

WUHAN GENERAL GROUP (CHINA), INC
Form SC 13G
July 24, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.)*

Wuhan General Group (China), Inc.

(Name of Issuer)

Common Stock, par value \$0.0001 per share

(Title of Class of Securities)

982569105

(CUSIP Number)

July 18, 2008

(Date of Event Which Requires Filing of this Statement)

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Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

☐ Rule 13d-1(b)

☒ Rule 13d-1(c)

☐ Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page. The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Page 1 of 9 pages

CUSIP No. 982569105

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

QVT Financial LP

11-3694008

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) ☐

(b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization

Delaware

5. Sole Voting Power

Number of

0

Shares

6. Shared Voting Power

Beneficially

Owned by

2,389,584

Each

7. Sole Dispositive Power

Reporting

Person

0

8. Shared Dispositive Power

With:

2,389,584

9. Aggregate Amount Beneficially Owned by Each Reporting Person

2,389,584

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

..

11. Percent of Class Represented by Amount in Row (9)

9.9%

12. Type of Reporting Person (See Instructions)

PN

Page 2 of 9 pages

CUSIP No. 982569105

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

QVT Financial GP LLC

11-3694007

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) ..

(b) x

3. SEC Use Only

4. Citizenship or Place of Organization

Delaware

5. Sole Voting Power

Number of

0

Shares

6. Shared Voting Power

Beneficially

Owned by

2,389,584

Each

7. Sole Dispositive Power

Reporting

Person

0

8. Shared Dispositive Power

With:

2,389,584

9. Aggregate Amount Beneficially Owned by Each Reporting Person

2,389,584

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

..

11. Percent of Class Represented by Amount in Row (9)

9.9%

12. Type of Reporting Person (See Instructions)

OO

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CUSIP No. 982569105

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

QVT Fund LP

98-0415217

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) ☐

(b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization

Cayman Islands

5. ☐ Sole Voting Power

Number of

0

Shares

6. ☐ Shared Voting Power

Beneficially

Owned by

2,389,584

Each

7. ☐ Sole Dispositive Power

Reporting

Person

0

8. ☐ Shared Dispositive Power

With:

2,389,584

9. Aggregate Amount Beneficially Owned by Each Reporting Person

2,389,584

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

..

11. Percent of Class Represented by Amount in Row (9)

9.9%

12. Type of Reporting Person (See Instructions)

PN

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CUSIP No. 982569105

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

QVT Associates GP LLC

01-0798253

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) ☐

(b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization

Delaware

5. ☐ Sole Voting Power

Number of

0

Shares

6. ☐ Shared Voting Power

Beneficially

Owned by

2,389,584

Each

7. ☐ Sole Dispositive Power

Reporting

Person

0

8. ☐ Shared Dispositive Power

With:

2,389,584

9. Aggregate Amount Beneficially Owned by Each Reporting Person

2,389,584

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

..

11. Percent of Class Represented by Amount in Row (9)

9.9%

12. Type of Reporting Person (See Instructions)

OO

Page 5 of 9 pages

Item 1 (a). Name of Issuer

The name of the issuer is Wuhan General Group (China), Inc. (the Issuer)

Item 1 (b). Address of Issuer's Principal Executive Offices

The address of the Issuer's principal executive offices is:

Canglongdao Science Park of Wuhan, East Lake Hi-Tech Development Zone, Wuhan, Hubei F4, 430200,
People's Republic of China

Item 2 (a). Name of Person Filing

Item 2 (b). Address of Principal Business Office or, if none, Residence

Item 2 (c). Citizenship

QVT Financial LP

1177 Avenue of the Americas, 9th Floor

New York, New York 10036

Delaware Limited Partnership

QVT Financial GP LLC

1177 Avenue of the Americas, 9th Floor

New York, New York 10036

Delaware Limited Liability Company

QVT Fund LP

Walkers SPV, Walker House

87 Mary Street

George Town, Grand Cayman, KY1-9002 Cayman Islands

Cayman Islands Limited Partnership

QVT Associates GP LLC

1177 Avenue of the Americas, 9th Floor

New York, New York 10036

Delaware Limited Liability Company

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Item 2 (d). Title of Class of Securities

The title of the securities is common stock, par value \$0.0001 per share (the Common Stock).

Item 2 (e). CUSIP Number

The CUSIP number of the Common Stock is 982569105.

Item 3. If this statement is filed pursuant to §§ 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) .. Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) .. Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) .. Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) .. Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) .. An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f) .. An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g) .. A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) .. A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) .. A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) .. Group, in accordance with § 240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

(a) Amount beneficially owned:

QVT Fund LP (the Fund), beneficially owns 128,755 shares of Common Stock. The Fund also owns (a) shares of the Issuer's Series A Preferred Stock (the Preferred Stock), which are convertible into 1,158,799 shares of Common Stock, (b) Series A Warrants, which entitle the Fund to purchase 772,532 shares of Common Stock, (c) Series B Warrants, which entitle the Fund to purchase 772,532 shares of Common Stock, and (d) Series J Warrants, which entitle the Fund to purchase 1,287,554 shares of Common Stock (the Series A, B and J Warrants are referred to collectively as the Warrants). The Preferred Stock and the Warrants contain an issuance limitation prohibiting the holder of such Preferred Stock and Warrants from converting the Preferred Stock or exercising the Warrants to the extent that such conversion or exercise would result in beneficial ownership by such holder of more than 9.9% of the Common Stock then issued and outstanding.

QVT Financial LP (QVT Financial) is the investment manager for the Fund, which, due to the issuance limitation described above, beneficially owns 2,389,584 shares of Common Stock, consisting of the 128,755 shares of Common Stock and 2,260,829 shares of Common Stock issuable upon conversion of the Preferred Stock and exercise of the Warrants. Accordingly, taking into account the issuance limitation, QVT Financial may be deemed to be the beneficial owner of an aggregate amount of 2,389,584 shares of Common Stock, consisting of the shares owned by the Fund and the shares underlying the Preferred Stock and Warrants owned by the Fund.

The aggregate number of shares of which the Fund and QVT Financial would be deemed to be the beneficial owner if the Fund fully converted all of the Preferred Stock and exercised all of the Warrants is 4,120,172. Due to the issuance limitation, the Preferred Stock and Warrants held by the Fund are currently exercisable for 2,260,829 shares of Common Stock, and the number of shares of Common Stock of which QVT Financial may currently be deemed to be the beneficial owner is 2,389,584. The remaining shares of Common Stock underlying the Preferred Stock and the Warrants may not be issued unless the Fund provides notice to the Issuer 61 days prior to conversion of the Preferred Stock or the exercise of the Warrants that this limitation will not apply.

QVT Financial GP LLC, as General Partner of QVT Financial, may be deemed to beneficially own the same number of shares of Common Stock reported by QVT Financial. QVT Associates GP LLC, as General Partner of the Fund, may be deemed to beneficially own the aggregate number of shares of Common Stock owned by the Fund.

Each of QVT Financial and QVT Financial GP LLC disclaims beneficial ownership of the shares of Common Stock owned by the Fund. QVT Associates GP LLC disclaims beneficial ownership of all shares of Common Stock owned by the Fund, except to the extent of its pecuniary interest therein.

The percentage disclosed in Item 11 of the Cover Pages for each reporting person is calculated based upon the sum of (i) 21,876,390 shares of Common Stock outstanding, which is the total number of shares issued and outstanding as reported in the Issuer's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, and (ii) the number of shares of Common Stock issuable upon conversion of the Preferred Stock and exercise of the Warrants held by such reporting person.

(b) Percent of class:

See Item 11 of the Cover Pages to this Schedule 13G.

- (c) Number of shares as to which the person has:
- (i) Sole power to vote or to direct the vote
0
 - (ii) Shared power to vote or to direct the vote
See item (a) above.
 - (iii) Sole power to dispose or to direct the disposition of
0
 - (iv) Shared power to dispose or to direct the disposition of
See item (a) above.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following "X".

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not Applicable

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

Not Applicable

Item 8. Identification and Classification of Members of the Group

Not Applicable

Item 9. Notice of Dissolution of Group

Not Applicable

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: July 23, 2008

QVT FINANCIAL LP

By QVT Financial GP LLC,
its General Partner

By: /s/ Daniel Gold
Name: Daniel Gold
Title: Managing Member

By: /s/ Oren Eisner
Name: Oren Eisner
Title: Authorized Signatory

QVT FINANCIAL GP LLC

By: /s/ Daniel Gold
Name: Daniel Gold
Title: Managing Member

By: /s/ Oren Eisner
Name: Oren Eisner
Title: Authorized Signatory

QVT FUND LP

By QVT Associates GP LLC,
its General Partner

By: /s/ Daniel Gold
Name: Daniel Gold
Title: Managing Member

By: /s/ Oren Eisner
Name: Oren Eisner
Title: Authorized Signatory

QVT ASSOCIATES GP LLC

By: /s/ Daniel Gold
Name: Daniel Gold
Title: Managing Member

By: /s/ Oren Eisner
Name: Oren Eisner
Title: Authorized Signatory

EXHIBIT A

JOINT FILING AGREEMENT

The undersigned hereby agree that the statement on Schedule 13G signed by each of the undersigned shall be filed on behalf of each of the undersigned pursuant to and in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended.

Dated: July 23, 2008

QVT FINANCIAL LP

By QVT Financial GP LLC,
its General Partner

By: /s/ Daniel Gold
Name: Daniel Gold
Title: Managing Member

By: /s/ Oren Eisner
Name: Oren Eisner
Title: Authorized Signatory

QVT FINANCIAL GP LLC

By: /s/ Daniel Gold
Name: Daniel Gold
Title: Managing Member

By: /s/ Oren Eisner
Name: Oren Eisner
Title: Authorized Signatory

QVT FUND LP

By QVT Associates GP LLC,
its General Partner

By: /s/ Daniel Gold
Name: Daniel Gold
Title: Managing Member

By: /s/ Oren Eisner
Name: Oren Eisner
Title: Authorized Signatory

QVT ASSOCIATES GP LLC

By: /s/ Daniel Gold
Name: Daniel Gold
Title: Managing Member

By: /s/ Oren Eisner
Name: Oren Eisner
Title: Authorized Signatory