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# Welling

## WELLING HOLDING LIMITED

### 威靈控股有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 382)**

### **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

The Board announces that between 29 May 2015 and 30 June 2015, GD Welling (a wholly-owned subsidiary of the Company) used its internal resources to subscribe for the Wealth Management Products as follows:

- 2015 First Subscription of RMB100,000,000 subscribed on 29 May 2015;
- 2015 Second Subscription of RMB200,000,000 subscribed on 9 June 2015; and
- 2015 Third Subscription of RMB200,000,000 subscribed on 30 June 2015

#### **IMPLICATIONS UNDER THE LISTING RULES**

According to the Listing Rules, each of the 2015 First Subscription, the 2015 Second Subscription and the 2015 Third Subscription by itself does not constitute a notifiable transaction of the Company. However, pursuant to Rule 14.22 of the Listing Rules, given that all such subscriptions were made within a 12-month period with the same counterparty, and they are still outstanding as at the date of this announcement, each of the outstanding subscriptions when calculated in aggregate result in the relevant applicable percentage ratios (defined under the Listing Rules) exceed 5% but are less than 25%. Therefore, the aggregated outstanding subscriptions constitute a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

## SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

The Board announces that between 29 May 2015 and 30 June 2015, GD Welling (a wholly-owned subsidiary of the Company) used its internal resources to subscribe for the Wealth Management Products at an aggregate subscription amount of RMB500,000,000. Principal terms of the subscription of the Wealth Management Products are set out below:

### 2015 First Wealth Management Agreement

1. Parties: (i) GD Welling as the subscriber;  
(ii) Minsheng as the custodian bank; and  
(iii) Minsheng Royal as the asset manager
2. Subscription date: 29 May 2015
3. Term of investment: From 29 May 2015 to 27 May 2016
4. Principal amount: RMB100,000,000
5. Expected annual investment return rate: 5.9%
6. Type of return: Low risk non principal guaranteed
7. Investment portfolio: Financial instruments with better liquidity including but not limited to government bonds, central bank bills, financial bonds, enterprise bonds, subordinated bonds, mid-term notes, asset-backed securities, bond repurchase, bank deposits, monetary market funds, asset management scheme from securities companies and fund management companies, and various financial products in compliance with the regulatory requirements
8. Return calculation:  $\text{Investor's return} = \text{units of the wealth management plan held by the investor} \times \text{net annualised rate of return actually paid to the investor} \times \text{actual number of days of the wealth management plan} / 365$
9. Early termination: Minsheng Royal has the right of early termination
10. Payment and return upon maturity: The principal and investment income shall be paid to the investor within one working day after the date of maturity

## 2015 Second Wealth Management Agreement

1. Parties:
  - (i) GD Welling as the subscriber;
  - (ii) Minsheng as the custodian bank; and
  - (iii) Minsheng Royal as the asset manager
2. Subscription date: 9 June 2015
3. Term of investment: From 9 June 2015 to 8 June 2016
4. Principal amount: RMB200,000,000
5. Expected annual investment return rate: 5.9%
6. Type of return: Low risk non principal guaranteed
7. Investment portfolio: Financial instruments with better liquidity including but not limited to government bonds, central bank bills, financial bonds, enterprise bonds, subordinated bonds, mid-term notes, asset-backed securities, bond repurchase, bank deposits, monetary market funds, asset management scheme from securities companies and fund management companies, and various financial products in compliance with the regulatory requirements
8. Return calculation:  $\text{Investor's return} = \text{units of the wealth management plan held by the investor} \times \text{net annualised rate of return actually paid to the investor} \times \text{actual number of days of the wealth management plan} / 365$
9. Early termination: Minsheng Royal has the right of early termination
10. Payment and return upon maturity: The principal and investment income shall be paid to the investor within one working day after the date of maturity

## 2015 Third Wealth Management Agreement

1. Parties: (i) GD Welling as the subscriber;  
(ii) Minsheng as the custodian bank; and  
(iii) Minsheng Royal as the asset manager
2. Subscription date: 30 June 2015
3. Term of investment: From 30 June 2015 to 1 July 2016
4. Principal amount: RMB200,000,000
5. Expected annual investment return rate: 5.8%
6. Type of return: Low risk non principal guaranteed
7. Investment portfolio: Financial instruments with better liquidity including but not limited to government bonds, central bank bills, financial bonds, enterprise bonds, subordinated bonds, mid-term notes, asset-backed securities, bond repurchase, bank deposits, monetary market funds, asset management scheme from securities companies and fund management companies, and various financial products in compliance with the regulatory requirements
8. Return calculation:  $\text{Investor's return} = \text{units of the wealth management plan held by the investor} \times \text{net annualised rate of return actually paid to the investor} \times \text{actual number of days of the wealth management plan} / 365$
9. Early termination: Minsheng Royal has the right of early termination
10. Payment and return upon maturity: The principal and investment income shall be paid to the investor within one working day after the date of maturity

### REASONS FOR AND BENEFITS OF ENTERING INTO THE WEALTH MANAGEMENT AGREEMENTS

The Wealth Management Products offer better returns when compared to the fixed-term deposit interest rates offered by commercial banks in the PRC. The Board believes that the transactions contemplated under the Wealth Management Agreements are on normal commercial terms and are fair and reasonable and are in the interests of the Group and the shareholders of the Company as a whole.

The Group has implemented adequate and appropriate internal control procedures to ensure that the subscription of the wealth management products would not affect the working capital or the operation of the Group, and such investments shall be conducted on the principle of protecting the interests of the Group and the shareholders of the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

According to the Listing Rules, each of the 2015 First Subscription, the 2015 Second Subscription and the 2015 Third Subscription by itself does not constitute a notifiable transaction of the Company. However, pursuant to Rule 14.22 of the Listing Rules, given that all such subscriptions were made within a 12-month period with the same counterparty, and they are still outstanding as at the date of this announcement, each of the outstanding subscriptions when calculated in aggregate result in the relevant applicable percentage ratios (defined under the Listing Rules) exceed 5% but are less than 25%. Therefore, the aggregated outstanding subscriptions constitute a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

None of the Directors has a material interest in the transactions contemplated under the Wealth Management Agreements.

## **GENERAL**

The Company is an investment holding company. The Group is principally engaged in the manufacturing and distribution of motors and electronic and electric components for electrical household appliances, including principally air-conditioners, washing machines, dishwashers, water heaters and refrigerators.

GD Welling, a wholly-owned subsidiary of the Company incorporated in the PRC, is principally engaged in the business of manufacture and distribution of motors and electronic and electric components for electrical household appliances.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Minsheng is a licensed commercial bank in the PRC and it provides a variety of financial products and services to corporate and personal banking customers, Minsheng Royal is a limited liability company incorporated in the PRC and it provides a variety of asset management products and services to corporate and personal customers, and their ultimate beneficial owners are third parties independent of the Company and its connected persons and any of their respective associates.

## **DEFINITIONS**

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

“2015 First Subscription”	the subscription by GD Welling in the amount of RMB100,000,000 for wealth management products issued by Minsheng and Minsheng Royal in accordance with the 2015 First Wealth Management Agreement
“2015 First Wealth Management Agreement”	the wealth management agreement dated 29 May 2015 entered into between GD Welling, Minsheng and Minsheng Royal, major terms of which are summarised herein
“2015 Second Subscription”	the subscription by GD Welling in the amount of RMB200,000,000 for wealth management products issued by Minsheng and Minsheng Royal in accordance with the 2015 Second Wealth Management Agreement

“2015 Second Wealth Management Agreement”	the wealth management agreement dated 9 June 2015 entered into between GD Welling, Minsheng and Minsheng Royal, major terms of which are summarised herein
“2015 Third Subscription”	the subscription by GD Welling in the amount of RMB200,000,000 for wealth management products issued by Minsheng and Minsheng Royal in accordance with the 2015 Third Wealth Management Agreement
“2015 Third Wealth Management Agreement”	the wealth management agreement dated 30 June 2015 entered into between GD Welling, Minsheng and Minsheng Royal, major terms of which are summarised herein
“Board”	the board of Directors of the Company
“Company”	Welling Holding Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (stock code: 382)
“Director(s)”	the director(s) of the Company
“GD Welling”	廣東威靈電機製造有限公司 (Guangdong Welling Motor Manufacturing Co., Ltd.*), a limited company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Minsheng”	China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司), a joint stock company incorporated with limited liability in accordance with the Company Law of the PRC, the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively
“Minsheng Royal”	Minsheng Royal Asset Management Co., Ltd. (民生加銀資產管理有限公司), a limited liability company incorporated in the PRC

“PRC”	People’s Republic of China, but for the purposes of this announcement and for geographical reference only (unless otherwise indicated) excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Agreements”	the 2015 First Wealth Management Agreement, the 2015 Second Wealth Management Agreement and the 2015 Third Wealth Management Agreement collectively
“Wealth Management Products”	the wealth management products subscribed by GD Welling under the 2015 First Wealth Management Agreement, the 2015 Second Wealth Management Agreement and the 2015 Third Wealth Management Agreement
“%”	per cent

In addition, the terms “associate”, “connected person”, “percentage ratios”, “holding company”, “notifiable transactions” and “subsidiary” shall have the meanings ascribed to them under the Listing Rules.

\* *The Chinese name of this PRC entity has been translated into English in this announcement for reference only. In the event of any discrepancy between the Chinese name of such PRC entity and its respective English translation, the Chinese version shall prevail.*

On behalf of the Board  
**Welling Holding Limited**  
**Xiang Weimin**  
*Chairman*

Hong Kong, 14 July 2015

As at the date of this announcement, the Directors of the Company are:

Executive Directors: Mr. Xiang Weimin (Chairman), Mr. Zhong Lin (Chief Executive Officer), Ms. Pan Xinling, Mr. Luo Huagang, Ms. Yuan Liqun and Mr. Li Feide

Independent Non-executive Directors: Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Cao Zhoutao