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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)

**CONVERSION OF CONVERTIBLE NOTES A
AND
LAPSE OF THE SECOND INSTALMENT OF THE
CAPITAL INCREASE**

Reference is made to the announcement of Wuling Motors Holdings Limited (the “**Company**”) dated 13 October 2016 and the circular of the Company dated 28 November 2016 (the “**Circular**”) in relation to, amongst others, the major and connected transaction relating to the capital increase in Wuling Industrial, and the connected transaction relating to the proposed issue of the Convertible Notes A under the Specific Mandate.

Reference is also made to the announcement of the Company dated 24 April 2017 in relation to the third supplemental agreement to the Capital Increase Agreement, and the announcement of the Company dated 23 May 2017 in relation to the completion of the Subscription of the Convertible Notes A.

Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

CONVERSION OF CONVERTIBLE NOTES A

On 29 December 2017, the Company received a notice from Wuling HK in relation to the exercise of the conversion rights attached to the Convertible Notes A to convert the Convertible Notes A in the aggregate principal amount of HK\$150,000,000 into Conversion Shares A at the conversion price of HK\$0.70 per Conversion Share A (the “**Conversion**”). Accordingly, an aggregate of 214,285,714 Conversion Shares A which represents (i) approximately 11.67% of the existing total number of Shares in issue of the Company as at the date of this announcement; and (ii) approximately 10.45% of the total number of Shares in issue of the Company as enlarged by the allotment and issue of such Conversion Shares A, shall be allotted and issued by the Company under the Specific Mandate on 29 December 2017.

The Convertible Notes A in the aggregate principal amount of HK\$250,000,000 shall remain outstanding immediately after the Conversion.

IMPACT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below for illustrative purposes is the shareholding structure of the Company (i) as at the date of this announcement (before the allotment and issue of the Conversion Shares A under the Conversion); and (ii) immediately after the allotment and issue of the Conversion Shares A as a result of the Conversion (assuming that there is no other change in the shareholding structure of the Company from the date of this announcement to immediately prior to the Conversion):

Substantial shareholders and Directors	As at the date of this announcement		Immediately after the allotment and issue of the Conversion Shares A under the Conversion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Wuling HK (Note 1)	1,028,846,806	56.04	1,243,132,520	60.64
Dragon Hill (Note 2)	281,622,914	15.34	281,622,914	13.74
Mr. Lee Shing and his associates (Note 3)	4,739,380	0.26	4,739,380	0.23
Ms. Liu Yaling (Note 4)	2,060,600	0.11	2,060,600	0.10
Mr. Ye Xiang (Note 4)	1,030,300	0.06	1,030,300	0.05
Sub-total	1,318,300,000	71.81	1,532,585,714	74.76
Public Shareholders				
Existing public shareholders	517,521,841	28.19	517,521,841	25.24
Total	1,835,821,841	100.00	2,050,107,555	100.00

Notes:

1. The entire issued share capital of Wuling HK is currently held by Wuling Motors (Hong Kong) Company Limited (“**Wuling Motors**”), whereas the entire issued share capital of Wuling Motors is currently held by Guangxi Automobile. Accordingly, Wuling Motors and Guangxi Automobile are deemed to be interested in the Shares in which Wuling HK is interested under the SFO.
2. Mr. Lee Shing, an executive Director, the vice-chairman and the Chief Executive Officer of the Company, is beneficially interested in 281,622,914 Shares through Dragon Hill, a company wholly-owned by Mr. Lee.
3. These represent the Shares held by Mr. Lee Shing and his spouse.
4. Ms. Liu Yaling is an executive Director, whereas Mr. Ye Xiang is an independent non-executive Director.

LAPSE OF THE SECOND INSTALMENT OF THE CAPITAL INCREASE

As fully described in the Circular, pursuant to the Capital Increase Agreement, the Capital Increase in Wuling Industrial was to be contributed by the First Instalment and the Second Instalment.

As stated in the announcement of the Company dated 23 May 2017, the First Instalment was completed on 23 May 2017 in accordance with the Capital Increase Agreement, pursuant to which the Company contributed an additional sum of RMB340,000,000 in cash to Wuling Industrial.

As stated in the announcement of the Company dated 24 April 2017, pursuant to the third supplemental agreement to the Capital Increase Agreement dated 24 April 2017, the Second Instalment is conditional upon the conditions precedent relating to the Second Instalment being fulfilled on or before 31 December 2017 (the “**Long Stop Date**”). It was further agreed that should the Company fail to fulfill the obligation under the Capital Increase Agreement by contributing the Second Instalment in full to Wuling Industrial on or before the Long Stop Date, none of the parties thereto shall have any claims against the others in respect of the Capital Increase Agreement in relation to the Second Instalment.

The Board wishes to inform that as the conditions precedents of the Second Instalment are not expected to be fulfilled on or before the Long Stop Date, the Second Instalment under the Capital Increase will lapse on the Long Stop Date.

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

Hong Kong, 29 December 2017

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