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五菱汽車集團控股有限公司
WULING MOTORS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability) (股份代號 Stock Code : 305)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO SHARES
HELD ON THE RECORD DATE**

Financial Adviser to the Company



Celestial Capital Limited

Underwriter to the Rights Issue



THE RIGHTS ISSUE

The Board proposed to raise a total of approximately HK\$205.01 million, before expenses, on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date by issuing 1,025,053,777 Rights Shares at the Subscription Price of HK\$0.20 per Rights Share to the Qualifying Shareholders (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date).

The estimated net proceeds from the Rights Issue of approximately HK\$200.01 million will be fully used as a partial repayment of all of the outstanding amount of the Convertible Loan Notes in the amount of approximately HK\$260.00 million (including both outstanding principal and related interest) upon their maturity on 23 May 2020.

IRREVOCABLE UNDERTAKINGS RESPECTIVELY FROM WULING HK AND DRAGON HILL AND THE UNDERWRITING AGREEMENT

As at the date of this announcement, Wuling HK holds a total of 1,243,132,520 Shares, representing approximately 60.64% of the total issued share capital of the Company, and is the holder of the Convertible Loan Notes. Wuling HK has executed the Wuling HK Undertakings, pursuant to which Wuling HK has irrevocably and unconditionally undertaken to the Company and the Underwriter that it: (a) will apply for and pay for the Wuling HK Committed Shares, being 100% of the 621,566,260 Rights Shares provisionally allotted to Wuling HK pursuant to the Rights Issue; (b) will not sell, dispose of or transfer the Shares beneficially held by it, including the 1,243,132,520 Shares currently held by it, during the period from the date of execution of the Wuling HK Undertakings to the Record Date (both dates inclusive); (c) will not dispose of, deal with or transfer the Convertible Loan Notes and will not exercise any conversion rights attached to the Convertible Loan Notes to subscribe for the Shares during the period from the date of execution of the Wuling HK Undertakings to the Record Date (both dates inclusive); and (d) save for the Rights Shares provisionally allotted to it, will not apply for any excess Rights Shares.

As at the date of this announcement, Dragon Hill holds a total of 281,622,914 Shares, representing approximately 13.74% of the total issued share capital of the Company. Dragon Hill has executed the Dragon Hill Undertakings, pursuant to which it has irrevocably and unconditionally undertaken to the Company and the Underwriter that it: (a) will duly apply for and pay for the Dragon Hill Committed Shares, i.e. 70,405,729 Rights Shares being not less than 50% of the 140,811,457 Rights Shares provisionally allotted to Dragon Hill pursuant to the Rights Issue; (b) will not sell, dispose of or transfer the Shares beneficially held by it, including the of 281,622,914 Shares currently held by it, during the period from the date of execution of the Dragon Hill Undertakings to the Record Date (both dates inclusive); and (c) save for the Dragon Hill Committed Shares and the remaining 70,405,728 Rights Shares provisionally allotted to it, will not apply for any excess Rights Shares.

On 2 January 2020, the Company and the Underwriter entered into the Underwriting Agreement in respect of the proposed Rights Issue, pursuant to which the Rights Shares other than the Committed Shares will be fully underwritten by the Underwriter, subject to the conditions set out in the Underwriting Agreement. Details of the Underwriting Agreement are set out in the section headed “Underwriting Agreement” in this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus (without the PAL and EAF), for information only, to the Excluded Shareholders on the Prospectus Posting Date.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Tuesday, 4 February 2020 and that dealing in the Shares will take place while the Conditions to which the Underwriter's obligation under the Underwriting Agreement are subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be on 4:30 p.m. on Friday, 28 February 2020), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating any dealings in the Shares and/or nil-paid Rights Shares, who is in any doubt about their position, is recommended to consult their own professional advisers.

THE PROPOSED RIGHTS ISSUE

The Company proposes to raise a total of approximately HK\$205.01 million, before expenses, by way of the Rights Issue. Issue statistics and other details of the Rights Issue are summarized as follows.

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Number of Shares in issue as at the date of this announcement	:	2,050,107,555 Shares
Number of Rights Shares	:	1,025,053,777 Rights Shares (<i>Note</i>)
Aggregate nominal value of the Rights Shares	:	Approximately HK\$4.10 million (<i>Note</i>)
Enlarged issued share capital of the Company upon completion of the Rights Issue	:	Approximately HK\$12.30 million comprising 3,075,161,332 Shares (<i>Note</i>)
Subscription Price	:	HK\$0.20 per Rights Share
Funds raised before expenses	:	Approximately HK\$205.01 million (<i>Note</i>)
Underwriter to the Rights Issue	:	Zhongtai International Securities Limited
Number of Rights Shares underwritten by the Underwriter	:	333,081,788 Rights Shares (being all of the Rights Shares to be provisionally allotted under the Rights Issue other than the Committed Shares and assuming that there is no further issue or repurchase of Shares on or before the Record Date)

Note: Assuming that there is no issue or repurchase of Shares from the date of this announcement up to and including the Record Date after taking into account, among others, the Wuling HK Undertakings with regard to the Convertible Loan Notes currently held by Wuling HK.

As at the date of this announcement, the Convertible Loan Notes in the outstanding principal amount of HK\$250 million, which are held by Wuling HK, entitle the holder(s) thereof to convert into a maximum of 357,142,857 Shares at the conversion price of HK\$0.70 per Share. Save for the Convertible Loan Notes, as at the date of this announcement, the Company does not have any pre-existing obligation to issue Shares or any outstanding share options, derivatives or securities which are convertible or exchangeable into Shares.

Wuling HK has executed the Wuling HK Undertakings, pursuant to which Wuling HK has undertaken, among others, not to dispose of, deal with or transfer the Convertible Loan Notes and not to exercise the conversion rights attached to the Convertible Loan Notes to subscribe for any Shares during the period from the date of execution of the Wuling HK Undertakings to the Record Date (both dates inclusive).

The Rights Shares

Assuming that there is no further issue or repurchase of Shares from the date of this announcement up to and including the Record Date, a total of 1,025,053,777 Rights Shares will be allotted and issued upon completion of the Rights Issue, representing:

- (i) approximately 50.00% of the existing issued share capital of the Company; and
- (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus (without the PAL and the EAF), for information only, to the Excluded Shareholders on the Prospectus Posting Date. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. not be an Excluded Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name(s) of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

The Record Date is Wednesday, 12 February 2020. The last day of dealings in the Shares on a cum-rights basis is Monday, 3 February 2020. The Shares will be dealt in on an ex-rights basis from Tuesday, 4 February 2020.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge the transfers of Shares (together with the relevant share certificates) with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Wednesday, 5 February 2020.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of

fractional entitlements). **A Qualifying Shareholder who does not take up all of the Rights Shares to which he/she/it is entitled should note that his/her/its shareholding in the Company will be diluted.**

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

The Company will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, after making such enquiries and based on the legal opinions provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to and available to such Overseas Shareholders, and no provisional allotment of any Rights Shares will be made to them. Further information in relation thereto will be set out in the Prospectus. The Company will, to the extent reasonably practicable, send the Prospectus (without the PAL and the EAF) to the Excluded Shareholders for their information only.

Arrangement will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in nil-paid Rights Shares on the Stock Exchange commence and in any event on or before the last day of dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of such sale of nil-paid Rights Shares (after deducting the expenses of sale, if any, and the relevant stamp duty) shall be distributed to the Excluded Shareholders on a pro rata basis according to their shareholdings in the Company as at the Record Date (payment to each Excluded Shareholder will be rounded down to the nearest cent) provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit. Any of such nil-paid Rights Shares which are not sold as aforesaid will be dealt with as Rights Shares not accepted and will be made available for excess application under the EAF by the Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of the enquiries to be made by the Company pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Excluded Shareholders should exercise caution when dealing in the Shares.

Closure of register of members

To determine the entitlements to the Rights Issue, the register of members of the Company will be closed for registering transfer of Shares from Thursday, 6 February 2020 to Wednesday, 12 February 2020, both days inclusive. No transfer of Shares will be registered during this period.

Subscription Price

The Subscription Price, being HK\$0.20 per Rights Share, is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or application for excess Rights Shares, or by a transferee of nil-paid Rights Shares upon accepting the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 32.20% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 30.80% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days ended on the Last Trading Day, being HK\$0.289 per Share;
- (iii) a discount of approximately 31.03% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days ended on the Last Trading Day, being approximately HK\$0.290 per Share;
- (iv) a discount of approximately 23.95% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days ended on the Last Trading Day, being approximately HK\$0.263 per Share;
- (v) a discount of approximately 25.09% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days ended on the Last Trading Day, being approximately HK\$0.267 per Share;
- (vi) a discount of approximately 23.95% to the theoretical ex-rights price of approximately HK\$0.263 per Share based on the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 10.85% (being the discount of the theoretical diluted price of approximately HK\$0.263 per Share to the benchmarked price of HK\$0.295 per Share (both of the theoretical diluted price and the benchmarked price, as defined under note 1 to Rule 7.27B of the Listing Rules, having taken into account the closing price on the Last Trading Day of HK\$0.295 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days up to and including 31 December 2019, being the trading day immediately prior to the date of this announcement, of HK\$0.286 per Share)); and

(viii) a discount of approximately 74.62% to the unaudited consolidated net asset value attributable to the Shareholders of approximately RMB0.705 (equivalent to approximately HK\$0.788) per Share as at 30 June 2019, which is calculated based on the unaudited consolidated net asset value attributable to the owners of the Company of approximately RMB1,444,447,000 (equivalent to approximately HK\$1,614,892,000) as at 30 June 2019 as extracted from the Company's interim report for the six months ended 30 June 2019 and a total of 2,050,107,555 Shares in issue as at the date of this announcement.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with references to the financial conditions of the Group, the prevailing market prices of the Shares and the market conditions. Based on the Subscription Price of HK\$0.20, the estimated gross proceeds of the Rights Issue, before expenses, will be approximately HK\$205.01 million (assuming no further issue or repurchase of Shares on or before the Record Date). The net proceeds from the Rights Issue to be received by the Company are expected to be approximately HK\$200.01 million. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares (assuming no issue or repurchase of Shares on or before the Record Date) will be approximately HK\$0.195.

It is expected that the various discounts represented by the Subscription Price to the above prices which were calculated after making references to the prevailing market prices of the Shares and to the unaudited consolidated net asset value attributable to the Shareholders would provide the Qualifying Shareholders with incentive to participate in the Rights Issue and accordingly maintain their pro-rata shareholdings in the Company, if they fully accept the Rights Shares provisionally allotted to them, as well as to continue participating in the future growth of the Group. On that basis, and taking into account the reasons for the Rights Issue as stated in the section headed "Reasons for the Rights Issue and Use of Proceeds" below, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment will be one (1) Rights Share for every two (2) Shares held by a Qualifying Shareholder at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before the Latest Time for Acceptance.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs will be set out in the Prospectus.

Fractions of the Rights Shares

The Company will not provisionally allot and accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold by the Company in the market, and if a premium (net of expenses) can be achieved, the Company will retain the proceeds from such sale(s) for its benefit. No odd lot matching services will be provided for the Rights Shares.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of the allotment and issue of the Rights Shares in their fully-paid form.

Application for excess Rights Shares

Qualifying Shareholders shall be entitled to apply, by way of excess application, for, (i) Rights Shares representing the entitlement of the Excluded Shareholders and which cannot be sold in the market in their nil-paid form at a net premium; (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise not subscribed for by transferees of the nil-paid Rights Shares; and (iii) the Rights Shares relating to the aggregation of the fractional entitlements of the Shareholders, which cannot be sold by the Company in the market in their nil-paid form.

An application for excess Rights Shares may be made by completing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for by the Latest Acceptance Time. The Board will allocate the excess Rights Shares at its discretion on a fair and equitable basis and on the following principles:

- (i) as far as practicable, in proportion to the number of excess Rights Shares being applied for under each application;
- (ii) no preference will be given to applications made for topping up odd lot holdings to whole board lot holdings.

Any Rights Shares not taken up (i) by the Qualifying Shareholders or transferees of nil-paid Rights Shares under PALs, or (ii) by excess applications by the Qualifying Shareholders under EAFs will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

Shares registered in the name of nominee companies

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the arrangement in relation to the allocation of the excess Rights Shares set out in the above paragraph headed “Application for excess Rights Shares” will not be extended to the beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

The Qualifying Shareholders whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for completion of the relevant registration by 4:30 p.m. on Wednesday, 5 February 2020. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue, on the Stock Exchange. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

The board lot size of nil-paid Rights Shares shall be the same as that of the fully-paid Rights Shares, i.e. 10,000 Shares in one board lot.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy and any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 6 March 2020.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted on or before Friday, 6 March 2020 by ordinary post to the relevant applicants at their own risk.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposing of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Excluded Shareholders as regards their receipt, if any, of the net proceeds of the sale of the Rights Shares in nil-paid form otherwise falling to be issued to them under the Rights Issue pursuant to the laws of jurisdictions in which they are liable to taxation. None of the Company, the Directors nor any other parties involved in the Rights Issue accepts any responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for the Rights Shares, or about purchasing, holding or disposing of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares or resulting from any receipt of net proceeds of the sale of the Rights Shares in nil-paid form.

Conditions of the Rights Issue

The Rights Issue is conditional upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof. For details of the Conditions and the Underwriter's rights to terminate the Underwriting Agreement, please respectively refer to the paragraphs headed "Conditions of the Underwriting Agreement" and "Termination of the Underwriting Agreement" under the section headed "Underwriting Agreement" below. If the Conditions are not fulfilled in full by 4:30 p.m. on Friday, 28 February 2020 (or such later date as the Underwriter and the Company may agree in writing), or if the Underwriting Agreement is terminated according to the terms thereof at or before 4:30 p.m. on Friday, 28 February 2020, the Rights Issue will not proceed.

Irrevocable undertakings respectively from Wuling HK and Dragon Hill

As at the date of this announcement, Wuling HK holds a total of 1,243,132,520 Shares, representing approximately 60.64% of the total issued share capital of the Company, and is the holder of the Convertible Loan Notes. Wuling HK has executed the Wuling HK Undertakings, pursuant to which Wuling HK has irrevocably and unconditionally undertaken to the Company and the Underwriter that it:

- (a) will apply for and pay for the Wuling HK Committed Shares, being all of the 621,566,260 Rights Shares provisionally allotted to Wuling HK pursuant to the Rights Issue, by lodging the duly completed and signed PAL before the Latest Time for Acceptance;
- (b) will not sell, dispose of or transfer the Shares beneficially held by it, including the 1,243,132,520 Shares currently held by it, during the period from the date of execution of the Wuling HK Undertakings to the Record Date (both dates inclusive);
- (c) will not dispose of, deal with or transfer the Convertible Loan Notes and will not exercise any conversion rights attached to the Convertible Loan Notes to subscribe for any Shares during the period from the date of execution of the Wuling HK Undertakings to the Record Date (both dates inclusive); and
- (d) save for the Rights Shares provisionally allotted to it, will not apply for any excess Rights Shares.

As at the date of this announcement, Dragon Hill holds a total of 281,622,914 Shares, representing approximately 13.74% of the total issued share capital of the Company. Dragon Hill has executed the Dragon Hill Undertakings, pursuant to which it has irrevocably and unconditionally undertaken to the Company and the Underwriter that it:

- (a) will duly apply for and pay for the Dragon Hill Committed Shares, being 70,405,729 Rights Shares which are not less than 50% of the 140,811,457 Rights Shares provisionally allotted to Dragon Hill pursuant to the Rights Issue, by lodging the duly completed and signed PAL before the Latest Time for Acceptance;
- (b) will not sell, dispose of or transfer the Shares beneficially held by it, including the of 281,622,914 Shares currently held by it, during the period from the date of execution of the Dragon Hill Undertakings to the Record Date (both dates inclusive); and
- (c) save for the Dragon Hill Committed Shares and the remaining 70,405,728 Rights Shares provisionally allotted to it, will not apply for any excess Rights Shares.

Save for Wuling HK and Dragon Hill, as at the date of this announcement, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

UNDERWRITING AGREEMENT

After the trading hours on 2 January 2020, the Company and the Underwriter entered into the Underwriting Agreement in respect of the proposed Rights Issue, pursuant to which the Rights Shares other than the Committed Shares will be fully underwritten by the Underwriter.

Principal terms of the Underwriting Agreement

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

- Date : 2 January 2020
- Parties : (i) The Company as issuer; and
(ii) Zhongtai International Securities Limited as underwriter.

The Underwriter is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO. As at the date of this announcement, the Underwriter does not hold any Shares. Each of the Underwriter and its ultimate beneficial owners is, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, an Independent Third Party.

The Underwriter has confirmed that (1) it is not a connected person of the Company; and (2) it is licensed under the SFO for Type 1 regulated activity and its ordinary business includes underwriting of securities (hence, the Underwriter has complied with Rule 7.19(1)(a) of the Listing Rules).

- Rights Shares being underwritten by the Underwriter : A total of 333,081,788 Rights Shares, being all of the Rights Shares to be provisionally allotted under the Rights Issue other than the Committed Shares (assuming that there is no further issue or repurchase of Shares on or before the Record Date).
- Commission and Expenses : The Company shall pay to the Underwriter an underwriting commission of 3.00% of the Subscription Price for the number of Underwritten Shares agreed to be underwritten by the Underwriter. In addition, the Company shall also pay all reasonable costs, charges and expenses (if any) properly incurred by the Underwriter, howsoever of or incidental to the Rights Issue, but excluding sub-underwriting fees and expenses relating to sub-underwriting (if any).

The commission payable to the Underwriter was determined after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market rate of similar transactions. The Directors having taken into account the fact that the Underwriting Agreement was entered into for the purpose of underwriting all of the Underwritten Shares and the reasons for the Rights Issue as detailed in the section headed "Reasons for the Rights Issue and Use of Proceeds" below, consider that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and the entering into of the Underwriting Agreement is in the interests of the Company and the Shareholders as a whole.

Subject to the provisions of the Underwriting Agreement (including but not limited to the full fulfilment of the Conditions, the full performance by the Company of its obligations under the Underwriting Agreement and the Underwriter having not terminated the Underwriting Agreement pursuant to the terms thereof), and in the event that by the Latest Time for Acceptance any of the Underwritten Shares have not been taken up by the Qualifying Shareholders or by the transferees of nil-paid Rights Shares ("**Untaken Shares**"), the Underwriter shall subscribe or to procure subscribers for such number of Untaken Shares on the terms as set out in the Underwriting Agreement and (save as regards the time for acceptance and payment) the Prospectus Documents. The Underwriter has undertaken with the Company that:

- (1) it shall use all reasonable endeavours to procure that each of the subscribers or purchasers of the Underwritten Shares procured by it shall be Independent Third Party not acting in concert with and not connected with the connected persons of the Company; and
- (2) it shall, and shall cause sub-underwriters (if any) to, procure independent places take up such number of Underwritten Shares (a) as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with by the Company and (b) it shall not, together with party(ies) acting in concert with it, hold 29.9% or more of the voting rights of the Company upon completion of the Rights Issue.

Conditions of the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement are conditional on the following Conditions:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject only to allotment and dispatch of the appropriate documents of title) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares in their nil-paid and fully-paid forms;
- (ii) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong no later than the Prospectus Posting Date of each of the Prospectus Documents and (where necessary) other documents in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and otherwise complying with the requirements of such ordinance, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Listing Rules; and

- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date;

None of the above Conditions can be waived. If the Conditions are not fulfilled in full by 4:30 p.m. on Friday, 28 February 2020 (or such other date as the Underwriter may agree with the Company in writing), the Underwriting Agreement shall terminate and all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breaches. If the Underwriting Agreement is terminated (please also refer to the following paragraph headed “Termination of the Underwriting Agreement”), the Rights Issue will not proceed.

Termination of the Underwriting Agreement

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

- (i) the occurrence of the following events would, in the reasonable opinion of the Underwriter, materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Underwriting Agreement), of a political, military, financial, economic, currency or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict); or
 - (c) the occurrence of any change in market conditions or combination of circumstances in Hong Kong (including without limitation, any change in any stock market, any change in fiscal policy or money policy, or foreign exchange or currency markets, suspension or material restrict or trading in securities) which in the absolute opinion of the Underwriter materially prejudicially affects the Rights Issue and make it inadvisable or inexpedient to proceed therein;
- (ii) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;

- (iii) the Underwriter shall receive notification by the Company or shall otherwise become aware of, the fact that any of the representations or warranties given by the Company contained in the Underwriting Agreement was, when given, untrue or inaccurate or would in any material respect be untrue or inaccurate if repeated as provided in the Underwriting Agreement and the Underwriter shall in its reasonable opinion determine that any such untrue representation or warranty represents or is likely to represent a material and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue; or
- (iv) the Company shall, after any matter or event comes to the attention of the Company as a result of which any representation or warranty given by the Company contained in the Underwriting Agreement, if repeated immediately after the occurrence thereof, would be untrue or inaccurate in any respect or which would render untrue inaccurate in any material respect or misleading any statement contained in the Prospectus Documents if the same were issued immediately after such occurrence, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company.

Upon the giving of notice of termination by the Underwriter pursuant to the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriting Agreement is terminated, the Rights Issue will not proceed.

EXPECTED TIMETABLE OF THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out below:

<i>Event</i>	<i>Date and time</i>
Last day of dealings in the Shares on cum-rights basis	Monday, 3 February 2020
Ex-date (the first day of dealings in the Shares on ex-rights basis).....	Tuesday, 4 February 2020
Latest time for lodging transfers of Shares to qualify for the Rights Issue.....	4:30 p.m. on Wednesday, 5 February 2020
Register of members closes for registering transfer of Shares.....	From Thursday, 6 February 2020 to Wednesday, 12 February 2020 (both days inclusive)
Record date for Rights Issue	Wednesday, 12 February 2020

Despatch of Prospectus Documents (including PALs and EAFs).....	Thursday, 13 February 2020
First day of dealings in nil-paid Rights Shares.....	Monday, 17 February 2020
Latest time for splitting of PALs.....	4:30 p.m. on Wednesday, 19 February 2020
Last day of dealings in nil-paid Rights Shares.....	Monday, 24 February 2020
Latest time for acceptance and payment for Rights Shares and application for excess Rights Shares.....	4:00 p.m. on Thursday, 27 February 2020
Latest time for termination of the Underwriting Agreement and for the Rights Issue to become unconditional	4:30 p.m. on Friday, 28 February 2020
Announcement of the allotment results of the Rights Issue.....	Thursday, 5 March 2020
Despatch of certificates for fully-paid Rights Shares and refund cheques.....	Friday, 6 March 2020
Expected first day of dealings in fully-paid Rights Shares.....	Monday, 9 March 2020

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

All times and dates specified in this announcement refer to Hong Kong local times and dates. If there is a ‘black’ rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Thursday, 27 February 2020, being the date of the Latest Time of Acceptance:

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

Under such circumstances, the dates mentioned in the expected timetable above (including, without limitation, the Latest Time for Termination) may be affected.

Dates stated in this announcement for the events mentioned in the timetable are indicative only and may be extended or varied. Any changes to the above expected timetable will be announced as and when appropriate in accordance with the Listing Rules.

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no further issue or repurchase of Shares from the date of this announcement up to and including the Record Date and on the basis of the Wuling HK Undertakings and the Dragon Hill Undertakings, the table below sets out the shareholding structure of the Company from the date of this announcement to immediately after completion of the Rights Issue:

Shareholders	As at the date of this announcement and up to the Record Date		Assuming all Shareholders have taken up the Rights Shares		Immediately after completion of the Rights Issue Assuming no Shareholder has taken up the Rights Shares (other than the Committed Shares taken up by Wuling HK and Dragon Hill)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Wuling HK	1,243,132,520	60.64	1,864,698,780	60.64	1,864,698,780	60.64
Dragon Hill (Note 2)	281,622,914	13.74	422,434,371	13.74	352,028,643	11.45
Mr. Lee Shing and spouse (Note 2)	4,739,380	0.23	7,109,070	0.23	4,739,380	0.15
Mr. Yuan Zhijun (Note 3)	3,000,000	0.14	4,500,000	0.14	3,000,000	0.10
Mr. Ye Xiang (Note 3)	1,030,300	0.05	1,545,450	0.05	1,030,300	0.03
Mr. Lai Shi Hong Edward (Note 4)	2,000,000	0.10	3,000,000	0.10	2,000,000	0.07
The Underwriter, sub-underwriter(s) and/or subscriber(s) procured by it (Note 5)					333,081,788	10.83
Other public Shareholders	514,582,441	25.10	771,873,661	25.10	514,582,441	16.73
	<u>2,050,107,555</u>	<u>100.00</u>	<u>3,075,161,332</u>	<u>100.00</u>	<u>3,075,161,332</u>	<u>100.00</u>

Notes:

- Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- Dragon Hill is a company wholly-owned by Mr. Lee Shing, a Director and the Vice-chairman and Chief Executive Officer of the Company. As at the date of this announcement, apart from 4,739,380 Shares beneficially held by Mr. Lee and/or his spouse, Mr. Lee is also considered to be interested in 281,622,914 Shares held by Dragon Hill. Accordingly, Mr. Lee is deemed to be interested in a total of 286,362,294 Shares as at the date of this announcement.
- Mr. Yuan Zhijun and Mr. Ye Xiang are Directors.
- Mr. Lai Shi Hong Edward is a director of 柳州五菱汽車工業有限公司 (Liuzhou Wuling Motors Industrial Company Limited*), a company established in the PRC and a non-wholly owned subsidiary of the Company.
- Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscription of the Untaken Shares (as defined in the paragraph headed “Principal terms of the Underwriting Agreement” under the section headed “Underwriting Agreement” above),
 - the Underwriter shall use all reasonable endeavours to procure that each of the subscribers or purchasers of the Untaken Shares procured by it shall be Independent Third Party not acting in concert with and not connected with the connected persons of the Company; and

- (ii) the Underwriter shall, and shall cause sub-underwriters (if any) to, procure independent places take up such number of Rights Shares (a) as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with by the Company and (b) it shall not, together with party(ies) acting in concert with it, hold 29.9% or more of the voting rights of the Company upon completion of the Rights Issue.

Shareholders and public investors should note that the above shareholding changes are for illustration purpose only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Shares. Further announcement(s) will be made by the Company in accordance with the Listing Rules following the completion of the Rights Issue upon which the Rights Shares are allotted and issued.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the manufacturing and trading of engines and parts, automotive components and accessories, specialized vehicles (which covers the new energy vehicles, represented primarily by the electric vehicles), as well as the trading of raw materials, and the provision of water and power supply services.

The Convertible Loan Notes, with an original principal amount of HK\$400 million and bear interest of 4% per annum, was issued to Wuling HK in May 2017. Wuling HK is the controlling Shareholder which currently holds 1,243,132,520 Shares, representing approximately 60.64% of the total issued share capital of the Company. According to the terms of the Convertible Loan Notes, (i) the Convertible Loan Notes would be eligible to be converted into Shares at the conversion price of HK\$0.70 per Share (the “**Conversion Price**”) on any Business Day up to the fifth Business Days prior to the maturity date of the Convertible Loan Notes on 23 May 2020; and (ii) the outstanding principal amount of the Convertible Loan Notes amounts to HK\$250 million, which is due for repayment on 23 May 2020 if the conversion rights attached to the Convertible Loan Notes not having been exercised to subscribe for the Shares. As at the date of this announcement, Wuling HK has irrevocably and unconditionally undertaken to the Company and the Underwriter that it will not exercise any conversion rights attached to the Convertible Loan Notes to subscribe for any Shares during the period from the date of execution of the Wuling HK Undertakings to the Record Date (both dates inclusive).

In 2019 up to the date of this announcement, the closing prices of the Shares as quoted on the Stock Exchange has been lower than the Conversion Price of HK\$0.70 per Share. Based on the Company’s discussion with Wuling HK, the Company has been given the understanding that on the basis of the prevailing market prices of the Shares, it has been the intention of Wuling HK not to exercise the conversion rights attached to the Convertible Loan Notes to subscribe for any Shares at the Conversion Price. On that basis, the outstanding principal amount of the Convertible Loan Note, together with the relevant interest, is due for repayment on its maturity date on 23 May 2020. According to the Company’s interim report for the six months ended 30 June 2019, the Group has adequate financial resources in meeting the redemption obligations of the outstanding Convertible Loan Notes on its expiry date on 23 May 2020 in view of the financial and liquidity position of the Group as at 30 June 2019. As the Board has reviewed the Group’s business environment from time to time and has expected that the Group will continue to be subject to the increasing complexity of the world and PRC economies and a declining growth rate

of the domestic market in the coming futures, the Board considers that it would provide the Group with more resources and flexibility in capturing business opportunities when they arise by retaining and applying as much financial resources as possible for business development and operation. On that basis, the Board considers that it is appropriate to raise funds for the purpose of repaying all outstanding balance related to the Convertible Loan Notes upon its expiry on 23 May 2020. Among various fund raising opportunities, the Board, having considered the outstanding principal amount of HK\$250 million of the Convertible Loan Notes, further considers that substantial portion of the funds required should be raised through equity fund raising alternatives which will strengthen the Group's capital base and enhance its financial position without increasing finance costs heavily. Among different equity fund raising alternatives, the Board is of the view that the Rights Issue will allow all Qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at the Subscription Price which is lower than the current market price per Share while maintaining their respective proportional shareholdings in the Company. In addition, the Rights Issue, as opposed to an open offer, also enables the Qualifying Shareholders to sell the nil-paid Rights Shares in the market if they so wish. The Board therefore considers that the fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Assuming no further issue or repurchase of Shares on or before the Record Date, the estimated gross proceeds before expenses and net proceeds of the Rights Issue will be approximately HK\$205.01 million and HK\$200.01 million respectively. The net proceeds from the Rights Issue will be fully used as a partial repayment of all of the outstanding amount of the Convertible Loan Notes in the amount of approximately HK\$260.00 million (including both outstanding principal and related interests) upon its maturity on 23 May 2020 as detailed above. It is the Company's current intention to repay the balance of the outstanding amount of the Convertible Loan Notes in the amount of approximately HK\$59.99 million through internal financial resources or, if appropriate opportunity arises, debt financing.

The estimated expenses in relation to the Rights Issue, including the underwriting commission, financial, legal and other professional expenses, of approximately HK\$5.00 million, will be borne by the Company.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

The Company had not raised any other funds by equity issue in the past 12 months immediately preceding the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders.

The Company will send the Prospectus Documents to the Qualifying Shareholders only. The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the

Company's legal advisers in the relevant jurisdictions and to the extent permitted under the relevant laws and regulations and reasonably practicable, the Prospectus (without the PAL and EAF) will be despatched to the Excluded Shareholders for their information only.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should also note that the Shares will be dealt in on an ex-rights basis commencing from Tuesday, 4 February 2020 and that dealing in the Shares will take place while the Conditions to which the Underwriter's obligations under the Underwriting Agreement are subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be on 4:30 p.m. on Friday, 28 February 2020), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating any dealings in the Shares and/or nil-paid Rights Shares, who is in any doubt about their position, is recommended to consult their own professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Hong Kong Code on Takeovers and Mergers
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted and remains in Hong Kong between 9:00 a.m. and 12:00 noon and is not lowered/ discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules

“Committed Shares”	the Wuling HK Committed Shares and the Dragon Hill Committed Shares
“Company”	Wuling Motors Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 305)
“Conditions”	conditions of the Underwriter’s obligations under the Underwriting Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Convertible Loan Notes”	the convertible loan notes issued to and held by Wuling HK, which bear interest at 4% per annum and the current outstanding principal of HK\$250,000,000 would be eligible to be converted into Shares at the conversion price of HK\$0.70 per Share on any Business Day commencing from 22 November 2017 up to the fifth Business Days prior to the maturity date on 23 May 2020
“Director(s)”	the director(s) of the Company
“Dragon Hill”	Dragon Hill Development Limited, a company incorporated in Samoa and the issued share capital of which is entirely beneficially owned by Mr. Lee Shing, a Director, the Vice-chairman and the Chief Executive Officer of the Company, which holds a total of 281,622,914 Shares (representing approximately 13.74% of the entire issued share capital of the Company) as at the date of this announcement and is a substantial Shareholder
“Dragon Hill Committed Shares”	the aggregate of 70,405,729 Rights Shares agreed to be taken up by Dragon Hill pursuant to the Dragon Hill Undertakings, being not less than 50% of the 140,811,457 Rights Shares provisionally allotted to Dragon Hill pursuant to the Rights Issue
“Dragon Hill Undertakings”	the irrevocable and unconditional undertaking given by Dragon Hill in favour of the Company and the Underwriter on 2 January 2020, details of which is set out in the paragraph headed “Irrevocable undertakings respectively from Wuling HK and Dragon Hill” under the section headed “The Proposed Rights Issue” in this announcement
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be prescribed by the Company

“Excluded Shareholder(s)”	the Overseas Shareholder(s), to whom the Directors, after making such enquiries, based on the legal opinions provided by legal advisers of the Company and on account either of legal restrictions under the laws of relevant place(s) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), consider it is necessary, or expedient not to offer the Rights Shares
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	the Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any third party(ies) independent of the Company and its connected persons
“Last Trading Day”	2 January 2020, being the date of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 27 February 2020 or such later time or date as may be agreed between the Company and the Underwriter in writing as the latest time for acceptance of, and payment of, the Rights Shares
“Latest Time for Termination”	latest time for exercising by the Underwriter of the right to terminate the Underwriting Agreement pursuant to the terms thereof, being 4:30 p.m. on Friday, 28 February 2020 (being the Business Day immediately following the day for the Latest Time for Acceptance)
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) on that date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Prospectus”	the prospectus to be issued by the Company in connection with the Rights Issue in the agreed form expected to be dated the Prospectus Posting Date
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Thursday, 13 February 2020 or such other date as may be agreed between the Company and the Underwriter in writing, being the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear/appear on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	Wednesday, 12 February 2020 or such other date as may be agreed between the Company and the Underwriter in writing for the determination of the entitlements under the Rights Issue
“Rights Issue”	the proposed issue of the Rights Shares on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price pursuant to the Prospectus Documents and as contemplated under the Underwriting Agreement
“Rights Shares”	1,025,053,777 new Shares (assuming no further issue or repurchase of Shares from the date of this announcement up to and including the Record Date) proposed to be allotted and issued under the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.20 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“substantial shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules

“Underwriter”	Zhongtai International Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 2 January 2020 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	a total of 333,081,788 Rights Shares (assuming that there is no further issue or repurchase of Shares on or before the Record Date), being all of the Rights Shares other than the Committed Shares conditionally agreed to be underwritten by the Underwriter pursuant to the Underwriting Agreement
“Wuling HK”	Wuling (Hong Kong) Holdings Limited, a company incorporated in Hong Kong the issued share capital of which is entirely beneficially owned by 廣西汽車集團有限公司 (Guangxi Automobile Holdings Limited*) (a state-controlled enterprise established in the PRC), which holds a total of 1,243,132,520 Shares (representing approximately 60.64% of the entire issued share capital of the Company) as at the date of this announcement and a controlling Shareholder
“Wuling HK Committed Shares”	the aggregate of 621,566,260 Rights Shares agreed to be taken up by Wuling HK pursuant to the Wuling HK Undertakings, being 100% of the 621,566,260 Rights Shares provisionally allotted to Wuling HK pursuant to the Rights Issue
“Wuling HK Undertakings”	the irrevocable and unconditional undertaking given by Wuling HK in favour of the Company and the Underwriter on 2 January 2020, details of which is set out in the paragraph headed “Irrevocable undertakings respectively from Wuling HK and Dragon Hill” under the section headed “The Proposed Rights Issue” in this announcement
“%”	per cent.

In this announcement, unless otherwise specified, conversion of RMB into HK\$, is based on the exchange rate of RMB1 to HK\$1.118, for information purpose only. Such conversion should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

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

Hong Kong, 2 January 2020

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

* *For identification purposes only*