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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wuling Motors Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
WI CAPITAL INCREASE**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

 **Gram Capital Limited**
嘉林資本有限公司

Terms used in this cover shall have the same meaning as defined in this circular.

A letter from the Board is set out on pages 4 to 12 of this circular. A letter from the Independent Board Committee is set out on page 13 of this circular. A letter from Gram Capital, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 23 of this circular.

A notice convening the SGM to be held at Unit 2403, 24/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong at 11:00 a.m. on Thursday, 14 January 2016 is set out on pages 30 and 31 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

24 December 2015

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement of the Company dated 3 December 2015 in relation to the WI Capital Increase
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Wuling Motors Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Conditions Precedent”	the conditions precedent to the completion of the WI Capital Increase
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder(s)”	controlling shareholder(s) (has the same meaning ascribed to it under the Listing Rules) of the Company
“Director(s)”	the director(s) of the Company
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation licensed under the Securities and Futures Ordinance to carry out Type 6 (advising on corporate finance) regulated activities, and the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the WI Capital Increase Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Guangxi Automobile”	廣西汽車集團有限公司 (Guangxi Automobile Holdings Limited*), a wholly state-controlled enterprise established in the PRC, being the ultimate beneficial controlling Shareholder as at the Latest Practicable Date
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all of the independent non-executive Directors, namely Mr. Zuo Duofu, Mr. Ye Xiang and Mr. Wang Yuben, formed to advise the Independent Shareholders in respect of the WI Capital Increase Agreement and the transactions contemplated thereunder

DEFINITIONS

“Independent Shareholders”	the Shareholders other than Guangxi Automobile, Wuling Industrial and their respective associates
“Latest Practicable Date”	21 December 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Liuzhou Lingte Joint Venture”	柳州菱特動力科技有限公司 (Liuzhou Lingte Motor Technology Company Limited*), a company established in the PRC with limited liability
“Open Offer”	the open offer which was completed on 30 July 2015 as detailed in the Company’s prospectus dated 9 July 2015
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held on 14 January 2016 for the purpose of, among other things, approving the WI Capital Increase Agreement and the transactions contemplated thereunder by the Independent Shareholders
“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	substantial shareholder(s) (has the same meaning ascribed to it under the Listing Rules) of the Company
“WI Capital Increase”	the proposed contribution of an additional sum of RMB160,000,000 in cash by the Company to Wuling Industrial, of which RMB82,580,646 will be contributed to the registered capital of Wuling Industrial and RMB77,419,354 will be contributed to the capital reserves of Wuling Industrial

DEFINITIONS

“WI Capital Increase Agreement”	the conditional agreement dated 3 December 2015 entered into among the Company, Guangxi Automobile and Wuling Industrial in relation to the WI Capital Increase
“Wuling HK”	Wuling (Hong Kong) Holdings Limited, a company incorporated in Hong Kong with limited liability and a controlling Shareholder which was beneficially interested in approximately 56.48% of the issued share capital of the Company as at the Latest Practicable Date. It is an indirect wholly-owned subsidiary of Guangxi Automobile
“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 is a direct non-wholly owned subsidiary of the Company as at the Latest Practicable Date
“Wuling Industrial Group”	Wuling Industrial and its subsidiaries
“Wuling Motors”	Wuling Motors (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability. It is a wholly-owned subsidiary of Guangxi Automobile and the immediate holding company of Wuling HK by holding its entire issued share capital
“3.7L Advanced Model”	3.7L advanced V-type front-and rear-drive 6 cylinder petrol engine model
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	percent.

In this circular, unless otherwise specified, amounts in RMB are converted to HK\$ at the conversion rate at HK\$1.213 = RMB1.000 for illustration only. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at such rate or any other rates.

* For identification purpose only

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wei Hongwen (*Chairman*)
Mr. Lee Shing (*Vice-chairman & Chief Executive Officer*)
Mr. Sun Shaoli
Mr. Zhong Xianhua
Ms. Liu Yaling

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Independent non-executive Directors:

Mr. Zuo Duofu
Mr. Ye Xiang
Mr. Wang Yuben

*Head office and principal place
of business in Hong Kong:*

Unit 2403, 24/F
Great Eagle Centre
23 Harbour Road
Wanchai, Hong Kong

24 December 2015

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
WI CAPITAL INCREASE**

INTRODUCTION

Reference is made to the Announcement in relation to the WI Capital Increase.

Pursuant to the WI Capital Increase Agreement entered into by the parties thereto on 3 December 2015, the Company and Guangxi Automobile have conditionally agreed to the WI Capital Increase for the Company to contribute an additional sum of RMB160,000,000 (equivalent to approximately HK\$194,080,000) in cash for the WI Capital Increase, of which RMB82,580,646 (equivalent to approximately HK\$100,170,320) will be contributed to the registered capital of Wuling Industrial and RMB77,419,354 (equivalent to approximately HK\$93,909,680) will be contributed to the capital reserves of Wuling Industrial. The WI Capital Increase which involves a total amount of RMB160,000,000 (equivalent to approximately HK\$194,080,000) will be contributed by the Company by cash. Upon completion of the WI Capital Increase, the equity interests of the Company in Wuling Industrial on an enlarged basis will be increased to 54.86% and the remaining 45.14% will be owned by Guangxi Automobile. As detailed in the following paragraph headed "Implications of the Listing Rules", the execution of the WI Capital Increase Agreement by the Company,

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Guangxi Automobile and Wuling Industrial, together with the transactions contemplated thereunder, constitutes a discloseable and non-exempt connected transaction for the Company which is subject to requirements of reporting, announcement and approval of the Independent Shareholders at the SGM by way of poll pursuant to Chapter 14A of the Listing Rules. In view of their interests in the WI Capital Increase Agreement, Guangxi Automobile and Wuling Industrial and their respective associates will abstain from voting on the relevant resolution in relation to the WI Capital Increase Agreement and the transactions contemplated thereunder at the SGM.

The purpose of this circular is to provide you with, among other things, (i) details of the WI Capital Increase Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Board Committee to the Independent Shareholders giving its recommendations in relation to the WI Capital Increase; (iii) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders containing its advice and recommendations on the WI Capital Increase; (iv) other information on the Group; and (v) the notice of the SGM.

WI CAPITAL INCREASE AGREEMENT

Date:

3 December 2015

Parties to the WI Capital Increase Agreement:

1. the Company;
2. Guangxi Automobile; and
3. Wuling Industrial.

As at the Latest Practicable Date, Guangxi Automobile owns all issued shares of Wuling HK, the controlling Shareholder which is currently interested in approximately 56.48% of the total issued share capital of the Company. Further, as at the Latest Practicable Date, Guangxi Automobile owns approximately 49.02% equity interest in Wuling Industrial, a direct non-wholly owned subsidiary of the Company. Accordingly, Guangxi Automobile, Wuling HK and Wuling Industrial are connected persons of the Company under the Listing Rules.

WI Capital Increase and payment terms:

The existing registered capital amounting to RMB960,000,000 (equivalent to approximately HK\$1,164,480,000) of Wuling Industrial, a limited company established in the PRC, is currently owned as to approximately 50.98% by the Company and as to approximately 49.02% by Guangxi Automobile. Pursuant to the WI Capital Increase Agreement, the Company agreed to contribute an additional sum of RMB160,000,000 (equivalent to approximately HK\$194,080,000) in cash for the WI Capital Increase, of which RMB82,580,646 (equivalent to

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approximately HK\$100,170,320) will be contributed to the registered capital of Wuling Industrial and the remaining balance of RMB77,419,354 (equivalent to approximately HK\$93,909,680) will be contributed to the capital reserves of Wuling Industrial.

As Guangxi Automobile will not make additional contribution to Wuling Industrial, the capital injection by the Company is on a non pro-rata basis. As a result of the WI Capital Increase, the registered capital of Wuling Industrial will be increased by RMB82,580,646 (equivalent to approximately HK\$100,170,320) from RMB960,000,000 (equivalent to approximately HK\$1,164,480,000) to RMB1,042,580,646 (equivalent to approximately HK\$1,264,650,320). Upon completion of the WI Capital Increase, the registered capital of Wuling Industrial will be increased by approximately 8.6022% and the Company's equity interest in Wuling Industrial on an enlarged basis will be increased to approximately 54.86% and the remaining 45.14% will be owned by Guangxi Automobile.

The basis of the determination of the increase in the registered capital of Wuling Industrial from the WI Capital Increase was arrived at after arm's length negotiation between the Company and Guangxi Automobile with reference to an agreed valuation of approximately RMB1,860,000,000 (equivalent to approximately HK\$2,256,180,000) of Wuling Industrial, which was derived from: (i) the unaudited consolidated net assets of the Wuling Industrial Group attributable to the shareholders of Wuling Industrial of approximately RMB1,650,001,000 (equivalent to approximately HK\$2,001,451,210) as of 30 June 2015; and (ii) the appraised values of certain non-current assets (including land use rights, properties and mold and tools) of Wuling Industrial Group, in which an aggregate appraised premium of approximately RMB210,280,000 (equivalent to approximately HK\$255,069,640) was assessed as of 30 June 2015 according to the asset appraisal report (the "**Asset Appraisal Report**") issued by Beijing Pan-China Assets Appraisal Co., Ltd (北京天健興業資產評估有限公司), being an independent valuer (the "**Valuer**"). The appraised premium of approximately RMB210 million represents the difference between the book values and market values of the appraised assets and is mainly composed of a premium of approximately RMB87 million for mold and tools and approximately RMB123 million for land use rights and properties held by Wuling Industrial or its wholly-owned subsidiaries. According to the Asset Appraisal Report, the Valuer adopted: (i) cost approach for valuing the mold and tools and the properties for industrial use; (ii) market approach for valuing the commodity properties for office use; and (iii) market approach and benchmark land price coefficient modification method (基準地價系數修正法) for valuing the land use rights. The reference date of the valuation of the Asset Appraisal Report was 30 June 2015 and general assumptions in respect of the existence of open market and on-going operation and usage were adopted by the Valuer.

Subject to fulfillment of the conditions precedent as set forth in the paragraph headed "Conditions Precedent" below in full, the Company will pay in full its contributions towards the WI Capital Increase within 45 days from the date of the relevant approvals relating to the WI Capital Increase granted to Wuling Industrial by the relevant government authorities of the PRC. The Company will finance its contribution towards the WI Capital Increase from the net proceeds from the open offer which was completed on 30 July 2015 as detailed in the Company's prospectus dated 9 July 2015 and the Company's announcement dated 29 July 2015 (the "**Open Offer**").

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Conditions Precedent:

Completion of the WI Capital Increase Agreement is conditional upon the following conditions precedent:

- (a) all permissions and approvals in respect of the WI Capital Increase having been obtained from 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) and other relevant PRC governmental authorities;
- (b) the passing of a resolution to approve the WI Capital Increase Agreement and the transactions contemplated thereunder at the SGM by the Independent Shareholders; and
- (c) the WI Capital Increase having been unanimously approved by the board of directors of Wuling Industrial, and having been reported to and registered with the relevant government authorities in the PRC.

None of the above conditions precedent can be waived. If the conditions precedent are not satisfied in full on or before 31 January 2016 or such later date as the parties to the WI Capital Increase Agreement may otherwise agree, the WI Capital Increase Agreement will lapse, and none of the parties thereto shall have any claim against the others in respect of the WI Capital Increase Agreement and the transactions contemplated thereunder.

Others:

Subject to applicable PRC laws and regulations, each of the Company and Guangxi Automobile may transfer all or part of its equity interest in, and contribution to the registered capital of, Wuling Industrial to the other or to any third party(ies). Each of the Company and Guangxi Automobile will have the first right of refusal to acquire the other's equity interest in, and contribution to the registered capital of, Wuling Industrial in the event of any proposed transfer by the other party.

INFORMATION ON WULING INDUSTRIAL

Wuling Industrial was established on 30 October 2006 as a state-owned company in the PRC. It has been converted into a sino-foreign joint venture since 17 August 2007 and is currently owned as to approximately 50.98% by the Company and as to approximately 49.02% by Guangxi Automobile. Wuling Industrial and its subsidiaries are principally engaged in the manufacturing and trading of engines and parts, automotive components and accessories, specialised vehicles and the trading of raw materials, water and power supply services in the PRC.

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Set out below is the net profit before and after taxation and extraordinary items of the Wuling Industrial Group for the years ended 31 December 2013 and 2014:

	For the year ended 31 December 2013	For the year ended 31 December 2014
Profit before tax	Approximately RMB151,068,000 (equivalent to approximately HK\$183,245,480)	Approximately RMB162,241,000 (equivalent to approximately HK\$196,798,330)
Profit after tax	Approximately RMB113,883,000 (equivalent to approximately HK\$138,140,080)	Approximately RMB131,669,000 (equivalent to approximately HK\$159,714,500)

The consolidated net assets of the Wuling Industrial Group attributable to the shareholders of Wuling Industrial as at 31 December 2014 was approximately RMB1,654,917,000 (equivalent to approximately HK\$2,007,414,320). The unaudited consolidated net assets of the Wuling Industrial Group attributable to the shareholders of Wuling Industrial as at 30 June 2015 was approximately RMB1,650,001,000 (equivalent to approximately HK\$2,001,451,210).

Set out below are the registered share capital and the shareholding structure of the Wuling Industrial before and after the completion of the WI Capital Increase:

	As at the Latest Practicable Date		Upon completion of the WI Capital Increase	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
The Company	489,390,000	50.98	571,970,646	54.86
Guangxi Automobile	<u>470,610,000</u>	<u>49.02</u>	<u>470,610,000</u>	<u>45.14</u>
	<u>960,000,000</u>	<u>100.00</u>	<u>1,042,580,646</u>	<u>100.00</u>

INFORMATION ON GUANGXI AUTOMOBILE

Guangxi Automobile, through its direct and indirect wholly owned subsidiaries, namely Wuling Motors and Wuling HK, is currently interested in 1,028,846,806 Shares, representing approximately 56.48% of the total issued share capital of the Company, and is the ultimate controlling shareholder of the Company as at the Latest Practicable Date. Guangxi Automobile is currently a state-controlled company established in the PRC with the State-owned Assets Supervision and Administration Commission of the People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府國有資產監督管理委員會) being the registered shareholder empowered by the People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府). Guangxi Automobile, together with its subsidiaries, including the Group, is mainly engaged in the trading, manufacturing and design of (i) various types of vehicles, primarily passenger coaches and mini-buses, automotive components and accessories; (ii) various types of machinery, molds and tools for production of automobiles, engines, and other relevant parts; (iii) the provision of related services, including the technical advisory,

LETTER FROM THE BOARD

information, production, after sales services and the supply of power and water services, etc, in relation to the aforementioned products and equipment; and (iv) rental of property and other related services.

REASONS FOR THE WI CAPITAL INCREASE

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.

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\$143,130). As disclosed in the section headed "Chairman's Statement" of the annual report of the Company for the financial year ended 31 December 2014, 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. As at the date of this circular, the Company has no present intention to conduct any fund raising. To keep pace with the customer demands 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 WI Capital Increase will increase the Company's shareholding interest in Wuling Industrial, strengthen the financial position of the Wuling Industrial and provide funding for the Wuling Industrial 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 of the Company for the financial year ended 31 December 2014 and the announcements published by the Company dated 11 February 2015, 15 April 2015, 11 May 2015, 28 May 2015 and 14 July 2015.

The Company intends to utilize RMB160,000,000 (equivalent to approximately HK\$194,080,000) out of the proceeds of the Open Offer for the purpose of the WI Capital Increase.

As stated in the Company's prospectus dated 9 July 2015, the Company intended to apply, via Wuling Industrial, the proposed capital contribution of RMB160,000,000 (equivalent to approximately HK\$194,080,000) as to (i) RMB50,000,000 (equivalent to approximately HK\$60,650,000) for the settlement of consideration for the construction of the second phase development of the industrial site owned by Liuzhou Zhuotong (the "**Liuzhou Industrial Site**") as detailed in the announcement of the Company dated 11 May 2015; (ii) RMB34,615,000 (equivalent to approximately HK\$41,987,995) for the settlement of the capital injection of Liuzhou Lingte Joint Venture (the "**Lingte JV Capital Injection**"). The Liuzhou

LETTER FROM THE BOARD

Lingte Joint Venture is principally engaged in the research and development and sale of engines and related components and provision of related services. The capital injection of Liuzhou Lingte Joint Venture is intended to be used for construction of the infrastructure and main assembly line of the Liuzhou Lingte Joint Venture, as well as funding towards the research and development of the 3.7L Advanced Model, details of which are set out in the announcements of the Company dated 15 April 2015 and 28 May 2015; and (iii) the remaining balance for the establishment of new production facilities in Chongqing with a site area of approximately 100,069 square meters (the “**Chongqing Production Facilities**”) as detailed in the announcement of the Company dated 11 February 2015.

As at the Latest Practicable Date, the aforementioned projects had several recent developments: (i) for the Liuzhou Industrial Site, the second phase industrial site has commenced partial production and it is expected that full production will commence around June 2016; (ii) for the Lingte JV Capital Injection, it is currently expected completion of the remaining balances of the capital injection will take place in or about August 2016; and (iii) for the Chongqing Production Facilities, the first development phase has completed and production has commenced while the second development phase of which is in design stage.

As of the Latest Practicable Date, Wuling Industrial has utilized its internal resources of an aggregate sum of approximately RMB55,788,500 (equivalent to approximately HK\$67,671,450) as to (i) RMB32,100,000 (equivalent to approximately HK\$38,937,300) for the partial settlement of the consideration of the Liuzhou Industrial Site; and (ii) RMB23,688,500 (equivalent to approximately HK\$28,734,150) for the Chongqing Production Facilities. Therefore, upon completion of the WI Capital Increase, the proposed capital contribution of RMB160,000,000 would be applied as to (i) RMB17,900,000 (equivalent to approximately HK\$21,712,700) for settlement of remaining consideration for the Liuzhou Industrial Site; (ii) RMB34,615,000 (equivalent to approximately HK\$41,987,995) for settlement of consideration for the Lingte JV Capital Injection; and (iii) the remaining balance of RMB107,485,000 (equivalent to approximately HK\$130,379,305) for establishing the Chongqing Production Facilities (including capital expenditure on purchasing equipment, setting up production lines and renovation) and general working capital for Wuling Industrial.

IMPLICATIONS OF THE LISTING RULES

Guangxi Automobile is the ultimate holding company of Wuling HK which holds 1,028,846,806 Shares, representing approximately 56.48% of the issued share capital of the Company. Thus Guangxi Automobile is regarded as a connected person of the Company under the Listing Rules. In addition, Guangxi Automobile owns approximately 49.02% equity interest in Wuling Industrial, a direct non-wholly owned subsidiary of the Company. Therefore Wuling Industrial is also regarded as a connected person of the Company under the Listing Rules. Since one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) is more than 5% and all of the applicable percentage ratios are less than 25% and the total contribution to be made by the Company towards the WI Capital Increase is more than HK\$10,000,000, the WI Capital Increase contemplated under the WI Capital Increase Agreement constitutes a discloseable transaction and a non-exempt connected transaction for

LETTER FROM THE BOARD

the Company is subject to the requirements of reporting, announcement and approval of the Independent Shareholders at the SGM by way of poll pursuant to Chapter 14A of the Listing Rules.

In view of their interests in the WI Capital Increase Agreement, Guangxi Automobile, Wuling Industrial and their respective associates will abstain from voting on the relevant resolution in relation to the WI Capital Increase Agreement and the transactions contemplated thereunder at the SGM. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, other than Guangxi Automobile, Wuling Industrial and their respective associates, no Shareholder is required to abstain from voting on the resolution to be proposed at the SGM to approve the WI Capital Increase Agreement and the transactions contemplated thereunder.

Messrs. Wei Hongwen, Sun Shaoli and Zhong Xianhua who are the executive Directors of the Company, and also the directors or senior management of Guangxi Automobile and/or its associates have abstained from voting on the related Board resolutions to approve the WI Capital Increase Agreement and the transactions contemplated thereunder.

SGM

A notice convening the SGM to be held at Unit 2403, 24/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong at 11:00 a.m. on Thursday, 14 January 2016, at which an ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, to approve the WI Capital Increase Agreement and the transactions contemplated thereunder, is set out on pages 30 and 31 of this circular.

A form of proxy for use in the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same at the office of the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

The ordinary resolution as set out in the notice of the SGM will be put to the vote of the Independent Shareholders by poll. An announcement will be made by the Company following the conclusion of the SGM to inform you of its results.

RECOMMENDATION

The Independent Board Committee comprising Mr. Zuo Duofu, Mr. Ye Xiang and Mr. Wang Yuben, being all independent non-executive Directors, has been formed to advise the Independent Shareholders as to the fairness and the reasonableness of the terms of the WI Capital Increase Agreement and the transactions contemplated thereunder and as to how to vote at the SGM. Gram Capital has been appointed to give its advice and recommendations to the Independent Board Committee and the Independent Shareholders in this regard. The letters

LETTER FROM THE BOARD

from the Independent Board Committee and Gram Capital are set out on page 13 and pages 14 to 23 of this circular respectively. You are advised to read the letters carefully before making your voting decision.

The Independent Board Committee, after taking into account the advice and recommendations of Gram Capital, considers that the terms of the WI Capital Increase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the SGM to approve the WI Capital Increase Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information on the Group set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board of
Wuling Motors Holdings Limited
Wei Hongwen
Chairman



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)

24 December 2015

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
WI CAPITAL INCREASE**

We refer to the circular of the Company dated 24 December 2015 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We, being the independent non-executive Directors, have been appointed by the Company as members of the Independent Board Committee to advise the Independent Shareholders on the fairness and reasonableness of the terms of the WI Capital Increase Agreement and the transactions contemplated thereunder (i.e. the WI Capital Increase). Gram Capital has been appointed to advise the Independent Shareholders and us in this regard. Details of the advice and recommendations from Gram Capital, together with the principal factors and reasons taken into consideration by it in arriving at such advice and recommendations, are set out in the “Letter from Gram Capital” on pages 14 to 23 of the Circular.

Having taken into account the terms of the WI Capital Increase Agreement and the transactions contemplated thereunder, and the advice and recommendations of Gram Capital, we are of the opinion that the WI Capital Increase Agreement and the transactions contemplated thereunder (i.e. the WI Capital Increase) are on normal commercial terms and, although not in the ordinary and usual course of business of the Company, fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the WI Capital Increase Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the

Independent Board Committee

Mr. Zuo Duofu Mr. Ye Xiang Mr. Wang Yuben

Independent non-executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the WI Capital Increase for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road
Central
Hong Kong

24 December 2015

*To: The independent board committee and the independent shareholders
of Wuling Motors Holdings Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO WI CAPITAL INCREASE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders (the “**Independent Shareholders**”) in respect of the WI Capital Increase, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 24 December 2015 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 3 December 2015, the Company, Guangxi Automobile and Wuling Industrial entered into the WI Capital Increase Agreement, pursuant to which the Company and Guangxi Automobile have conditionally agreed to the WI Capital Increase for the Company to contribute an additional sum of RMB160,000,000 (equivalent to approximately HK\$194,080,000) in cash for the WI Capital Increase. Upon completion of the WI Capital Increase (“**Completion**”), the equity interests of the Company in Wuling Industrial on an enlarged basis will be increased to 54.86% and the remaining 45.14% will be owned by Guangxi Automobile.

With reference to the Board Letter, Wuling Industrial is regarded as a connected person of the Company under the Listing Rules. Since one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) is more than 5% and all of the applicable percentage ratios are less than 25% and the total contribution to be made by the Company towards the WI Capital Increase is more than HK\$10,000,000, the WI Capital Increase contemplated under the WI Capital Increase Agreement constitutes a discloseable transaction and a non-exempt connected transaction for the Company which is subject to the requirements of reporting,

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announcement and approval of the Independent Shareholders at the SGM by way of poll pursuant to Chapter 14A of the Listing Rules. In view of their interests in the WI Capital Increase Agreement, Guangxi Automobile, Wuling Industrial and their respective associates will abstain from voting on the resolution in relation to the WI Capital Increase Agreement and the transactions contemplated thereunder at the SGM.

The Independent Board Committee comprising Mr. Zuo Duofu, Mr. Ye Xiang and Mr. Wang Yuben (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the WI Capital Increase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the WI Capital Increase is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the WI Capital Increase Agreement and the transactions contemplated thereunder at the SGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the WI Capital Increase. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Group or Wuling Industrial, and we have not been furnished with any such evaluation or appraisal, save as and except for the asset appraisal report (the "**Appraisal Report**") on certain non-current assets of Wuling Industrial Group as of 30 June 2015 issued by Beijing Pan-China Assets Appraisal Co., Ltd. (北京天健興業資產評估有限公司), being an independent valuer (the "**Valuer**"). Since we are not experts in the valuation of assets, we have relied solely upon the Appraisal Report for the appraised value of certain non-current assets of Wuling Industrial Group as of 30 June 2015 (the "**Appraised Value**").

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The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Wuling Industrial, Guangxi Automobile or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the WI Capital Increase. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the WI Capital Increase, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the WI Capital Increase

Business overview of the Group

With reference to the Board Letter, the Company, through Wuling Industrial and its subsidiaries, is principally engaged in the 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.

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Set out below are the audited consolidated financial results of the Group for the six months ended 30 June 2015 and for the two years ended 31 December 2014 as extracted from the Company's interim report for the six months ended 30 June 2015 (the "2015 Interim Report") and annual report for the year ended 31 December 2014 (the "2014 Annual Report"):

	For the six months ended 30 June 2015 <i>RMB'000</i> (unaudited)	For the year ended 31 December 2014 <i>RMB'000</i> (audited)	For the year ended 31 December 2013 <i>RMB'000</i> (audited)	% change from 2013 to 2014
Revenue	6,716,275	12,138,662	12,037,324	0.84
Gross Profit	728,469	1,373,721	1,259,449	9.07
Profit for the period/year	70,920	108,417	106,034	2.25
Profit for the period/year attributable to owners of the Company	28,601	49,443	50,528	(2.15)

As depicted by the above table, the Group recorded a slight increase in revenue of approximately 0.84% from approximately RMB12.04 billion for the year ended 31 December 2013 to approximately RMB12.14 billion for the year ended 31 December 2014. With reference to the 2015 Interim Report, the strong market presence and increasing demands to the products of the Company's key customer have ensured a steady growth of the Group in the automobile industry in the PRC. Also, despite the keen competition business environment, the 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 performance of the Group. The gross profit has increased substantially by approximately 9.07% from approximately RMB1.26 billion for the year ended 31 December 2013 to approximately RMB1.37 billion for the year ended 31 December 2014.

With reference to the 2015 Interim Report, the Group envisages business environment in the PRC to be highly competitive and challenging now 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. Despite the challenges and difficulties faced under the current market environment, the Group expects the PRC 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 business opportunities to the Group. The management of the Group is confident that the long term business potential of the Group in the PRC automobile industry will continue to be strengthened through conscientious plans and efforts.

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Information on Wuling Industrial

With reference to the Board Letter, Wuling Industrial was established on 30 October 2006 as a state-owned company in the PRC. It has been converted into a sino-foreign joint venture since 17 August 2007 and is currently owned as to approximately 50.98% by the Company and as to approximately 49.02% by Guangxi Automobile. Wuling Industrial and its subsidiaries are principally engaged in the manufacturing and trading of engines and parts, automotive components and accessories, specialised vehicles and the trading of raw materials, water and power supply services in the PRC.

Set out below is the net profit before and after taxation and extraordinary items of the Wuling Industrial Group for the years ended 31 December 2013 and 2014:

	For the year ended 31 December 2014	For the year ended 31 December 2013
Profit before tax	Approximately RMB162,241,000 (equivalent to approximately HK\$196,798,330)	Approximately RMB151,068,000 (equivalent to approximately HK\$183,245,480)
Profit after tax	Approximately RMB131,669,000 (equivalent to approximately HK\$159,714,500)	Approximately RMB113,883,000 (equivalent to approximately HK\$138,140,080)

Reasons for the WI Capital Increase

With reference to the Board Letter, 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\$143,130). As disclosed in the section headed "Chairman's Statement" of the annual report of the Company for the financial year ended 31 December 2014, 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 customer demands 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 WI Capital Increase will increase the Company's shareholding interest in Wuling Industrial, strengthen the financial position of the Wuling Industrial and provide funding for the Wuling Industrial 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

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Industrial, are set out in the 2014 Annual Report and the announcements published by the Company dated 11 February 2015, 15 April 2015, 11 May 2015, 28 May 2015 and 14 July 2015.

The Company intends to utilize RMB160,000,000 (equivalent to approximately HK\$194,080,000) out of the proceeds of the Open Offer for the purpose of the WI Capital Increase.

As stated in the Company's prospectus dated 9 July 2015, the Company intended to apply, via Wuling Industrial, the proposed capital contribution of RMB160,000,000 (equivalent to approximately HK\$194,080,000) as to (i) RMB50,000,000 (equivalent to approximately HK\$60,650,000) for the settlement of consideration for the master construction agreement in relation to the construction of the Liuzhou Industrial Site; (ii) RMB34,615,000 (equivalent to approximately HK\$41,987,995) for the settlement of the capital injection of Liuzhou Lingte Joint Venture. The Liuzhou Lingte Joint Venture is principally engaged in the research and development and sale of engines and related components and provision of related services. The capital injection of Liuzhou Lingte Joint Venture is intended to be used for construction of the infrastructure and main assembly line of the Liuzhou Lingte Joint Venture, as well as funding towards the research and development of the 3.7L Advanced Model; and (iii) the remaining balance for the establishment of the Chongqing Production Facilities.

As of the Latest Practicable Date, Wuling Industrial has utilized its internal resources of an aggregate sum of approximately RMB55,788,500 (equivalent to approximately HK\$67,671,450) as to (i) RMB32,100,000 (equivalent to approximately HK\$38,937,300) for the partial settlement of the consideration of the Liuzhou Industrial Site; and (ii) RMB23,688,500 (equivalent to approximately HK\$28,734,150) for the Chongqing Production Facilities. Therefore, upon Completion, the proposed capital contribution of RMB160,000,000 would be applied as to (i) RMB17,900,000 (equivalent to approximately HK\$21,712,700) for settlement of remaining consideration for the Liuzhou Industrial Site; (ii) RMB34,615,000 (equivalent to approximately HK\$41,987,995) for settlement of consideration for the Lingte JV Capital Injection; and (iii) the remaining balance of RMB107,485,000 (equivalent to approximately HK\$130,379,305) for establishing the Chongqing Production Facilities (including capital expenditure on purchasing equipment, setting up production lines and renovation) and general working capital for Wuling Industrial.

Given that (i) the WI Capital Increase is in line with the Group's development strategies and the intended use of proceeds of the Open Offer; and (ii) the capital contribution will contribute to the development of Wuling Industrial, we concur with the Directors that the WI Capital Increase is in the interests of the Group and the Shareholders as a whole.

2. Principal terms of the WI Capital Increase Agreement

Date:

3 December 2015

Parties:

- (i) the Company;
- (ii) Guangxi Automobile; and
- (iii) Wuling Industrial

WI Capital Increase and payment terms

The existing registered capital of Wuling Industrial, a limited company established in the PRC, is currently owned as to approximately 50.98% by the Company and as to approximately 49.02% by Guangxi Automobile.

Pursuant to the WI Capital Increase Agreement, the Company agreed to contribute an additional sum of RMB160,000,000 (equivalent to approximately HK\$194,080,000) in cash for the WI Capital Increase, of which RMB82,580,646 (equivalent to approximately HK\$100,170,320) will be contributed to the registered capital of Wuling Industrial (the “**Contributed Registered Capital**”) and the remaining balance of RMB77,419,354 (equivalent to approximately HK\$93,909,680) will be contributed to the capital reserves of Wuling Industrial.

As Guangxi Automobile will not make additional contribution to Wuling Industrial, the capital injection by the Company is on a non pro-rata basis. As a result of the WI Capital Increase, the registered capital of Wuling Industrial will be increased by RMB82,580,646 (equivalent to approximately HK\$100,170,320) from RMB960,000,000 (equivalent to approximately HK\$1,164,480,000) (the “**Existing Registered Capital**”) to RMB1,042,580,646 (equivalent to approximately HK\$1,264,650,320). The Contributed Registered Capital represents approximately 8.6022% of the Existing Registered Capital. Upon Completion, the Company’s equity interest in Wuling Industrial on an enlarged basis will be increased to approximately 54.86% and the remaining 45.14% will be owned by Guangxi Automobile.

Subject to fulfilment of the conditions precedent as set forth in the section headed “Conditions Precedent” of the Board Letter, the Company will pay in full its contributions towards the WI Capital Increase within 45 days from the date of the relevant approvals relating to the WI Capital Increase granted to Wuling Industrial by the relevant government authorities of the PRC. The Company will finance its contribution towards the WI Capital Increase from the net proceeds from the Open Offer which was completed on 30 July 2015.

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Basis for determining of WI Capital Increase

With reference to the Board Letter, the basis of the determination of the increase in the registered capital of Wuling Industrial from the WI Capital Increase was arrived at after arm's length negotiation between the Company and Guangxi Automobile with reference to an agreed valuation of approximately RMB1,860,000,000 (equivalent to approximately HK\$2,256,180,000) of Wuling Industrial (the "**Agreed Valuation**"), which was derived from: (i) the unaudited consolidated net assets of the Wuling Industrial Group attributable to the shareholders of Wuling Industrial (the "**WI Net Assets**") of approximately RMB1,650,001,000 (equivalent to approximately HK\$2,001,451,210) as of 30 June 2015; and (ii) the appraised values of certain non-current assets of Wuling Industrial Group, in which an aggregate appraised premium (the "**Appraised Premium**") of approximately RMB210,280,000 (equivalent to approximately HK\$255,069,640) was assessed as of 30 June 2015 according to the Appraisal Report issued by the Valuer.

We noted from the Appraisal Report that the non-current assets of Wuling Industrial Group under appraisal include land use rights, properties and mold and tools.

For our due diligence purpose, we have reviewed the Appraisal Report and enquired into the Valuer on the methodology, basis and assumptions adopted in arriving at the Appraised Value in order for us to understand the Appraisal Report. In preparing the Appraisal Report, the Valuer has adopted:

- (i) cost approach for the appraisal of properties for industrial use and mold and tools given that there is no comparable market transactions identified and identifiable income stream of such assets;
- (ii) market approach for the appraisal of commodity properties (外購商品房) for office use as there are comparable transactions identified by the Valuer; and
- (iii) market approach and benchmark land price coefficient modification method (基準地價系數修正法) for the appraisal of land use rights, based on the development conditions of the local property market and nature/characteristics, which comply with 《城鎮土地估價規程》 (Regulations for valuation on urban land).

We understand from the Valuer that they have considered the nature/characteristics of the subject assets before selecting their respective valuation approaches and such valuation approaches are commonly adopted for valuation of assets in similar nature. Accordingly, we consider that the Appraisal Report is sufficient for us to assess the basis of the determination of the increase in the registered capital of Wuling Industrial from the WI Capital Increase and we have not considered other valuation methodology in this regard.

Moreover, we have interviewed the Valuer as to its qualifications, expertise and independence to the Company, Wuling Industrial Group, Guangxi Automobile and their respective connected persons and we have reviewed their terms of engagement. During

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our discussion with the Valuer, we have not identified any major factors which caused us to doubt the fairness and reasonableness of the principal bases and assumptions adopted for the Appraisal Report.

According to the Appraisal Report, the Appraised Premium (which is the premium of the Appraised Value over the WI Net Assets) was approximately RMB210,280,000 (equivalent to approximately HK\$255,069,640) as of 30 June 2015. Together with the WI Net Assets of approximately RMB1,650,001,000 (equivalent to approximately HK\$2,001,451,210) as at 30 June 2015, the Agreed Valuation would be approximately RMB1,860,000,000 (equivalent to approximately HK\$2,256,180,000).

Given that (i) the Contributed Registered Capital represents approximately 8.6022% of the Existing Registered Capital; and (ii) the WI Capital Increase of RMB160,000,000 (equivalent to approximately HK\$194,080,000) represents approximately 8.6022% of the Agreed Valuation, we are of the view that the amount of WI Capital Increase is fair and reasonable so far as the Independent Shareholders are concerned.

Other terms of the WI Capital Increase Agreement are set out in the section headed “WI Capital Increase Agreement” in the Board Letter.

Having considered the principal terms of the WI Capital Increase Agreement, we are of the opinion that the terms of the WI Capital Increase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

3. Possible financial effects of the WI Capital Increase

Effect on net asset value

Based on the 2015 Interim Report, the unaudited consolidated net asset value (“NAV”) of the Group was approximately RMB1.63 billion as at 30 June 2015. The Directors expect that the WI Capital Increase would not have material impact on the NAV of the Group.

Effect on earnings

Taking into account the financial performance of Wuling Industrial, the Directors expected that the WI Capital Increase would likely to have a positive impact on the future earnings of the Group.

It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon Completion.

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RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the WI Capital Increase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the WI Capital Increase is not in the ordinary and usual course of business of the Company, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the WI Capital Increase Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(I) Directors and Chief Executive of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or Chief Executive of the Company held any interest or short positions in the Shares, underlying Shares or debentures of the Company and any of its associated corporations (within the meaning of part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange:

Long positions in respect of the Shares:

Name of Directors	Capacity	Number of Shares held	Approximate % of the issued share capital
Mr. Lee Shing (Notes 1 and 2)	Interest in controlled corporation	281,622,914	15.46%

Long positions in respect of the outstanding options granted by the Company (“Options”):

Name of Directors	Capacity	Number of Options held (Note 4)	Exercise Period	Subscription price per Share (Note 4)	Approximate % of the issued share capital
Mr. Wei Hongwen	Beneficial owner	3,090,900	From 6 October 2012 to 30 June 2016	HK\$0.476	0.17%
		<u>3,090,900</u>			
Mr. Lee Shing	Beneficial owner (Note 2)	3,090,900	From 6 October 2012 to 30 June 2016	HK\$0.476	0.17%
		<u>3,090,900</u>			
	Family Interest (Note 3)	1,648,480	From 6 October 2012 to 30 June 2016	HK\$0.476	0.09%
		<u>1,648,480</u>			
Mr. Sun Shaoli	Beneficial owner	3,090,900	From 6 October 2012 to 30 June 2016	HK\$0.476	0.17%
		<u>3,090,900</u>			
Mr. Zhong Xianhua	Beneficial owner	2,060,600	From 6 October 2012 to 30 June 2016	HK\$0.476	0.11%
		<u>2,060,600</u>			
Ms. Liu Yaling	Beneficial owner	2,060,600	From 6 October 2012 to 30 June 2016	HK\$0.476	0.11%
		<u>2,060,600</u>			
Mr. Zuo Duofu	Beneficial owner	1,030,300	From 6 October 2012 to 30 June 2016	HK\$0.476	0.06%
		<u>1,030,300</u>			
Mr. Ye Xiang	Beneficial owner	1,030,300	From 6 October 2012 to 30 June 2016	HK\$0.476	0.06%
		<u>1,030,300</u>			

Notes:

- (1) The 281,622,914 Shares are currently held by Dragon Hill, a company wholly-owned by Mr. Lee Shing.
- (2) Mr. Lee Shing is in aggregate interested in 281,622,914 Shares and 4,739,380 Options, representing approximately 15.72% of the total issued share capital of the Company.
- (3) The 1,648,480 Options are held by the spouse of Mr. Lee Shing.

- (4) The number of Options and subscription price were adjusted as a result of the completion of the Open Offer on 30 July 2015, details of which were disclosed in the Company's announcement dated 29 July 2015.

(II) Substantial Shareholders

Save as disclosed below, as at the Latest Practicable Date, so far as was known to the Directors and Chief Executive of the Company, no other persons had an interest or short positions in the Shares and underlying Shares (i) which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO or, (ii) who is expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital:

Long Positions

Name of Shareholders	Capacity	Nature of interest	Number of ordinary shares	Approximate % of the issued share capital
Dragon Hill (<i>Note 1</i>)	Beneficial owner	Corporate	281,622,914	15.46%
Mr. Lee Shing	Interest in controlled corporation (<i>Note 1</i>)	Corporate	281,622,914	15.46%
	Beneficial owner (<i>Note 2</i>)	Option	3,090,900	0.17%
	Interest held by spouse (<i>Note 2</i>)	Family's option	1,648,480	0.09%
		Sub-total	<u>286,362,294</u>	<u>15.72%</u>
Wuling (Hong Kong) Holdings Limited (" Wuling HK ") (<i>Note 3</i>)	Beneficial owner	Corporate	1,028,846,806	56.48%
Wuling Motors (Hong Kong) Company Limited (" Wuling Motors ") (<i>Note 3</i>)	Interest in controlled corporation	Corporate	1,028,846,806	56.48%
Guangxi Automobile Holdings Limited (" Guangxi Automobile ") (<i>Note 3</i>)	Interest in controlled corporation	Corporate	1,028,846,806	56.48%

Notes:

- (1) The entire issued share capital of Dragon Hill is legally and beneficially owned by Mr. Lee Shing, an executive Director. Accordingly, the Shares held by Dragon Hill has also been disclosed as long position of Mr. Lee Shing in the above table.
- (2) These represent the outstanding share option held by Mr. Lee Shing and his spouse.
- (3) The entire issued share capital of Wuling HK is currently held by Wuling Motors, whereas the entire issued share capital of Wuling Motors is held by Guangxi Automobile. Accordingly, Wuling Motors and Guangxi Automobile are deemed to be interested in the Shares held by Wuling HK under the SFO.

3. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had entered or proposing to enter into a service contract with the Company or any of its subsidiaries or associated companies which is not expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

A subsidiary of the Company entered into a lease agreement with an associate of Mr. Lee Shing, an executive Director, the Vice-chairman and Chief Executive Officer of the Company for the leasing of a warehouse for keeping the old records of the Group for two years commencing from 1 August 2015 at a monthly rental of HK\$9,200. Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had any interest in any assets which had been acquired or disposed of by or leased to, any member of the Group, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2014 (being the date to which the latest published accounts of the Company were made up).

As at the Latest Practicable Date, save for the WI Capital Increase Agreement whereas a number of executive Directors, namely Mr. Wei Hongwen, Mr. Sun Shaoli and Mr. Zhong Xianhua are also directors or senior management of Guangxi Automobile and/or its associates, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

5. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published consolidated audited financial statements of the Company were made up.

6. COMPETING INTEREST

As at the Latest Practicable Date, Mr. Wei Hongwen, the chairman of the Board and an executive Director, is a director of SAIC-GM-Wuling Automobile Co., Ltd (“SGMW”). SGMW is principally engaged in the manufacturing and trading businesses of motor vehicles and engines, which may have direct or indirect competition to the businesses of the Group. Although Mr. Wei is taken to have competing interests in SGMW by virtue of his common directorships, he will fulfil his fiduciary duty in order to ensure that he will act in the best interest of the Shareholders and the Company as a whole at all times. Besides, as SGMW is operated and managed under a publicly listed company with independent management and administration, the Directors are satisfied that the Group is capable of carrying its businesses independently of, and at arm's lengths basis from, the businesses of SGMW.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates had any direct or indirect interest in a business which competes or may compete, either directly or indirectly, with the business of the Company.

7. EXPERT AND CONSENT

- (a) The following is the qualifications of the expert who has given its advice and recommendation which are included in this circular:

Name	Qualification
Gram Capital	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

- (b) As at the Latest Practicable Date, Gram Capital did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter to the Independent Board Committee and the Independent Shareholders and references to its name in the form and context in which they are included in this circular.
- (d) As at the Latest Practicable Date, Gram Capital did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2014, being the date to which the latest published consolidated audited financial statements of the Group were made up.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any business day at the principal place of business of the Company in Hong Kong at Unit 2403, 24th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the SGM of the Company to be held on 14 January 2016.

- (a) the letter from the Independent Board Committee to the Independent Shareholders giving its recommendations on the WI Capital Increase Agreement and the transactions contemplated thereunder, the text of which is set out in the section headed “Letter from the Independent Board Committee” in this circular;
- (b) the letter from Gram Capital containing its advice and recommendations to the Independent Board Committee and the Independent Shareholders regarding the WI Capital Increase Agreement and the transactions contemplated thereunder, the text of which is set out in the section headed “Letter from Gram Capital” in this circular;

- (c) the written consent referred to in the paragraph headed “Expert and Consent” in this appendix;
- (d) the WI Capital Increase Agreement; and
- (e) a copy of this circular.



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Wuling Motors Holdings Limited (the “Company”) will be held at Unit 2403, 24/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong at 11:00 a.m. on Thursday, 14 January 2016, for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the capital increase agreement dated 3 December 2015 (the “**WI Capital Increase Agreement**”), entered into among the Company, 廣西汽車集團有限公司 (Guangxi Automobile Holdings Limited*) (“**Guangxi Automobile**”) and 柳州五菱汽車工業有限公司 (Liuzhou Wuling Motors Industrial Company Limited*) (“**Wuling Industrial**”) (a copy of which is produced to the SGM marked “A” and initialed by the chairman of the meeting for the purpose of identification) in relation to the proposed contribution by the Company to contribute an additional sum of RMB160,000,000 in cash for the WI Capital Increase (as defined in the circular of the Company dated 24 December 2015), of which RMB82,580,646 will be contributed to the registered capital of Wuling Industrial and RMB77,419,354 will be contributed to the capital reserves of Wuling Industrial;
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to do all such acts and things and execute all such documents and to take such steps as he/she may consider necessary, desirable or expedient to give effect to or in connection with the WI Capital Increase Agreement or any of the transactions contemplated under the WI Capital Increase Agreement and all other matters incidental thereto.”

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

Hong Kong, 24 December 2015

* *For identification purpose only*

NOTICE OF SGM

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

*Head office and principal place of
business in Hong Kong:*
Unit 2403, 24/F
Great Eagle Centre
23 Harbour Road
Wanchai, Hong Kong

As at the date of this notice, 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.

Notes:

1. Any member entitled to attend and vote at the SGM (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and, in the event of poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of such power or authority must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM (or at any adjournment thereof). Completion and return of the forms of proxy will not preclude a member from attending the SGM and voting in person if he so wishes. In this event that a member attends the SGM after having lodged his form of proxy, his form of proxy will be deemed to have been revoked.
3. In the case of joint holders of Shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such Share as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
4. Shareholders are advised to read the circular to the shareholders of the Company dated 24 December 2015 which contains information concerning the resolution to be proposed in this notice.
5. The ordinary resolution to be proposed at the SGM shall be decided by way of poll.