

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its 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 this announcement.*



**Dragon Hill Wuling Automobile Holdings Limited**  
**(俊山五菱汽車集團有限公司\*)**  
*(Incorporated in Bermuda with limited liability) (Stock Code: 305)*

**EXECUTION OF GUARANTEE AGREEMENT  
PURSUANT TO THE UNDERTAKING AGREEMENT DATED 2 JULY 2008**

Reference is made to the announcement of the Company dated 2 July 2008, in relation to, among others, the Guarantee Agreement proposed to be entered into between Wuling Industrial and China Construction Bank for the provision of the Financial Assistance to Liuzhou Wuling. Accordingly, on 2 July 2008, Wuling Industrial and Liuzhou Wuling entered into the Undertaking Agreement in relation to the proposed execution by Wuling Industrial of the Guarantee Agreement.

On 23 June 2009, Wuling Industrial and China Construction Bank entered into the Guarantee Agreement.

**INTRODUCTION**

Reference is made to the announcement of the Company dated 2 July 2008 (the “Announcement”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as ascribed to them in the Announcement.

Wuling Industrial has proposed to enter into the Guarantee Agreement with China Construction Bank for the provision of the Financial Assistance to Liuzhou Wuling, being a corporate guarantee from Wuling Industrial in respect of the Liuzhou Wuling Banking Facilities in a maximum amount of RMB200 million (equivalent to approximately HK\$230 million) for certain revolving banking facilities, including bank loans, bills payable, letters of credit, corporate guarantees and any other indemnities, granted by China Construction Bank to Liuzhou Wuling. Accordingly, on 2 July 2008, Wuling Industrial and Liuzhou Wuling entered into the Undertaking Agreement in relation to the proposed execution by Wuling Industrial of the Guarantee Agreement.

Wuling Industrial is a subsidiary of the Company. Liuzhou Wuling is a substantial shareholder of the Company.

The Undertaking Agreement and the transactions contemplated thereunder (including the execution of the Guarantee Agreement and the provision of and the proposed annual caps for the Financial Assistance to Liuzhou Wuling) constituted continuing connected transaction for the Company and were approved by the Independent Shareholders by way of poll at the SGM held on 7 August 2008.

## THE MASTER BANKING FACILITIES AGREEMENT AND THE GUARANTEE AGREEMENT

On 23 June 2009, Wuling Industrial and China Construction Bank entered into the Guarantee Agreement as a pre-requisite of the Master Banking Facilities Agreement to be executed by Liuzhou Wuling and China Construction Bank in respect of the Liuzhou Wuling Banking Facilities which has a fixed term of three years.

### Principal terms of the Guarantee Agreement

Sets out below are the principal terms of the Guarantee Agreement:

1. The corporate guarantee is joint and several;
2. The maximum amount of the corporate guarantee, RMB200 million (equivalent to approximately HK\$230 million), shall not be exceeded;
3. The term of the corporate guarantee is from the date of execution of the Master Banking Facilities Agreement up to the date of the expiry of a 2-month period after the expiry date of fulfillment of the obligation of Liuzhou Wuling under the Master Banking Facilities Agreement;
4. Wuling Industrial will not claim for repayment of any amount due from Liuzhou Wuling if any amount due by Liuzhou Wuling to China Construction Bank is still outstanding; and
5. No consent shall be required to obtain from Wuling Industrial in the event of extension of the Master Banking Facilities Agreement or change of any terms thereof.

The Directors confirmed that in the event of any proposed extension of the Master Banking Facilities Agreement or alternation to the terms thereof by Liuzhou Wuling and China Construction Bank, which in turn will affect the Group's obligation under the Guarantee Agreement as well as the Financial Assistance to Liuzhou Wuling, Liuzhou Wuling has to obtain written consent from Wuling Industrial before entering into any relevant agreement with China Construction Bank pursuant to the undertakings given by Liuzhou Wuling under the Undertaking Agreement. The Company will comply with all the relevant requirements under the Listing Rules in any such case.

*Translations of RMB into Hong Kong dollars are, based on the exchange rate of HK\$1 to RMB0.8689, for information purpose only. Such translations 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.*

By order of the Board

**Lee Shing**

*Chairman and Chief Executive Officer*

Hong Kong, 23 June 2009

*As at the date of this announcement, the Board comprises Mr. Lee Shing (Chairman and Chief Executive Officer), Mr. He Shiji (Vice Chairman), Mr. Sun Shaoli, Mr. Wei Hongwen, Ms. Liu Yaling, Mr. Pei Qingrong, Mr. Wang Shaohua, and Mr. Zhou Sheji as executive Directors, and Mr. Yu Xiumin, Mr. Zuo Duofu and Mr. Ye Xiang as independent non-executive Directors.*

\* *For identification purpose only*