

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this prospectus or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser. **If you have sold or transferred** all your shares in Wuling Motors Holdings Limited (“**Company**”), you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. A copy of each of the Prospectus Documents, together with the document specified in the paragraph headed “Documents delivered to the Registrar of Companies” in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents. 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 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. Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.



**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)*

**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**



Terms used in this cover page have the same meanings as defined in this prospectus. The Rights Issue is conditional upon the fulfilment of the conditions set out under the paragraph headed “Conditions of the Rights Issue” under the section headed “Terms of the Rights Issue” of the Letter from the Board on pages 10 to 30 of this prospectus. The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, any time prior to the Latest Time for Termination, the right to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as more particularly described in the section headed “Termination of the Underwriting Agreement” in this prospectus. The Rights Issue is therefore subject to the Underwriter not terminating the Underwriting Agreement. Accordingly, the Rights Issue may or may not proceed. The Shares have been dealt with on an ex-rights basis from Thursday, 13 February 2020. Dealings in the Rights Shares in the nil-paid form are expected to take place from Wednesday, 26 February 2020 to Wednesday, 4 March 2020 (both days inclusive). If the conditions of the Rights Issue are not fulfilled in full or the Underwriting Agreement is terminated by the Underwriter on or before 4:30 p.m. on Tuesday, 10 March 2020 or such later time and/or date as may be agreed between the Company and the Underwriter, the Rights Issue will not proceed. Any Shareholders or other persons dealing or contemplating dealing in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases), and/or dealing in the nil-paid Rights Shares between Wednesday, 26 February 2020 to Wednesday, 4 March 2020 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons dealing or contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers. The latest time for acceptance of and payment for Rights Shares is 4:00 p.m. on Monday, 9 March 2020. The procedure for acceptance of and payment for or transfer of the Rights Shares are set out on pages 17 to 18 of this prospectus.

24 February 2020

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## DEFINITIONS

*In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:*

“acting in concert”	has the meaning ascribed thereto under the Hong Kong Code on Takeovers and Mergers
“Announcement”	the announcement of the Company dated 2 January 2020 in relation to, among other things, the Rights Issue and the Underwriting Agreement
“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

## DEFINITIONS

“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 initial conversion price of HK\$0.70 per Share (before any adjustment as a result of the Rights Issue as detailed in the section headed “Adjustment to the Convertible Loan Notes” set out in the Letter from the Board) 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 (who is a Director, the Vice-chairman and the Chief Executive Officer of the Company), which held a total of 281,622,914 Shares (representing approximately 13.74% of the entire issued share capital of the Company) as at the Latest Practicable Date 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 and a side letter dated 29 January 2020 executed by Dragon Hill in favour of the Company and the Underwriter which amends and supplements such undertaking, details of which are set out in the paragraph headed “Irrevocable undertakings respectively from Wuling HK and Dragon Hill” under the section headed “Terms of the Rights Issue” of the Letter from the Board
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholder(s) who wish(es) to apply for excess Rights Shares

## DEFINITIONS

“Excluded Shareholder(s)”	the Overseas Shareholder(s), to whom the Directors, based on the legal opinions provided by the legal advisers of the Company and on account either of 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), consider it is necessary, or expedient not to offer the Rights Shares
“Group”	the Company and its subsidiaries
“Guangxi Automobile”	廣西汽車集團有限公司 (Guangxi Automobile Holdings Limited*), a state-controlled enterprise established in the PRC, being the ultimate beneficial controlling shareholder of the Company which is indirectly interested in approximately 60.64% of the total number of Shares in issue of the Company
“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 last trading day of the Shares on the Stock Exchange immediately preceding the release of the Announcement
“Latest Practicable Date”	18 February 2020, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Monday, 9 March 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 for the Rights Shares and for application and payment for the excess Right 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 Tuesday, 10 March 2020 (which is the Business Day immediately following the day for the Latest Time for Acceptance)

## DEFINITIONS

“Letter from the Board”	the letter from the Board to the Shareholders dated 24 February 2020 in relation to the Rights Issue as contained in this prospectus
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“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 renounceable provisional allotment letter(s) representing the Rights Shares to be issued to the Qualifying Shareholder(s) under the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of this prospectus, excludes Hong Kong, Macau and Taiwan
“Prospectus” or “this prospectus”	this prospectus issued by the Company in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Monday, 24 February 2020, being the date of posting of the Prospectus Documents to the Qualifying Shareholders and the Prospectus (without the PAL and the EAF), for information only, to the Excluded Shareholders
“Qualifying 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, other than the Excluded Shareholders
“Record Date”	Friday, 21 February 2020, being the date for determination of the entitlements under the Rights Issue
“Registrar”	the branch registrar and transfer office of the Company in Hong Kong, being Tricor Tengis Limited
“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

## DEFINITIONS

“Rights Shares”	1,025,053,777 new Shares (assuming no further issue or repurchase of Shares from the Latest Practicable Date 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
“Supplemental Underwriting Agreement”	the supplemental underwriting agreement dated 29 January 2020 entered into between the Company and the Underwriter in relation to the modification and variation of certain terms of the Underwriting Agreement
“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 as amended and supplemented by the Supplemental Underwriting Agreement
“Underwritten Shares”	a total of 333,081,788 Rights Shares (assuming that there is no further issue or repurchase of Shares from the Latest Practicable date up to and including 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

## DEFINITIONS

“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 held a total of 1,243,132,520 Shares (representing approximately 60.64% of the entire issued share capital of the Company) as at the Latest Practicable Date and is 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 and a side letter dated 29 January 2020 executed by Wuling HK in favour of the Company and the Underwriter which amends and supplements such undertaking, details of which are set out in the paragraph headed “Irrevocable undertakings respectively from Wuling HK and Dragon Hill” under the section headed “Terms of the Rights Issue” of the Letter from the Board
“%”	per cent.

*In this prospectus, 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.*

*In this prospectus, the English translation of a Chinese name, or vice versa, marked with “\*” is for identification purpose only.*



## EXPECTED TIMETABLE

### EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

Event	Date and time
First day of dealings in nil-paid Rights Shares.....	Wednesday, 26 February 2020
Latest time for splitting of PALs.....	4:30 p.m. on Friday, 28 February 2020
Last day of dealings in nil-paid Rights Shares .....	Wednesday, 4 March 2020
Latest time for acceptance of and payment for Rights Shares and application and payment for excess Rights Shares .....	4:00 p.m. on Monday, 9 March 2020
Latest time for termination of the Underwriting Agreement and for the Rights Issue to become unconditional.....	4:30 p.m. on Tuesday, 10 March 2020
Announcement of the allotment results of the Rights Issue .....	Monday, 16 March 2020
Despatch of certificates for fully-paid Rights Shares and refund cheques (if any).....	Tuesday, 17 March 2020
Expected first day of dealings in fully-paid Rights Shares.....	Wednesday, 18 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 prospectus 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 Monday, 9 March 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 prospectus for the events mentioned in the above expected 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.

## 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 restriction of 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

## TERMINATION OF THE UNDERWRITING AGREEMENT

- (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 the 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.

## 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. Yuan Zhijun (Chairman)  
Mr. Lee Shing (Vice-chairman and  
Chief Executive Officer)  
Mr. Yang Jianyong  
Mr. Wang Zhengtong

*Principal place of business  
in Hong Kong:*

Unit 1901, 19/F  
Beautiful Group Tower  
77 Connaught Road Central  
Hong Kong

*Independent Non-executive Directors:*

Mr. Ye Xiang  
Mr. Wang Yuben  
Mr. Mi Jianguo

*Registered office:*

Victoria Place  
5th Floor, 31 Victoria Street  
Hamilton HM10  
Bermuda

Hong Kong, 24 February 2020

*To the Qualifying Shareholders and, for information only, the Excluded Shareholders*

Dear Sir or Madam

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

#### **INTRODUCTION**

References are made to the Announcement and the announcement of the Company dated 29 January 2020 in relation to, among other things, the Rights Issue and the Underwriting Agreement. On 2 January 2020, the Board announced that (i) the Company proposed to raise a total of approximately HK\$205.01 million, before expenses, by way of the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date; (ii) Wuling HK and Dragon Hill, both being substantial Shareholders, have irrevocably and unconditionally undertaken to, among other things, apply for and pay for the Wuling HK Committed Shares (for the case of Wuling HK) and the Dragon Hill Committed Shares (for the case of Dragon Hill) under the Rights Issue; and (iii) after trading hours on 2 January 2020, the Company and the Underwriter entered into the Underwriting Agreement in respect of the Rights Issue, pursuant to which the Rights Shares, other than the Committed Shares (being the Wuling HK Committed Shares and the Dragon Hill Committed Shares), will be fully underwritten by the Underwriter, subject to the terms and conditions set out in the Underwriting Agreement. On 29 January 2020, the Board further announced, among other things, the revised expected timetable for the Rights Issue and the execution of the

## LETTER FROM THE BOARD

Supplemental Underwriting Agreement by the Company and the Underwriter for the purpose of amend such terms of the Underwriting Agreement as may be necessary to make the Underwriting Agreement consistent with the revised expected timetable.

The purpose of this prospectus is to provide you with details regarding the Rights Issue, including information on dealing in, transfer of and acceptance of the Rights Shares and other information in respect of the Group.

### TERMS OF THE RIGHTS ISSUE

Issue statistics and other details of the Rights Issue are summarized as below:

#### 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 Latest Practicable Date	:	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 from the Latest Practicable date up to and including the Record Date)

*Note:* Assuming that there is no issue or repurchase of Shares from the Latest Practicable Date 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.

## LETTER FROM THE BOARD

As at the Latest Practicable Date, the Convertible Loan Notes in the outstanding principal amount of HK\$250 million, which were held by Wuling HK, have entitled the holder(s) thereof to convert into a maximum of 357,142,857 Shares at the initial conversion price of HK\$0.70 per Share (before any adjustment as a result of the Rights Issue as detailed in the section headed “Adjustment to the Convertible Loan Notes” below). Save for the Convertible Loan Notes, as at the Latest Practicable Date, the Company did 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

On the basis of a total 2,050,107,555 Shares in issue as at the Latest Practicable Date and assuming that there is no further issue or repurchase of Shares from the Latest Practicable Date up to and including the Record Date, a total number 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 issued share capital of the Company as at the Latest Practicable Date; 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.

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.**

## LETTER FROM THE BOARD

Should a Qualifying Shareholder elect not to take up any of his/her/its entitlement under the Rights Issue, the maximum dilution impact on his/her/its shareholding interest in the Company upon completion of the Rights Issue is approximately 33.33%.

### **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 or may not be eligible to take part in the Rights Issue as explained below. Based on latest available register of members of the Company as at the Latest Practicable Date, there were two Overseas Shareholders situated in Malaysia, one Overseas Shareholder situated in the United Kingdom and one Overseas Shareholder situated in Macau.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange with respect to feasibility of extending the Rights Issue to such Overseas Shareholders.

The Company has been advised by the relevant legal advisers as to the laws of United Kingdom, Macau and Malaysia that either (i) there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in the relevant jurisdictions; or (ii) the Rights Issue meets the relevant exemption requirements under the relevant jurisdictions so that the Company would be exempt from obtaining approval or recognition from and/or registration of the Prospectus Documents with the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions. Based on such advice, the Directors decided to extend the Rights Shares to the Overseas Shareholders in the United Kingdom, Macau and Malaysia.

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 duties) 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 EAFs by the Qualifying Shareholders.

**Save for the Overseas Shareholders situated in Malaysia, United Kingdom and Macau as described above, Overseas Shareholders on the Record Date, if any, should note that they may or may not be entitled to the Rights Issue, subject to the results of further enquiries to be made by the Company pursuant to Rule 13.36(2)(a) of the Listing Rules.**

## LETTER FROM THE BOARD

**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.**

### **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 discount of approximately 19.68% to the closing price of HK\$0.249 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (viii) 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 Last Trading Day, of HK\$0.286 per Share)); and



## LETTER FROM THE BOARD

- (ix) a discount of approximately 74.62% to the unaudited consolidated net asset value attributable to the Shareholders (“NAV”) 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 Latest Practicable Date.

As detailed in the section headed “Reasons for the Rights Issue and Use of Proceeds” below, the Board considers that it is appropriate to raise funds through the Rights Issue. When determining the Subscription Price, on the one hand, the Directors were aware of the discount of approximately 74.62% represented by the Subscription Price to the NAV of approximately RMB0.705 (equivalent to approximately HK\$0.788) per Share as at 30 June 2019; on the other hand, the Directors also noticed that the Shares have been consistently traded at a substantial discount to the NAV for a prolong period, in particular, the closing price per Share as quoted on the Stock Exchange ranged from HK\$0.230 to HK\$0.345 during the last quarter of 2019. On that basis and given the prevailing market prices of any company’s shares is a key factor in determining the issue price of that company’s new shares pursuant to its equity fund raising activities, the Directors have considered that such discount represented by the Subscription Price to the NAV per share is inevitable.

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 (in particular, the Company made a profit warning announcement on 22 July 2019 in respect of the six months ended 30 June 2019, and further set out in its 2019 interim report that during the six months ended 30 June 2019 the Group had recorded decreases in its unaudited consolidated revenue (by approximately 2.6% to approximately RMB6,145,841,000), gross profit (by approximately 10.4% to approximately RMB522,280,000) and net profit (by approximately 82.6% to approximately RMB12,450,000) as compared with the corresponding period in 2018; and had also recorded a loss attributable to the owners of the Company for the six months ended 30 June 2019 as compared with a profit attributable to the owners of the Company recorded for the six months ended 30 June 2018 (please refer to the paragraph headed “4. Material Adverse Change” of Appendix I to this prospectus for further details and discussion relating to such financial information on the Group)) and the market prices as well as trading volume of the Shares under the prevailing market conditions (including but not limited to (a) the closing prices of the Shares as quoted on the Stock Exchange, which ranged from HK\$0.23 per Share to HK\$0.265 per Share during the period from 1 November 2019 to 13 December 2019 before the sudden surge in the closing price per Share to HK\$0.345 on 16 December 2019 (please refer to the announcement of the Company dated 16 December 2019 for details); and (b) the average daily trading volume of the Shares on the Stock Exchange during the period from 1 November 2019 up to and including the Last Trading Day, being approximately 1,067,000 Shares which represents approximately 0.21% of a total of 514,582,441 Shares held by public as at the Last Trading Day). 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

## LETTER FROM THE BOARD

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.

### **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 Tengis 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 has been set out in the paragraph headed "Procedure for acceptance, payment, transfer and/or splitting of provisional allotment of the Rights Shares" below and in the PAL.

### **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 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 Qualifying Shareholders, which cannot be sold by the Company.

## LETTER FROM THE BOARD

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; and
- (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.

### **Procedure for acceptance, payment, transfer and/or splitting of provisional allotment of the Rights Shares**

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Monday, 9 March 2020 (or, under bad weather conditions, such later date as mentioned in the section headed "Expected Timetable — 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 remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, licensed banks in Hong Kong and made payable to "Wuling Motors Holdings Limited — Rights Issue Account" and crossed "Account payee only". It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Monday, 9 March 2020, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled after the Latest Time for Acceptance. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

## LETTER FROM THE BOARD

If the Qualifying Shareholders wish to accept only part of their provision allotment or transfer part of their rights to subscribe for the Rights Share provisionally allotted to them under the PALs or to transfer part of their rights to more than one person, the original PALs must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 28 February 2020 to the Registrar, who will cancel the original PALs and issue new PALs in the denomination required which will be available for collection from the Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PALs. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

### **Excess Rights Shares**

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to the provisional allotment, the Qualifying Shareholder must complete and sign the EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by not later than 4:00 p.m. on Monday, 9 March 2020 (or, under bad weather conditions, such later date as mentioned in the section headed "Expected Timetable — 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 remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, licensed banks in Hong Kong and made payable to "Wuling Motors Holdings Limited — Excess Application Account" and crossed "Account Payee Only". It should be noted that the allotment of excess Rights Shares will be made by the Directors on a fair and equitable basis but Qualifying Shareholders are not guaranteed to be allotted all or any of the excess Rights Shares applied for.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties.

## LETTER FROM THE BOARD

If the Underwriter exercises the right to terminate the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” below is not fulfilled at or before the time and date specified in the Underwriting Agreement, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at their own risk to their respective registered addresses by the Registrar on or before Tuesday, 17 March 2020.

### **Application for listing**

The Company had made an application 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.

## LETTER FROM THE BOARD

### **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 Tuesday, 17 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 Tuesday, 17 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 paragraph headed "Conditions of the Underwriting Agreement" under the section headed "Underwriting Agreement" below and the section headed "Termination of the Underwriting Agreement". If the Conditions are not fulfilled in full by 4:30 p.m. on Tuesday, 10 March 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 Tuesday, 10 March 2020, the Rights Issue will not proceed.

## LETTER FROM THE BOARD

### Irrevocable undertakings respectively from Wuling HK and Dragon Hill

As at the Latest Practicable Date, Wuling HK held 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. According to the Rights Issue, 621,566,260 Rights Shares will be provisionally allotted to Wuling HK. 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 Latest Practicable Date, Dragon Hill held a total of 281,622,914 Shares, representing approximately 13.74% of the total issued share capital of the Company. According to the Rights Issue, 140,811,457 Rights Shares will be provisionally allotted to Dragon Hill. 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 (“**Dragon Hill’s Remaining Entitlement**”) allotted to it will not apply for any excess Rights Shares.

## LETTER FROM THE BOARD

The Company have been confirmed by each of Wuling HK and Dragon Hill that their respective commitments in respect of application of and payment for the Wuling HK Committed Shares (for the case of Wuling HK) and the Dragon Hill Committed Shares (for the case of Dragon Hill) were made after taking into account their respective financial and investment plans. With regard to the Dragon Hill's Remaining Entitlement, Dragon Hill may or may not take up any part of such entitlement under the Rights Issue.

Save for Wuling HK and Dragon Hill, as at the Latest Practicable Date, 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, and as amended and supplemented by the Supplemental Underwriting Agreement dated 29 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 Latest Practicable Date, 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).



## LETTER FROM THE BOARD

- 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 underwriting commissions charged for rights issues being announced during the three-month period ended 31 December 2019 (in particular, the Directors, based on the information quoted on the website of the Stock Exchange, noticed that (i) a total of eight Main Board-listed companies (which, to the best knowledge of the Directors, are considered to be exhaustive and have not been subsequently terminated during the specified period) announced their proposed rights issues during the three-month period ended 31 December 2019, among which one rights issue has been underwritten by the relevant company's connected person, one rights issue has been underwritten by a total of three independent underwriters and one connected person, and six rights issues have been underwritten by independent underwriters; and (ii) among the seven rights issues involving independent underwriters, the underwriting commissions relating to four cases with underwritten amount ranged from approximately HK\$42 million to over HK\$300 million were from 1.5% to 2.5%, while the underwriting commissions for the three other cases with underwritten amount ranged from approximately HK\$18 million to over HK\$900 million were 3% to 4%. On the basis of the above, the Directors consider that the commission of 3% payable to the Underwriter under the Underwriting Agreement is not abnormal under the prevailing market practice as it lies within the range of underwriting commissions of 1.5% to 4% of the seven rights issues involving independent underwriters as mentioned above). 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.

## LETTER FROM THE BOARD

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 to the Company that:

- (1) it shall ensure 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 at all times and (b) it shall not, together with party(ies) acting in concert with it, hold more than 10% 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.

## LETTER FROM THE BOARD

None of the above Conditions can be waived. As at the Latest Practicable Date, none of the above Conditions have been fulfilled. If the Conditions are not fulfilled in full by 4:30 p.m. on Tuesday, 10 March 2020 (or such other date as the Underwriter and the Company may agree 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 section headed “Termination of the Underwriting Agreement”), the Rights Issue will not proceed.

### **Sub-underwriting arrangement and information about the sub-underwriters**

The Company has been confirmed by the Underwriter that (i) the Underwriter has entered into sub-underwriting agreements with a total of four sub-underwriters (the “**Sub-Underwriters**”) in respect of the sub-underwriting of the Rights Shares by the Sub-Underwriters; (ii) each of the Sub-Underwriters is a corporation licensed to carry on business in Type 1 (dealing in securities) regulated activities under the SFO and its ordinary business includes underwriting of securities; and (iii) the Sub-Underwriters have confirmed that they are not connected persons of the Company.

The Underwriter has confirmed to the Company that (i) all of the Sub-underwriters are not connected persons of the Company, do not hold any Shares and are independent of each other (save for the sub-underwriting arrangement and Celestial Capital Limited’s engagement by the Company as its financial adviser for certain transactions, including but not limited to the Rights Issue); and (ii) on the basis that no sub-underwriter holds any Shares and based on each sub-underwriter’s sub-underwriting commitment relating to the Rights Shares, no sub-underwriter will hold 5% or more of the issued share capital of the Company immediately upon completion of the Rights Issue.

## LETTER FROM THE BOARD

### EFFECTS OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no further issue or repurchase of Shares from the Latest Practicable Date 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 Latest Practicable Date to immediately after completion of the Rights Issue:

Shareholders	Immediately after completion of the Rights Issue					
	As at the Latest Practicable Date and up to the Record Date		Assuming all Shareholders have taken up the Rights Shares		Assuming no Shareholder has taken up the Rights Shares (other than the Committed Shares taken up by Wuling HK and Dragon Hill)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
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 and/or subscriber(s) procured by the Underwriter (Note 5)	—	—	—	—	83,081,788	2.70
Sub-underwriters and/or subscriber(s) procured by the Sub-underwriter(s) (Note 5)						
— Sub-underwriter A	—	—	—	—	150,000,000	4.88
— Sub-underwriter B	—	—	—	—	25,000,000	0.81
— Sub-underwriter C	—	—	—	—	25,000,000	0.81
— Sub-underwriter D	—	—	—	—	50,000,000	1.63
Other public Shareholders	<u>514,582,441</u>	<u>25.09</u>	<u>771,873,661</u>	<u>25.09</u>	<u>514,582,441</u>	<u>16.73</u>
	<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.

## LETTER FROM THE BOARD

2. 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 Latest Practicable Date, apart from 4,739,380 Shares beneficially held by Mr. Lee and/or his spouse, Mr. Lee was also considered to be interested in 281,622,914 Shares held by Dragon Hill. Accordingly, Mr. Lee was deemed to be interested in a total of 286,362,294 Shares as at the Latest Practicable Date.
3. Mr. Yuan Zhijun and Mr. Ye Xiang are Directors.
4. 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.
5. Pursuant to the Underwriting Agreement and confirmations by the Underwriter, 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),
  - (i) the Underwriter shall ensure 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 Untaken 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 at all times and (b) it shall not, together with party(ies) acting in concert with it, hold more than 10% 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 initial conversion price of HK\$0.70 per Share (before any adjustment as a result of the Rights Issue as detailed in the section headed “Adjustment to the Convertible Loan Notes” below) 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

## LETTER FROM THE BOARD

not having been exercised to subscribe for the Shares. (As at the Latest Practicable Date, 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 and up to the Latest Practicable Date in 2020, the closing prices of the Shares as quoted on the Stock Exchange has been lower than the initial 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 initial conversion price of HK\$0.70 per Share. 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. 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 future. The Board therefore considers that although the Company did not have any imminent financial needs nor had it identified any business opportunity as at the Latest Practicable Date, retaining financial resources for business development and operation would provide the Group with more resources and flexibility in capturing any business opportunity if and when it arises in an efficient manner in case no fund raising need is then required. On that basis, the Board further 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.

## LETTER FROM THE BOARD

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.

The Company did not conduct any fund raising activities in the 12 months immediately preceding the Announcement.

### ADJUSTMENT TO THE CONVERTIBLE LOAN NOTES

As at the Latest Practicable Date, the Convertible Loan Notes in the outstanding principal amount of HK\$250 million, which were held by Wuling HK, have entitled the holder(s) thereof to convert into a maximum of 357,142,857 Shares (before adjustment to the conversion price) at the initial conversion price of HK\$0.70 per Share. As a result of the Rights Issue, the conversion price and/or the number of Shares falling to be issued upon exercise of the conversion rights attaching to the Convertible Loan Notes, according to the terms and conditions of the Convertible Loan Notes, will be adjusted in the following manner:

Principal amount of the Convertible Loan Notes outstanding as at the Latest Practicable Date	Conversion price per Share before adjustment	Conversion price per Share after adjustment as a result of the Rights Issue <i>(Note)</i>	Number of Shares issuable upon exercise of the conversion rights attaching to all of the outstanding principal amount of the Convertible Loan Notes before adjustment	Number of Shares issuable upon exercise of the conversion rights attaching to all of the outstanding principal amount of the Convertible Loan Notes after adjustment as a result of the Rights Issue <i>(Note)</i>
HK\$250,000,000	HK\$0.70	HK\$0.63	357,142,857 Shares	396,825,396 Shares

*Note:* Upon Completion of the Rights Issue, adjustments to the conversion price and number of Shares issuable upon exercise of the conversion rights attaching to all of the outstanding principal amount of the Convertible Loan Notes shall become effective (if appropriate retroactively) from the commencement of the day next following the Record Date.

## LETTER FROM THE BOARD

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

The Shares have been dealt with on an ex-rights basis commencing from Thursday, 13 February 2020. Dealings in the Rights Shares in the nil-paid form are expected to take place from Wednesday, 26 February 2020 to Wednesday, 4 March 2020 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter on or before 4:30 p.m. on Tuesday, 10 March 2020 or such later time and/or date as may be agreed between the Company and the Underwriter, the Rights Issue will not proceed.

As we derive most of our revenue in the PRC, our business could be adversely affected by any outbreak, epidemic and/or pandemic of infectious or contagious diseases (such as the avian flu, H1N1 flu, SARS or Coronavirus (including COVID-19)) and/or other adverse public health developments in the PRC. Such events in the PRC or any other market in which we operate and conduct business may severely disrupt our business operations and negatively affect the automobile industry in this area, which in turn could materially and adversely impact our business and operating results. Nevertheless, the Group has carried out necessary steps for the purpose of lessening the negative impacts associated with the latest COVID-19 epidemic on its operation and business, for example the implementation of additional health and safety policies and procedures before resumption of the Group's production in the PRC after the extended Chinese New Year holidays in order to provide an appropriate working environment for its staff and workers, which in turn would help to ensure a smooth operation of the Group, as far as possible. The Directors and the Group's management will continue to closely monitor the situation and take further actions if then considered necessary.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully  
For and on behalf of the Board  
**Wuling Motors Holdings Limited**  
**Yuan Zhijun**  
*Chairman*



## 1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the notes thereto, for the three years ended 31 December 2016, 2017 and 2018 have been set out in the annual reports of the Company for the years ended 31 December 2016 (from pages 77 to 144), 31 December 2017 (from pages 74 to 152) and 31 December 2018 (from pages 90 to 204) respectively. The unaudited condensed consolidated financial statements of the Group, together with the notes thereto, for the six months ended 30 June 2019 have been disclosed in the interim report of the Company for the six months ended 30 June 2019 (from pages 42 to 97).

The abovementioned annual reports and interim report of the Company have been published on the respective websites of Company ([www.wuling.com.hk](http://www.wuling.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

## 2. STATEMENT OF INDEBTEDNESS

At 31 December 2019, being the latest practicable date for the purpose of this statement of indebtedness of the Group prior to the printing of this prospectus, the Group had the following indebtedness that are unguaranteed:

	<i>Notes</i>	<b>As at 31 December 2019 RMB'000</b>
Unsecured amount due to an associate		50,000
Secured bank borrowings	(i)	677
Unsecured bank borrowings		1,039,850
Unsecured borrowing from Guangxi Automobile		635,000
Secured advances drawn on bills receivables discounted with recourse	(ii)	3,250,263
Unsecured convertible loan notes	(iii)	214,050
Unsecured lease liabilities		<u>92,743</u>

*Notes:*

- (i) The amounts are secured by an investment property of the Group.
- (ii) The amount represents the Group's other borrowings secured by the bills receivables discounted to banks or Guangxi Automobile with recourse.
- (iii) The outstanding unsecured convertible loan notes with an aggregate principal sum of HK\$250,000,000 include a host debt liability component classified as financial liabilities at amortised cost and a derivative component classified as financial liabilities at fair value through profit or loss. The unsecured convertible loan notes of RMB214,050,000 shown above represent the carrying value of host debt liability component of the unsecured convertible loan notes as at 31 December 2019.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business of the Group, as at 31 December 2019, the Group did not have any debt securities issued or outstanding or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

### 3. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry and after taking into account (i) the financial resources available to the Group as at the Latest Practicable Date, including the internally generated funds and other financing facilities available; and (ii) the estimated net proceeds from the Rights Issue, are of the opinion that the Group will have sufficient working capital to satisfy the Group's requirements for at least the twelve months from the date of this prospectus in the absence of unforeseen circumstances.

### 4. MATERIAL ADVERSE CHANGE

References are made to the profit warning announcement of the Company dated 22 July 2019 and the interim report of the Company for the six months ended 30 June 2019 (“**2019 Interim Report**”) subsequently published by the Company in September 2019. As mentioned in the 2019 Interim Report, for the six months ended 30 June 2019, despite a continuous growth in the specialized vehicles division, as a result of the substantial reduction in the volume of businesses of the automotive components and other industrial services division (which reduction was mainly attributable to a reduction in business volume contributed by a key customer of the Group resulting from the persistent unfavourable market environment of the automotive industry in China during the period), total revenue of the Group was RMB6,145,841,000, representing a moderate decrease of 2.6% as compared to the corresponding period in 2018. The abovementioned decline in business volume as well as revenue in the automotive components and other industrial services division, together with the prevailing high raw materials prices which kept the cost of production at a high level, resulted in a decrease in the gross profit margin which in turn led to a decrease in the gross profit of the Group by 10.4%, as compared to the corresponding period in 2018, to RMB522,280,000 during the six months ended 30 June 2019. In addition, in the absence of the positive impact from the income tax credit resulting from the reversal of overprovision in prior years and the gain on fair value change of the derivative financial instruments of the Convertible Loan Notes as recorded in corresponding period in 2018, net profit of the Group for the first half of 2019 was RMB12,450,000, representing a significant decrease of 82.6% as compared with the first half of 2018. The effective interest expenses of RMB18,672,000 incurred by the Company for the Convertible Loan Notes also led to a loss attributable to the owners of the Company in the amount of RMB3,043,000 for the six months ended 30 June 2019, as compared to the profit attributable to the owners of the Company of RMB46,344,000 for the six months ended 30 June 2018.

Reference is also made to the profit warning announcement of the Company dated 14 February 2020 (the “**FY2019 Profit Warning Announcement**”) relating to the financial year ended 31 December 2019. As set out in FY2019 Profit Warning Announcement, based on the

preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 and information currently available to the Board, (i) net profit of the Group for the year ended 31 December 2019 is expected to be decreased by more than 80% as compared to the net profit of RMB125,195,000 for the year ended 31 December 2018; and (ii) the Group is expected to record a loss attributable to the owners of the Company for the year ended 31 December 2019, as compared to the profit attributable to the owners of the Company of RMB70,673,000 for the year ended 31 December 2018. The Board considers that such expected decrease in net profit of the Group and expected loss attributable to the owners of the Company for the year ended 31 December 2019 were mainly attributable to the persistent unfavourable market environment of the automotive industry in China. In light of the above, due to a reduction in the business volume contributed by a key customer of the Group, the segment revenue of the Group's automotive components and other industrial services division experienced a substantial decrease during the year ended 31 December 2019 as compared to the year of 2018, whereas the operating results of the Group's associates and joint ventures were also adversely affected and are expected to record a loss (on an aggregate basis) for the year ended 31 December 2019. Furthermore, despite a recovery of business volume of the Group's engines and related parts division during the year ended 31 December 2019, the highly competitive business environment led to lower selling prices of the Group's engine products and the additional costs incurred in the launches of new products drove down the profit margin, which resulted in operating losses in that division. In addition, the substantial positive impact from the fair value adjustments of the outstanding convertible loan notes of the Company recognized in the year of 2018 was also no longer available for the year ended 31 December 2019. Given the audited consolidated financial statement of the Group for the year ended 31 December 2019 have not been finalised yet, the relevant actual results of the Group may differ from the information set out in the FY2019 Profit Warning Announcement and replicated in this paragraph.

Save as disclosed above and the further information as provided under the paragraph below headed "5. Financial and Trading Prospects of the Group", as at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

## **5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

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. As detailed in the above paragraph headed "4. Material Adverse Change", (a) the Group recorded declines in its unaudited consolidated revenue, gross profit and net profit during the six months ended 30 June 2019 as compared with the corresponding period in 2018 and a loss attributable to the owners of the Company for the six months ended 30 June 2019 as compared with a profit attributable to the owners of the Company recorded for six months ended 30 June 2018, (b) based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 and information currently available to the

Board, net profit of the Group for the year ended 31 December 2019 is expected to be decreased by more than 80% as compared to the net profit of RMB125,195,000 for the year ended 31 December 2018 and the Group is expected to record a loss attributable to the owners of the Company for the year ended 31 December 2019, as compared to the profit attributable to the owners of the Company of RMB70,673,000 for the year ended 31 December 2018. Background and the main causes leading to such adverse development in the trading and financial performance of the Group during the six months ended 30 June 2019 and the year ended 31 December 2019 have also been set out in that paragraph.

It was also mentioned in the 2019 Interim Report that aside from the unfavourable factors happened on the global level that were out of the control of the Group, the economic environment in the PRC also confronted with series of tough challenges arising both internally and externally since 2018. As affected by the pessimistic sentiment arising from the market uncertainty and the general slowdown in the economy, in 2018, the PRC automobile industry experienced the first decline in the total annual sale volume in a decade, and such unfavourable situation lingered in 2019 in which the total number of motor vehicles sold in the PRC decreased by 8.2% as compared to 2018. The Directors consider that the Group's business in 2019 and the years ahead will inevitably continue to be adversely affected by such unfavourable factors and the tough business environment of the PRC automobile industry.

Notwithstanding the unfavourable market environment as abovementioned, to foster the future business potential, the Group continued to undertake projects in cooperation with customers and business partners, where new products were continuously developed and launched in response to the dynamic market environment. The Group is confident that some of which would become the next growth drivers of revenue and profitability of the Group in future. In addition, requisite enhancement and upgrading projects were also continued to provide the required fundamental platforms for furthering our business potential and development strategies. Completion of these enhanced facilities empowered by the essential elements of automation and intelligent manufacturing systems would necessarily ensure our competitive strength in the market for future business development and other transformation projects. Furthermore, as set out in the FY2019 Profit Warning Announcement, The Group will continue to actively monitor the changing business environment in implementing stable and effective operation strategies and measures, and work closely with our customers to ensure the continuous upgrading and the long term development of the Group's businesses.

Meanwhile, in order to maintain the business volume of the Group under these challenging economic and business environment, the Group has recently been proactively adjusting its business focus and strategy by expanding the car assembly business, i.e. the specialized vehicles division. Our business performance in 2018 and the first half of 2019 suggested that solid market demands of our products which have long and established standing in the respective niche market and active promotion of different types of existing and new models through various marketing campaigns had successfully placed the Group in a more competitive position in the market and enabled the Group to achieve solid growth in business volume for the period. The Directors consider this business momentum would continue to benefit the business performance of the Group in the coming years.

In addition, in response to national policies regarding environmental protection and new energy (for instance, (i) China is a signing member to the Paris Agreement (巴黎協議), an agreement which were entered into by various countries aiming to contain the global warming issue to the environment; and (ii) according to the Notice Relating to Emerging Sectors of National Strategic Importance for the “13th Five-Year Plan” (《“十三五”國家戰略性新興產業發展規劃的通知》) issued by the State Council (國務院) of the PRC, it has been the PRC’s national strategy to promote new energy and new energy vehicles and to substantially increase the proportion of application of new energy as well as new energy vehicles during the “13th Five-Year Plan” through the implementation of various subsidized and non-subsidized measures and policies), the Group considers that new energy vehicles will enjoy a good momentum in terms of market acceptance and sales. Accordingly, the Group has been allocating resources to develop environmental transportation in compliance with the national policies. The Group has been actively engaged in the development and sales of new energy vehicles, and has initiated various projects for mainstream applications of new energy, including research on electric sightseeing vehicles, smart driving products and the development of electric logistics vehicles.

The Group, through its principal subsidiary, namely 柳州五菱汽車工業有限公司 (Liuzhou Wuling Motors Industrial Company Limited\*) (“**Wuling Industrial**”), has actively explored potential collaboration with various overseas manufacturing powerhouses for its automotive component business with a view to improving the Group’s manufacturing capacity with advanced technologies imported from the international market. Since 2017, Wuling Industrial and the renowned Faurecia Group from France have collaborated to established three joint ventures in the PRC which respectively pursue the businesses of car seat and accessories products, the automotive interior parts and accessories products, and the automotive emissions control system products and related parts and components in the PRC. In 2018, Wuling Industrial and American Axle & Manufacturing Inc. (“**AAM**”) from the United States of America established another joint venture in the PRC which acts as a platform for cooperation between the two joint venture partners and for operating vertical rear axles, transmission axles and other business as well as furthering the technology development of vehicle axle products.

As mentioned in the 2019 Interim Report, due to the prevailing unfavourable business environment, business performance of the abovementioned joint ventures were adversely affected by either registering operating losses or experiencing certain extents of delays in achieving scale operations. The Directors expect that such unfavourable factors and the tough business environment of the PRC automobile industry will continue to affect the business performance of the joint ventures for the full year of 2019 and the coming years. Nevertheless, the Group consider Wuling Industrial’s respective collaborations with Faurecia Group and AAM aiming at extensively integrated market resources and technical capabilities of the relevant joint venture parties will benefit the long term business growth and potential of the Group.

As disclosed in the 2019 Interim Report, as at 30 June 2019, the Group’s unaudited net assets amounted to RMB2,489,975,000 which was stable as compared to the Group’s audited net assets of RMB2,478,849,000 as recorded at 31 December 2018. Unaudited net assets attributable to the owners of the Company amounted to RMB1,444,447,000 as at 30 June

2019, indicating no material change to the comparative audited figures of RMB1,443,639,000 as recorded at 31 December 2018. Resulting from an increase in the capital expenditures in recent years for acquisition of property, plant and equipment and the investments in joint ventures and associates which were classified as non-current assets and a decrease in the non-current liabilities, representing primarily by the transfer of the Convertible Loan Notes from non-current liabilities to current liabilities according to the maturity date, at 30 June 2019 the Group's unaudited net current liabilities amounted to RMB1,903,980,000, representing an increase of approximately 23.4% as compared to the Group's audited net current liabilities of RMB1,543,517,000 as recorded at 31 December 2018. Meanwhile, as at 30 June 2019, the Group's gearing ratio, being calculated based on the Group's total bank borrowings (inclusive of advances drawn on bills receivable discounted with recourse) and the Group's net assets, was approximately 77.9%, which showed a slight increase as compared to the gearing ratio of approximately 76.7% as recorded at 31 December 2018.

In view of the unfavourable business environment, the Group has been cautiously implementing its strategic and business plans such that the financial position in terms of the net assets of the Group and attributable to the owners of the Company, the amount of net current liabilities and the gearing ratio of the Group would be sustained in a financial healthy position. The Directors consider the current financial position of the Group will enable it to withstand the risks and challenges under the current unfavourable market environment. Nevertheless, the Group will continue to closely monitor the financial position of the Group, as well as the business environment and the financial market from time to time in order to arrive at an appropriate financial strategy for the Group.

Notwithstanding the unfavourable market conditions and challenges in recent years, the Group is full of confidence in the long term growth potential of the automobile industry in the PRC. To cope with the challenges as well as to grasp the opportunities in the automobile industry, the Group has been conscientiously undertaken the following strategies and programs:

- (a) re-engineering of its product structure in response to the market needs and for the purpose of securing continued growth of the automobile manufacturing business. On one hand, the Group will continue to pursue steady growth in the business of engines, automotive parts and components for the passenger vehicles segment under the automotive components and other industrial services division; on the other hand, as mentioned above, the Group has expanded its car assembly business, i.e. the specialized vehicles division, and it has been actively engaged in the development and sales of new energy vehicles;
- (b) identifying opportunities for the purpose of optimizing positioning and scale operation of the production facilities of the Group's principal products in different geographical locations for both local and overseas, and streamlining and restructuring the operation of the Group's various key business segments, including the collaborations with the joint venture and business partners, for the purpose of increasing production efficiency and controlling costs;

- (c) aiming at the construction of a network of advance and highly automated production facilities located in different regions across the PRC, to establish an intelligent production system to pave the way for the upcoming development of intelligent manufacturing through the adoption of innovative industrialization programmes (such as “Internet +” and “Industry 4.0”) and the undertaking of the automation exercises for the established facilities and the newly setup facilities;
- (d) enhancing of the efficiency and effectiveness in operation and management decision making processes through implementation of the lean management system and the benchmarking exercises with the proven global manufacturing systems of the renowned key customers and business partners; and
- (e) building of an effective management team and workforce through active investment in the human resources with the appropriate human resources policies.

The Group envisages business environment in China to be highly competitive and challenging in the coming future. Pessimistic sentiment arising from the slowdown of the global and regional economy coupled with the unstable global economic prospect attributable to the erratic upheavals of international conflicts would continue to exert negative effect on the automobile industry and the overall business environment. Meanwhile, keen competitive business environment will force the automobile enterprises in formulating appropriate business and market strategies responding to the dynamic market situation and unconventional risky business exposures. However, the Group is full of confidence and considers the existing challenges can be overcome by effective strategies and will be beneficial to the industry in the long run. Despite the challenges and difficulties faced under the current market environment, the Group expects the China economy will continue to grow steadily. Rising household income and the increasing awareness of the general public towards environmental and community issues attributable to the sustainability of the economy and the society will necessarily encourage demands for motor vehicles, as a salient means of transport and an important part of lifestyle and provide promising business opportunities to the Group.

The Directors are also aware of the recent outbreak of novel coronavirus (COVID-19) and the associated negative impacts on the operation and business of the Group. Given the high uncertainties relating to the epidemic coronavirus at the moment, it is difficult to predict the extent to which the Group’s operation and business may be affected. Nevertheless, the Group has carried out necessary steps for the purpose of lessening such negative impacts on its operation and business, for example the implementation of additional health and safety policies and procedures before resumption of the Group’s production in the PRC after the extended Chinese New Year holidays in order to provide an appropriate working environment for its staff and workers, which in turn would help to ensure a smooth operation of the Group, as far as possible. The Directors and the Group’s management will continue to closely monitor the situation and take further actions if then considered necessary.

<b>APPENDIX II</b>	<b>UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b>
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### UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets which has been prepared to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 30 June 2019. As it is prepared for illustrative purposes only, and because of its nature, it may not give a true picture of the financial position of the Group upon completion of the Rights Issue. The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 as extracted and derived from the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2019 included in the published interim report of the Group and is adjusted for the effect of the Rights Issue.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 <i>(Note 1)</i> RMB'000	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 <i>(Note 2)</i> RMB	Estimated net proceeds from the Rights Issue <i>(Note 3)</i> RMB'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 as adjusted for the Rights Issue RMB'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 as adjusted for the Rights Issue per share <i>(Note 4)</i> RMB
Rights Issue of Rights Shares of 1,025,053,777 to be issued at the Subscription Price of HK\$0.20 per Rights Share	1,444,447	0.705	178,910	1,623,357	0.528



<b>APPENDIX II</b>	<b>UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b>
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*Notes:*

1. The amount of consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 is based on the unaudited consolidated net assets of the Group attributable to owners of the Company of RMB1,444,447,000 as extracted from the published interim report of the Group for the six months ended 30 June 2019; no intangible assets were noted based on the published interim report of the Group for the six months ended 30 June 2019.
2. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 per share is calculated based on 2,050,107,555 shares which represents shares in issue as at 30 June 2019.
3. The estimated net proceeds from the Rights Issue are based on the issuance of 1,025,053,777 Rights Share at HK\$0.20 (equivalent to approximately RMB0.1789) each, after deducting the estimated related expenses of HK\$5,000,000 (equivalent to approximately RMB4,472,000) to be incurred by the Company.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 as adjusted for the Rights Issue per share is calculated based on 3,075,161,332 shares which represents 2,050,107,555 shares in issue as at 30 June 2019 and before the Rights Issue and number of Rights Shares of 1,025,053,777 to be issued.
5. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2019.

*The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.*

**Deloitte.**

**德勤**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**To the Directors of Wuling Motors Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Wuling Motors Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 June 2019 and related notes as set out on pages II-1 to II-2 of this prospectus issued by the Company dated 24 February 2020 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the rights issue on the basis of one rights share for every two shares held on the Record Date (the "Rights Issue") on the Group's financial position as at 30 June 2019 as if the Rights Issue had taken place at 30 June 2019. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the six months ended 30 June 2019, on which a review report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

## **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2019 would have been as presented.

<b>APPENDIX II      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b>
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A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
24 February 2020

## 1. RESPONSIBILITY STATEMENT

This prospectus, 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 regarding the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus 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 prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue were/will be as follows:

### (i) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>25,000,000,000</u>	Shares	<u>100,000,000</u>
<u>1,521,400,000</u>	Convertible preference shares of HK\$0.001 each	<u>1,521,400</u>
<i>Issued and fully paid or credited as fully paid:</i>		<i>HK\$</i>
<u>2,050,107,555</u>	Shares	<u>8,200,430</u>

### (ii) Immediately following completion of the Rights Issue

<i>Authorised:</i>		<i>HK\$</i>
<u>25,000,000,000</u>	Shares	<u>100,000,000</u>
<u>1,521,400,000</u>	Convertible preference shares of HK\$0.001 each	<u>1,521,400</u>
<i>Issued and fully paid or credited as fully paid:</i>		<i>HK\$</i>
2,050,107,555	Shares in issue as at the Record Date	8,200,430
1,025,053,777	Rights Shares to be allotted and issued under the Rights Issue	4,100,215
<u>3,075,161,332</u>		<u>12,300,645</u>

All the Shares in issue rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and return of capital. The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

No part of the share capital or any other securities of the Company has been listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save for the Convertible Loan Notes as mentioned in the section headed “Letter from the Board”, the Company does not have any pre-existing obligation to issue Shares or any outstanding warrants, share options, derivatives or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, there was no arrangement under which future dividends were waived or agreed to be waived.

### 3. 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 Securities Future Ordinance (the “SFO”)) which 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 were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or 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 Position*

Name of Director	Capacity	Number of Shares held	Approximate % of the total number of Shares in issue*
Mr. Lee Shing	Interest in controlled Corporation ( <i>Note</i> )	281,622,914	13.74%
	Beneficial owner	3,090,900	0.15%
	Interest held by spouse	<u>1,648,480</u>	<u>0.08%</u>
	Sub-total	<u>286,362,294</u>	<u>13.97%</u>
Mr. Yuan Zhijun	Beneficial owner	<u>3,000,000</u>	<u>0.15%</u>
Mr. Ye Xiang	Beneficial owner	<u>1,030,300</u>	<u>0.05%</u>

*Note:* This represents the Shares held by Dragon Hill Development Limited (“**Dragon Hill**”), a company wholly-owned by Mr. Lee Shing.

\* The percentage has been adjusted (if any) based on a total of 2,050,107,555 Shares in issue as at the Latest Practicable Date.

**(ii) Substantial Shareholders**

Save as disclosed below, as at the Latest Practicable Date, so far as it was known to the Directors and chief executive of the Company, no other persons had an interest or a short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO, or who (other than a member of the Group was) was, directly or indirectly, 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:

***Long Position***

Name of Shareholder	Capacity	Nature of interest	Number of Shares held	Approximate % of the total number of Shares in issue*
Dragon Hill ( <i>Note 1</i> )	Beneficial owner	Corporate	<u>281,622,914</u>	<u>13.74%</u>
Mr. Lee Shing	Interest in controlled Corporation ( <i>Note</i> )	Corporate	281,622,914	13.74%
		Beneficial owner	3,090,900	0.15%
	Interest held by spouse	Family	<u>1,648,480</u>	<u>0.08%</u>
	Sub-total		<u>286,362,294</u>	<u>13.97%</u>
Wuling HK ( <i>Notes 3 and 4</i> )	Beneficial owner	Corporate	1,243,132,520	60.64%
		Unlisted derivatives	357,142,857	17.42%
	Sub-total		<u>1,600,275,377</u>	<u>78.06%</u>
Wuling Motors (Hong Kong) Company Limited (“ <b>Wuling Motors</b> ”) ( <i>Notes 3 and 4</i> )	Beneficial owner	Corporate	1,243,132,520	60.64%
		Unlisted derivatives	357,142,857	17.42%
	Sub-total		<u>1,600,275,377</u>	<u>78.06%</u>
Guangxi Automobile	Interest in controlled corporation	Corporate	1,243,132,520	60.64%
		Unlisted derivatives	357,142,857	17.42%
	Sub-total		<u>1,600,275,377</u>	<u>78.06%</u>

*Notes:*

- (1) Mr. Lee Shing is beneficially interested in 281,622,914 Shares, which interests are held by Dragon Hill, a company wholly-owned by Mr. Lee. This parcel of Shares has also been disclosed as long position of Mr. Lee under the above section.
- (2) These represent the Shares held by Mr. Lee Shing and his spouse as beneficial owners, respectively.
- (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 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.

- (4) The unlisted derivatives referred to the 357,142,857 Shares (conversion shares) issuable to Wuling HK upon exercise in full of the conversion rights attaching to the outstanding convertible loan notes issued to Wuling HK amounting to HK\$250,000,000, details of which may refer to the Company's announcement dated 13 October 2016, 23 May 2017 and 29 December 2017 and the Company's circular dated 28 November 2016.

\* The percentage has been adjusted (if any) based on a total of 2,050,107,555 Shares in issue as at the Latest Practicable Date.

#### 4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group which does not expire or which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

#### 5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) have been entered into by the members of the Group within two years preceding the date of this prospectus and are or may be material:

- (a) On 14 March 2018, Wuling Industrial and 柳州卓通汽車零部件有限公司 (Liuzhou Zhuotong Automotive Parts and Components Company Limited\*) (“**Liuzhou Zhuotong**”), as vendors, entered into a sale and purchase agreement (“**Liuzhou Zhuotong — Faurecia Car Seat S&P Agreement**”) with 佛吉亞(柳州)汽車座椅有限公司 (Faurecia Liuzhou Automotive Seating Co., Limited\*) (“**Faurecia Car Seat JV**”) as purchaser pursuant to which the parties thereto have conditionally agreed to the sale and purchase of certain machineries and equipment at a consideration of RMB 24,300,096 (exclusive of VAT). Details of the Liuzhou Zhuotong — Faurecia Car Seat S&P Agreement were described in the Company's announcement dated 14 March 2018.



- (b) On 3 April 2018, Wuling Industrial entered into a joint venture agreement (the “**AAM JV Agreement**”) with AAM International S.à.r.l (“**AAM International**”) in relation to the establishment of Liuzhou AAM Automotive Driveline System Co., Ltd.\* (柳州美橋汽車傳動系統有限公司) (“**AAM JV**”). Pursuant to the AAM JV Agreement, the AAM JV shall be owned as to 50% by each of Wuling Industrial and AAM International, respectively. The registered capital of the AAM JV shall be RMB138 million (equivalent to approximately HK\$169.74 million), which shall be contributed as to RMB69 million (equivalent to approximately HK\$84.87 million and representing 50% of the registered capital of the AAM JV Company) by each of Wuling Industrial and AAM International respectively. Details of the AAM JV Agreement were described in the Company’s announcement dated 3 April 2018 and the circular of the Company dated 28 May 2018.
- (c) On 30 May 2018, Wuling Industrial and its subsidiaries (the “**Wuling Industrial Group**”) respectively entered into three sale and purchase agreements (the “**Faurecia Interior S&P Agreement**”) with 佛吉亞(柳州)汽車內飾系統有限公司 (Faurecia (Liuzhou) Automotive Interior System Co., Limited\*) (“**Faurecia Interior JV**”), pursuant to which Wuling Industrial Group conditionally agreed to sell and Faurecia Interior JV conditionally agreed to purchase certain necessary assets, which were owned by the Wuling Industrial Group and would be used for the production of various automotive interior parts and accessories by Faurecia Interior JV, at the total consideration of RMB146,249,171 (exclusive of VAT). Details of the Faurecia Interior S&P Agreement were described in the Company’s announcement dated 30 May 2018.
- (d) On 7 June 2018, Wuling Industrial (Shandong branch office), as vendor, entered into a sale and purchase agreement (“**Shandong — Faurecia Car Seat S&P Agreement**”) with Faurecia Car Seat JV, as purchaser, pursuant to which the parties thereto have conditionally agreed to the sale and purchase of certain machineries and equipment at a consideration of RMB11,314,822 (exclusive of VAT). Details of the Shandong — Faurecia Car Seat S&P Agreement were described in the Company’s announcement dated 7 June 2018.
- (e) On 24 October 2018, Wuling Industrial entered into a joint venture agreement (the “**Faurecia Emission JV Agreement**”) with Faurecia (China) Holding Co., Ltd (“**Faurecia (China)**”) in relation to the establishment of 佛吉亞(柳州)排氣控制技術有限公司 Faurecia (Liuzhou) Emissions Control Technologies Co., Limited\*) (“**Faurecia Emission JV**”). Pursuant to the Faurecia Emission JV Agreement, the Faurecia Emission JV shall be owned as to 50% by each of Wuling Industrial and Faurecia (China), respectively. The total registered capital of the Faurecia Emission JV shall be RMB120 million (equivalent to approximately HK\$135.6 million), which shall be contributed as to RMB60 million (equivalent to approximately HK\$67.8 million) by each of Wuling Industrial and Faurecia (China) respectively. Details of the Faurecia Emission JV Agreement were described in the Company’s announcement dated 24 October 2018.

- (f) The Loan Agreements (as defined and described in the section headed “6. Interests in the Group’s Assets or Contracts or Arrangement Significant to the Group” in this Appendix III below);
- (g) On 29 December 2019, (i) Wuling Industrial and Liuzhou Zhuotong as vendors, and (ii) AAM JV, as purchaser, entered into a sale and purchase agreement (the “**AAM S&P Agreement**”) pursuant to which the parties thereto have conditionally agreed to the sale and purchase of certain machineries, station appliances and IT equipment at a consideration of RMB69,321,896.29 (exclusive of VAT). Details of the AAM S&P Agreement were described in the Company’s announcement dated 29 December 2019.
- (h) The Underwriting Agreement and the Supplemental Underwriting Agreement.
- (i) The Dragon Hill Undertakings.
- (j) The Wuling HK Undertakings.

## 6. INTERESTS IN THE GROUP’S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

In addition to the Underwriting Agreement and the Supplemental Underwriting Agreement entered into between the Company and Zhongtai International Securities Limited, the Dragon Hill Undertakings and the Wuling HK Undertakings, details of which were disclosed in this prospectus, the Company and its subsidiaries entered into the following contracts or arrangements which (i) the Directors had any direct or indirect interest in any assets which had been since 31 December 2018 (being the date to which the latest published consolidated audited financial statements of the Group were made up) 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, or (ii) are subsisting and significant in relation to the business to the Group:

- (a) On 13 October 2016, the Company and Wuling HK entered into a conditional subscription agreement, pursuant to which the Company has conditionally agreed to issue and Wuling HK has conditionally agreed to subscribe for the convertible notes in an aggregate principal amount of HK\$400,000,000 (the “**Subscription Agreement**”). The convertible loan notes which bear interest at 4% per annum would be eligible to be converted into a total number of 571,428,571 fully paid up Shares at an initial conversion price of HK\$0.70 per Share (subject to adjustments) on any business day commencing from 22 November 2017 up to the fifth business days prior to the maturity date (being 23 May 2020). Details of the Subscription Agreement were described in the Company’s announcement dated 13 October 2016 and the Company’s circular dated 28 November 2016. Completion of the Subscription Agreement was taken place on 23 May 2017 upon which the convertible notes in an aggregate principal amount of HK\$400,000,000 was issued to Wuling HK on the same date. On 29 December 2017, the convertible loan notes of a principal amount of HK\$150,000,000 were converted by Wuling HK into a total number of 214,285,714 Shares. Subsequent to the this conversion, the aggregate

principal amount of convertible loan notes remained outstanding was HK\$250,000,000, which would be eligible to be converted into a total number of 357,142,857 Shares according to the abovementioned terms and conditions.

- (b) On 23 November 2018, Wuling Industrial, as borrower and Guangxi Automobile as lender, entered into a loan agreement for a loan subject to the maximum amount (calculated as the aggregate amount of drawdowns) of RMB3,000,000,000, RMB3,300,000,000 and RMB3,600,000,000 respectively for the year ending 31 December 2019, 2020 and 2021, each drawdown for a term of not more than six (6) months from the date of each drawdown granted by Guangxi Automobile to Wuling Industrial. On the same day, Liuzhou Wuling Liuji Motors Company Limited\* 柳州五菱柳機動力有限公司 (“**Wuling Liuji**”), as borrower and Guangxi Automobile as lender, entered into a loan agreement for a loan subject to the maximum amount (calculated as the aggregate amount of drawdowns) of RMB1,600,000,000, RMB1,800,000,000 and RMB2,000,000,000 respectively for the year ending 31 December 2019, 2020 and 2021, each drawdown for a term of not more than six (6) months from the date of each drawdown granted by Guangxi Automobile to Wuling Liuji (collectively, the “**Loan Agreements**”). Details of the Loan Agreements were described in the Company’s announcement dated 23 November 2018 and the Company’s circular dated 2 January 2019.
- (c) On 7 December 2018, Wuling Industrial, as tenant, and Guangxi Automobile, as landlord, entered into a master tenancy agreement in respect of, among others, the lease of properties situated in Liuzhou, the PRC, for a term of three years commencing from 1 January 2019 and expiring on 31 December 2021 (the “**Master Tenancy Agreement**”). Details of the Master Tenancy Agreement were described in the Company’s announcement dated 7 December 2018 and the Company’s circular dated 14 January 2019.
- (d) On 26 April 2019, Wuling Industrial and Shanghai Yipu Automatic Equipment Co., Limited\* (上海詣譜自動化裝備有限公司) (“**Shanghai Yipu**”) entered into the an equipment purchase framework agreement (the “**Equipment Purchase Framework Agreement**”) in relation to any purchase of equipment and/or production line/toolings by Wuling Industrial Group from Shanghai Yipu as well as the modification and/or upgrade of the existing equipment and/or production line/toolings to be undertaken by the Wuling Industrial Group and such other transactions to meet the actual needs of Wuling Industrial Group (such as after-sale services, installations and testings) pursuant to the Equipment Purchase Framework Agreement and the relevant specific sale and purchase agreements for the period commencing from 27 June 2019 to 31 December 2021. Details of the Equipment Purchase Framework Agreement were described in the Company’s announcement dated 26 April 2019 and the Company’s circular dated 30 May 2019.

- (e) On 12 July 2019, Wuling Industrial and Qingdao Wushun Car Molding Tool Parts Co., Limited\* (青島五順汽車模具部件有限公司) (“**Qingdao Wushun**”) entered into three continuing sales and purchase agreements and an equipment sales and purchase agreement (collectively, the “**WS Agreements**”), pursuant to which each party thereto agrees to supply to or purchase from the other party certain automotive parts and accessories in 2019 and to supply and set up certain equipment by Wuling Industrial to Qingdao Wushun subject to the terms and conditions stipulated therein. Details of the WS Agreements were described in the Company’s announcements dated 12 July 2019 and 19 July 2019.
- (f) On 22 November 2019, Wuling Industrial and Guangxi Automobile entered into a 2020–2022 master agreement (the “**2020–2022 Master Agreement**”), pursuant to which each party thereto agrees to supply to or purchase from the other party certain automotive parts and accessories during the period from 1 January 2020 to 31 December 2022 subject to the terms and conditions stipulated therein. Details of the 2020–2022 Master Agreement were described in the Company’s announcement and circular dated 22 November 2019 and 27 December 2019 respectively.

Mr. Yuan Zhijun, chairman of the Board and an executive Director, is currently a director of Guangxi Automobile, Wuling HK and Wuling Motors. Mr. Lee Shing, Vice-chairman of the Board, chief executive officer of the Company and an executive Director, is the sole beneficial owner of Dragon Hill. Mr. Yang Jianyong and Mr. Wang Zhengtong, both being the executive Directors, are currently senior executives of Guangxi Automobile. Mr. Yang Jianyong is also currently a director of Wuling HK and Wuling Motors, and Mr. Wang Zhengtong is also a director of Shanghai Yipu.

Save as disclosed herein, as at the Latest Practicable Date, (i) none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2018 (being the date to which the latest published consolidated audited financial statements of the Group were made up) 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; and (ii) 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.

## 7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

## 8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice which are contained in this prospectus:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants, Hong Kong

Deloitte Touche Tohmatsu has given, and has not withdrawn, its written consent to the issue of this prospectus with the inclusion of its letter and report and references to its name, as the case may be, in the form and context in which they appear.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any direct or indirect shareholding interest in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group, respectively, since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 9. BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

### Executive Directors

**Mr. Yuan Zhijun**, aged 53, Chairman of the Board and the Nomination Committee, was appointed as Executive Director on 4 November 2016. Mr. Yuan graduated from the Huazhong University of Science and Technology in China with a master degree in business administration in 2003 and is a professor level senior engineer. Mr. Yuan holds directorships of a number of subsidiaries and member companies of the Group. He is currently a director and the chief executive of our principal subsidiary, Liuzhou Wuling Motors Industrial Company Limited\* (柳州五菱汽車工業有限公司) (“**Wuling Industrial**”), a joint-venture enterprise owned by the Company and Guangxi Automobile Holdings Limited\* (廣西汽車集團有限公司) (“**Guangxi Automobile**”) — the ultimate holding company of the Company. Mr. Yuan is also currently the vice chairman of the board of directors and chief executive of Guangxi Automobile. He is also a director of Wuling (Hong Kong) Holdings Limited and Wuling Motors (Hong Kong) Company Limited respectively the immediate holding company and the intermediate holding company of the Company. Since his joining to the group of Guangxi Automobile in 1987, Mr. Yuan has held various positions within the group of Guangxi Automobile and has over 30 years’ of extensive experience in the production, product design and development, human resources and corporate management of the automobile industry. Mr. Yuan has also served in a number of senior positions of SAIC-GM-Wuling Automobile Co. Limited (“**SGMW**”) since February 2003. He is currently a director of

SGMW, which is a joint venture formed among Shanghai Automobile Industry (Group) Company Limited, GM (China) Investment Company Limited and Guangxi Automobile and is currently a major customer of the Group's businesses in engines and automotive components.

**Mr. Lee Shing**, aged 62, Vice-chairman of the Board and Chief Executive Officer, was appointed as Executive Director on 22 June 2006 and is currently a member of the Nomination Committee. Mr. Lee has extensive experience in the trading and manufacturing business in Hong Kong and the PRC. Mr. Lee holds directorships of a number of subsidiaries of the Group. He is currently the vice chairman of Wuling Industrial, and a director of Wuling Liuji a subsidiary of Wuling Industrial. Besides, he is currently a member of the Committee of the Chinese People's Political Consultative Conference of Liuzhou, Guangxi Province, the PRC. Mr. Lee is also the sole shareholder and sole director of Dragon Hill Development Limited, a substantial shareholder of the Company, which is beneficially interested in approximately 13.74% of the total issued share capital of the Company. Besides, Mr. Lee is also currently a director of Lincoln Gold Mining Inc., which is a company dual listed on the TSX Venture Exchange in Toronto, Canada, and the Frankfurt Stock Exchange in Germany.

**Mr. Yang Jianyong**, aged 52, was appointed as Executive Director on 4 November 2016. Mr. Yang graduated with an accounting degree from the Faculty of Accounting in the Central South University in China and also holds a master degree in Accountancy from The Chinese University of Hong Kong. Mr. Yang holds directorships of a number of subsidiaries and member companies of the Group. Mr. Yang is currently a director of Wuling Industrial. Mr. Yang is also the vice president, chief financial officer, chief legal counsel of Guangxi Automobile in charge of the finance, legal departments and supervisory board. He is also a director of Wuling (Hong Kong) Holdings Limited and Wuling Motors (Hong Kong) Company Limited, respectively the immediate holding company and the intermediate holding company of the Company. Besides, Mr. Yang is also the chairman of the board of directors and chief financial officer of Guangxi Yuan Heng Investment Co. Limited\* (廣西元恆投資有限公司). Mr. Yang joined the group of Guangxi Automobile in 1989 and has about 30 years' of extensive experience in the finance, accounting, legal and corporate financial system institutionalization aspects of the automobile industry. Mr. Yang also served in the senior position of the finance department of SGMW from December 2003 to April 2009, and has been the supervisor of SGMW since July 2016.

**Mr. Wang Zhengtong**, aged 47, was appointed as Executive Director on 28 February 2019. Mr. Wang is currently the assistant to the chief executive and the controller of the investment and development department of Guangxi Automobile, the ultimate holding company of the Company, supervising the planning and investment of the projects of the Group, and a director of Wuling Industrial, our principal subsidiary. Mr. Wang is also currently a director of Shanghai Yipu Automatic Equipment Co., Ltd\* (上海詣譜自動化裝備有限公司), a non-wholly-owned subsidiary of Guangxi Automobile. Mr. Wang holds a bachelor's degree in industrial science from Hunan University, PRC. Mr. Wang joined Guangxi Automobile Group in 1996 and acted as the senior executive of the planning department and the investment development department.

During the years 2012 to 2014, Mr. Wang worked for another state-controlled enterprise in Guangxi and acted as the senior executive of the Hong Kong office of the international marketing department. Mr. Wang rejoined Guangxi Automobile in June 2014 as the controller of the planning and investment department. Mr. Wang has extensive experiences in the automotive industry in the aspects of planning and investment, international marketing, asset management and technical re-engineering.

#### *Independent Non-executive Directors*

**Mr. Ye Xiang**, aged 56, was appointed as Independent Non-executive Director on 10 October 2008. Mr. Ye is the founder and managing director of Vision Gain Capital Limited (“**Vision Gain**”), a company engages in the fund management and investment advisory business. Mr. Ye is a chartered financial analyst and holds a doctorate degree in finance. He has more than 20 years’ of experience in the monetary and finance industry and has extensive exposures in the banking and regulatory aspects. Prior to his founding of Vision Gain, Mr. Ye was the director of China Affairs of the Securities and Futures Commission of Hong Kong. Mr. Ye is currently the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee.

**Mr. Wang Yuben**, aged 64, was appointed as an Independent Non-executive Director on 20 March 2015. Mr. Wang obtained a doctorate degree in economic law from the school of law of the Renmin University of China. He is currently an arbitrator of Beijing Arbitration Commission and the executive officer of the research centre of direct marketing of the Peking University. Mr. Wang has more than 35 years of teaching experiences in a number of universities in the PRC. He is also at present a professor in the Capital University of Economics & Business. Mr. Wang is currently a member of each of the Nomination Committee, the Remuneration Committee and the Audit Committee.

**Mr. Mi Jianguo**, aged 69, was appointed as an Independent Non-executive Director on 1 September 2017. Mr. Mi is a Ph.D. in Economics, has engaged in the fields of education and research in the PRC for more than 30 years. Mr. Mi served as a teacher at the Hebei University (河北大學) from August 1982 to December 1990. From December 1990 to February 2012, he served as a researcher, vice minister and minister of the macro-research department, and the manager of the information center at the Development Research Center of the State Council in the PRC (國務院發展研究中心). He was also the chairman of the board of the State Research Information Technology Co., Ltd (國研信息科技有限公司) and the president of magazine “Economic Participation” (經濟要參雜誌社). Mr. Mi was also rewarded a qualified certificate of Senior Management of Insurance institutions from The China Insurance Regulatory Commission. Mr. Mi is currently the chairman of the Remuneration Committee and a member of the Nomination Committee and the Audit Committee.

*Senior Management*

**Mr. Lai Shi Hong, Edward**, aged 54, currently Chief Financial Officer and Company Secretary of the Company, is responsible for overseeing our finance, accounting and company secretarial functions. He is also a director of Wuling Industrial, our principal subsidiary. Mr. Lai has more than 30 years' of experience in finance, accounting and business management. Mr. Lai graduated from the University of Hong Kong and the Hong Kong Baptist University and holds a Bachelor of Arts degree and a Master of Science degree in Corporate Governance and Directorship respectively. He is currently a fellow member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and the Association of Chartered Certified Accountants.

## 10. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE RIGHTS ISSUE

<b>Registered office</b>	Victoria Place, 5th Floor, 31 Victoria Street Hamilton HM10 Bermuda
<b>Head office and principal place of business</b>	Unit 1901 19/F, Beautiful Group Tower 77 Connaught Road Central Hong Kong
<b>Auditors</b>	Deloitte Touche Tohmatsu Certified Public Accountants 35/F One Pacific Place 88 Queensway Hong Kong
<b>Principal share registrar and transfer office</b>	MUFG Fund Services (Bermuda) Limited 4th Floor North Cedar House 41 Cedar Avenue Hamilton HM12 Bermuda
<b>Hong Kong branch share registrar and transfer office</b>	Tricor Tengis Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
<b>Authorised representatives</b>	Mr. Yuan Zhijun Mr. Lee Shing



<b>Company secretary</b>	Mr. Lai Shi Hong Edward
<b>Underwriter</b>	Zhongtai International Securities Limited 2/F, 238 Des Voeux Road Central, Hong Kong
<b>Legal advisers to the Company</b>	<i>As to Hong Kong Law</i>  Sidley Austin 39/F, Two Int'l Finance Centre Central, Hong Kong  <i>As to Bermuda Law</i>  Esteria Law (Bermuda) Limited Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10 Bermuda
<b>Principal bankers</b>	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong  Bank of China (Hong Kong) Limited 1 Garden Road Hong Kong  Dah Sing Bank, Limited Everbright Centre 108 Gloucester Road Hong Kong

## 11. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) so far as applicable.

**12. MISCELLANEOUS**

- (a) The business address of all Directors and senior management is Unit 1901, 19/F, Beautiful Group Tower, 77 Connaught Road Central, Hong Kong; and
- (b) as at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

**13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed “8. Expert and Consent” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

**14. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 5:30 p.m. on any Business Day at the principal place of business of the Company in Hong Kong at Unit 1901, 19/F, Beautiful Group Tower, 77 Connaught Road Central, Hong Kong from the date of this prospectus up to and including the date which is 14 days from the date of this prospectus:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the years ended 31 December 2017 and 31 December 2018;
- (c) the report on the unaudited pro forma financial information on the Group as set out in Appendix II of this prospectus;
- (d) the material contracts referred to in the paragraph headed “5. Material Contracts” of this Appendix III;
- (e) the significant contracts or arrangements referred to in the paragraph headed “6. Interests in the Group’s Assets or Contracts or Arrangement Significant to the Group” of this Appendix III;
- (f) the written consent from Deloitte Touche Tohmatsu referred to in the paragraph headed “8. Expert and Consent” of this Appendix III;
- (g) the circulars of the Company dated 15 January 2019, 31 May 2019 and 27 December 2019; and
- (h) the Prospectus Documents.