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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)

**DELAY IN THE INJECTION OF SECOND STAGE PAYMENT OF
THE SUBSCRIPTION MONEY IN RELATION TO
THE JV CAPITAL INCREASE AND SUBSCRIPTION AGREEMENT**

According to the terms of the JV Capital Increase and Subscription Agreement, the second (and final) payment of the Subscription Money shall be payable by the Group within two years from the JV Set-up Date on 17 August 2007.

As more time is required for the Company to proceed with the fund raising activities for the purpose of financing payment of the Balance, the Company, Wuling and Wuling Industrial are in the process of negotiation relating to the arrangement for payment of the Balance.

BACKGROUND

References are made to (a) the announcement of the Company dated 23 May 2007 (“Announcement”) and the circular dated 25 June 2007 made by the Company in relation to, among other things, the proposed investment in the Joint Venture, namely 柳州五菱汽車工業有限公司 (Liuzhou Wuling Motors Industrial Company Limited), by the Company; and (b) the announcement of the Company dated 28 August 2007 in relation to, among other things, the set up of the Joint Venture. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Announcement.

NEGOTIATION RELATING TO THE ARRANGEMENT FOR PAYMENT OF THE BALANCE

According to the terms of the JV Capital Increase and Subscription Agreement, the second (and final) payment of the Subscription Money shall be payable by the Group within two years from the JV Set-up Date on 17 August 2007. As at the date of this announcement, balance of the Subscription Money amounted to RMB225,857,478 (equivalent to approximately HK\$258,178,000) (“**Balance**”) in total. In view of the outbreak of the financial tsunami since September 2008, more time is required for the Company to proceed with the fund raising activities for the purpose of financing payment of the Balance. The Company, Wuling and Wuling Industrial are in the process of negotiation relating to the arrangement for payment of the Balance. A further announcement will be made pursuant to the Listing Rules upon conclusion of the negotiation between the parties.

Translations of RMB into Hong Kong dollars are, based on the exchange rate of HK\$1.1431 to RMB1, 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.

On behalf of the Board
Lee Shing
Chairman and Chief Executive Officer

Hong Kong, 17 August 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. Wang Shaohua, Mr. Pei Qingrong 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*