares held on 8 July 2015 at HK$0.70 per Share (the "Open Offer"), details of which were disclosed in the Company's prospectus dated 9 July 2015, in which Wuling HK, the controlling shareholder of the Company acted as the underwriter. According to the prospectus, net proceeds from the Open Offer was estimated to be approximately HK$210.02 million (equivalent to approximately RMB168.02 million, where the Company planned to inject cash of RMB160 million as capital on a non pro-rata basis into our non-wholly-owned subsidiary, Wuling Industrial aiming at further strengthening its financial position and to provide the funding for its various expansion and enhancement projects. The Open Offer was completed on 30 July 2015 where a total number of 303,598,595 new Shares were issued by the Company, which helped to further strengthen our capital base.

At 30 June 2015, the Group had a gearing ratio of 21.7% calculated based on the Group's total bank borrowings (exclusive of advances drawn on bills receivables discounted with recourse) and the Group's net assets, which was increased as compared to the gearing ratio as recorded at 31 December 2014.

Issued capital maintained at RMB5,627,000 as at 30 June 2015. Total equity attributable to the shareholders of the Company, comprised primarily the share premium, PRC general reserve, contributed surplus, capital reserve, other reserves and retained profits, amounted to RMB821,740,000 as at 30 June 2015. Net asset value per share was RMB54.1 cents as at 30 June 2015.

The Company will closely monitor the financial and liquidity position of the Group, as well as the situation of the financial market from time to time in arriving at an appropriate financing strategy for the Group.

Pledge of Assets

At 30 June 2015, a property held by the Group in Hong Kong with an aggregate value of RMB4,168,000 was pledged to secure the bank loans granted to Group. Besides, bank deposits amounting to RMB1,231,680,000 and bills receivables discounted with recourse amounting to RMB1,697,542,000 were pledged to the banks mainly to secure certain banking facilities offered to the Group.

Exposure to Fluctuation in Exchange Rates

At 30 June 2015, the Group maintained foreign currency and Hong Kong dollar bank loans of an aggregate amount equivalent to RMB53,168,000, Hong Kong dollar loan from related parties and amount due to shareholder of an aggregate amount equivalent to RMB18,080,000, foreign currency and Hong Kong dollar bank deposits of an aggregate amount equivalent to RMB3,888,000, foreign currency and Hong Kong dollar trade and other receivables equivalent to RMB11,671,000, foreign currency and Hong Kong dollar trade and other payable equivalent to RMB10,997,000. In comparison with the relative size of the Group's assets, liabilities and main transactions which are denominated in RMB, the Group regarded its exposure to fluctuations in exchange rates and currencies to be minimal.

Commitments

At 30 June 2015, the Group has outstanding commitments, contracted but not provided for in the financial statements, in respect of the acquisitions of construction in progress and property, plant and equipment amounting to RMB454,081,000.

Contingent Liabilities

At 30 June 2015, the Group did not have any contingent liabilities.

INTERIM DIVIDEND

The Board did not recommend the declaration of an interim dividend for the six months ended 30 June 2015 (Period ended 30 June 2014: Nil).

PURCHASE, REDEMPTION AND SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the period ended 30 June 2015 (Period ended 30 June 2014: Nil).

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company's needs. The Company has applied the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange sets out the principles of good corporate governance and the code provisions as set out in the CG Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Own Code") on terms no less exacting than the Model Code for Securities Transaction by Directors of Listed Issuers, as amended from time to time, (the "Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Own Code and the Model Code throughout the period ended 30 June 2015.

AUDIT COMMITTEE

The Audit Committee, comprising the three independent non-executive directors, namely Mr. Ye Xiang (the Chairman), Mr. Zuo Duofu and Mr. Wang Yuben (who replaced Mr. Yu Xiumin with effect from 20 March 2015), has been established in accordance with the requirements of the CG Code, for the purpose of reviewing and providing, inter alia, supervision over the Group's financial reporting process and internal controls. The terms of reference of the Audit Committee are disclosed on the website of the Company.

At the request of the Audit Committee, the Company's auditors, Deloitte Touche Tohmatsu, had carried out a review of the unaudited interim financial information for the six months ended 30 June 2015 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The independent interim financial information for the six months ended 30 June 2015 has also been reviewed by the Audit Committee.

HUMAN RESOURCES AND REMUNERATION POLICY

At 30 June 2015, the Group had approximately 13,600 employees, including approximately 7,500 staff members and 6,100 workers. Total staff costs for the six months ended 30 June 2015 were approximately RMB342,433,000, representing an increase of approximately 4.2% as compared to the corresponding period in last year. The remuneration policy was reviewed in line with the current applicable legislation, market conditions as well as the performance of the Company and the individual.

Besides, the Remuneration Committee of the Company, comprising the three independent non-executive directors, namely Mr. Zuo Duofu (the Chairman), Mr. Ye Xiang and Mr. Wang Yuben (who replaced Mr. Yu Xiumin with effect from 20 March 2015), established under the Board, did and would also make recommendations on and give approval to the remuneration policy, structure and remuneration packages of the executive directors and the senior management. The terms of reference of the Remuneration Committee of the Company are disclosed on the website of the Company.

The Group regards human resources as an essential element for the growth of a corporation and therefore pays serious attention to its human resources management. The Group maintains a set of established and comprehensive management policy aiming at promoting common corporate goals among employees. The policy which covers the remuneration structure, training and staff development encourages healthy competitive environment which did and would bring mutual benefits to both the Group and the employees.

INTERIM REPORT

The interim report for the six months ended 30 June 2015 containing all information required by Appendix 16 of the Listing Rules will be dispatched to the shareholders of the Company and published on the website of Hong Kong Exchange and Clearing Limited at www.hkexnews.hk and the Company at www.wuling.com.hk respectively in due course.

BOARD OF DIRECTORS

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, and Ms. Liu Yaling as executive directors and Mr. Zuo Duofu, Mr. Ye Xiang and Mr. Wang Yuben as independent non-executive directors.

On behalf of the Board
Wei Hongwen
Chairman

Hong Kong, 24 August 2015