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DRAGON HILL HOLDINGS LIMITED

俊山集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 305)

(1) Set up of the Joint Venture;

and

(2) Sale of shares in the Company by Dragon Hill Development Limited

Summary

The Joint Venture (between the Company and Wuling) has been set up and it has become a 51%-owned subsidiary of the Company. In addition, the Continuing Connected Transactions between the Joint Venture and Wuling have become effective.

A total of 266,500,000 Shares, representing approximately 29.05% shareholding interest in the Company, have been transferred from the Controlling Shareholder to a wholly-owned subsidiary of Wuling, which has become a substantial Shareholder.

References are made to the announcement dated 23 May 2007 (“**Announcement**”) and the circular dated 25 June 2007 made by the Company in relation to (i) very substantial acquisition and connected transaction in relation to the proposed investment in a joint venture by the Company; (ii) proposed sale of shares in the Company by Dragon Hill Development Limited; and (iii) continuing connected transactions. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Announcement.

THE AGREEMENTS AND THE CONTINUING CONNECTED TRANSACTIONS AGREEMENTS

The Company is pleased to announce that completion of the Share Sale Agreement took place on 28 August 2007. As at the date of this announcement, (i) the Joint Venture has been set up and has become a 51%-owned subsidiary of the Company; (ii) the JV Set-up Agreement and the JV Articles of Association have become effective; (iii) the Continuing Connected Transactions

Agreements, as approved by the Independent Shareholders at the SGM held on 12 July 2007, have been entered into by the Joint Venture and Wuling (which owns the remaining 49% equity interest in the Joint Venture) and have become unconditional; and (iv) a total of 266,500,000 Shares, representing approximately 29.05% of the issued share capital of the Company, have been disposed of and transferred from the Controlling Shareholder to Wuling (Hong Kong) Holdings Limited (“**Wuling (HK) Holdings**”), which is an indirect wholly-owned subsidiary of Wuling. The shareholding structure of the Company immediately upon completion of the Share Sale Agreement is as follows:

Shareholder	Number of Shares held and percentage of the issued share capital of the Company immediately upon completion of the Share Sale Agreement	
	<i>(Shares)</i>	<i>(%)</i>
The Controlling Shareholder	280,959,613	30.63
Wuling (HK) Holdings	266,500,000	29.05
Public	369,828,436	40.32
	<hr/>	<hr/>
Total	<u>917,288,049</u>	<u>100.00</u>

PROPOSED APPOINTMENT OF NEW DIRECTORS

It was set out in the Announcement that three (3) persons nominated by Wuling will be appointed as executive Directors. Further announcement will be made by the Company once such appointment of executive Directors is confirmed.

PROPOSED CHANGE OF NAME OF THE COMPANY

Reference is also made to the announcement made by the Company dated 25 June 2007 in relation to the proposed change of name of the Company into Dragon Hill Wuling Automobile Holdings Limited and, for identification purpose only, 俊山五菱汽車集團有限公司. All of the conditions in relation to the change of the Company’s name have been fulfilled and necessary filing procedures in relation thereto with the Registrar of Companies in Bermuda and the Registrar of Companies in Hong Kong are now underway. Further announcement(s) will be made by the Company to inform the Shareholders and public of (i) the effective date of the change of the Company’s name; and (ii) the trading arrangements (including the date on which trading under the new name of the Company on the Stock Exchange will take effect) upon the change of the Company’s name becoming effective.

On behalf of the Board of
Dragon Hill Holdings Limited
Lee Shing
Chairman

Hong Kong, 28 August 2007

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Lee Shing
Ms. Liu Yaling
Mr. Wang Shaohua
Mr. Pei Qingrong

Independent non-executive Directors:

Mr. Yu Xiumin
Mr. Zuo Duofu
Mr. Cheng Kin Wah, Thomas

* *For identification purpose only*