
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker, licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Dragon Hill Wuling Automobile Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE AND ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
REFRESHMENT OF 10% LIMIT ON THE GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Dragon Hill Wuling Automobile Holdings Limited to be held at the Ballroom, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on Thursday, 3 June 2010 at 12:00 noon, is set out on pages 22 to 25 of this circular. A form of proxy for use at the annual general meeting is also enclosed.

Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong share registrar, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjourned meeting thereof if they so wish.

30 April, 2010

* For identification purposes only

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at the Ballroom, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on Thursday, 3 June 2010 at 12:00 noon or any adjournment thereof, to consider, if appropriate to approve the resolutions contained in the notice of the meeting which is set out on pages 22 to 25 of this circular
“Board”	the board of Directors from time to time
“Buyback Mandate”	as defined in paragraph II of the Letter from the Board
“Bye-law(s)”	The bye-law(s) of the Company in force as at the Latest Practicable Date which were adopted on 30 October 1992 as amended, supplemented or modified, if any, from time to time
“Company”	Dragon Hill Wuling Automobile Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Directors”	the directors of the Company from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	as defined in paragraph II of the Letter from the Board
“Latest Practicable Date”	26 April 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Memorandum of Association”	The existing Memorandum of Association of the Company adopted on 30 October 1992 as amended, supplemented or modified, if any, from time to time
“Option”	option granted to the eligible persons under the Share Option Scheme
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholders”	holders of the Shares
“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 11 June 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers, as amended from time to time

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Sun Shaoli (*Chairman*)
Mr. Lee Shing (*Vice-chairman & Chief Executive Officer*)
Mr. Wei Hongwen
Mr. Zhong Xianhua
Ms. Liu Yaling
Mr. Zhou Sheji

Independent non-executive Directors:

Mr. Yu Xiumin
Mr. Zuo Duofu
Mr. Ye Xiang

Registered office:

Canon's Court,
22 Victoria Street,
Hamilton HM12,
Bermuda

***Principal place of business
in Hong Kong:***

35th Floor,
Morrison Plaza,
9 Morrison Hill Road,
Wanchai, Hong Kong

30 April 2010

*To the Shareholders, and for information only, holder of options of the Company and
holders of convertible notes issued by the Company*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE AND ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
REFRESHMENT OF 10% LIMIT ON THE GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME,
AND
NOTICE OF ANNUAL GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting for the approval of (i) the granting of the Buyback Mandate and the Issue Mandate to the Directors, (ii) the re-election of the retiring Directors and (iii) the refreshment of 10% limit on the grant of Options under the Share Option Scheme.

* *For identification purposes only*

LETTER FROM THE BOARD

II. BUYBACK MANDATE AND ISSUE MANDATE

At the annual general meeting of the Company held on 3 June 2009, the Buyback Mandate was given to the Directors to repurchase securities of the Company and the Issue Mandate was given to the Directors to issue securities of the Company. Both of them will lapse at the conclusion of the Annual General Meeting. At the Annual General Meeting, ordinary resolutions in relation to the following will be proposed:

- (i) to grant to the Directors a general mandate to exercise the powers of the Company to undertake repurchases of the Company's Shares up to a maximum of 10% of the total issued share capital of the Company on the date of passing of the relevant ordinary resolution (the "Buyback Mandate");
- (ii) to grant a general mandate to the Directors to issue Shares up to a maximum of 20% of the total issued share capital of the Company on the date of passing of the relevant ordinary resolution (the "Issue Mandate"); and
- (iii) to extend the Issue Mandate by the number of Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issue Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in resolutions numbered 4 and 5 set out in the notice of the Annual General Meeting. The Directors wish to state that as at the Latest Practicable Date, they had no present intention of issuing any securities of the Company.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Buyback Mandate. An explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

III. RE-ELECTION OF THE RETIRING DIRECTORS

Messrs. Sun Shaoli, Lee Shing, Wei Hongwen and Ms. Liu Yaling shall retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election at the Annual General Meeting pursuant to Bye-law 99(B) of the Company.

According to Bye-law 91 of the Company, Mr. Zhong Xiaohua shall retire at the Annual General Meeting and, being eligible, offer himself for re-election at the Annual General Meeting.

Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

LETTER FROM THE BOARD

IV. REFRESHMENT OF 10% LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Shareholders of the Company. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force. Pursuant to the Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company (i.e. the Scheme Mandate Limit), shall not exceed 10% of the total number of Shares in issue as at the date of adoption of the Share Option Scheme, representing 15,375,604 Shares. The Company may refresh the Scheme Mandate Limit by an ordinary resolution of the Shareholders at general meeting provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of Shares in issue as at the date of the Shareholders' approval of the refreshment of the Scheme Mandate Limit; and
- (b) options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

Notwithstanding the foregoing, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

As at the Latest Practicable Date the maximum number of Options eligible to be granted, under the Share Option Scheme is 91,728,804 Shares, which number has been adjusted pursuant to: (1) the share reduction scheme which took effect on 19 June 2006, details of which has been stated in the Company's circular dated 29 April 2006; (2) the share consolidation exercise which took effect on 29 November 2006, details of which has been stated in the Company's circular dated 9 November 2006; and (3) the latest refreshment of 10% limit on the grant of options under the Share Option Scheme as approved by the Shareholders in the annual general meeting held on 23 May 2008 (the "Latest Refreshment").

As at the Latest Practicable Date, there were in total 78,900,000 outstanding Options carrying rights to subscribe for 78,900,000 Shares, representing 7.88% of the total issued share capital of the Company as at the Latest Practicable, which were granted by the Company under the limit of the Latest Refreshment. All other Options granted before the date of the Latest Refreshment has been lapsed and/or cancelled. Accordingly, the available limit under the Scheme Mandate Limit can only allow the grant of options to subscribe for 12,828,804 Shares, representing less than 1.3% of the total issued share capital of the Company as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Board considers that share option is an important incentive for motivating and/or rewarding the Group's employees to contribute to the success of the Group's business and financial performance. As the granting of options to the employees of the Group will not affect the Group's cash flow but will help the Company to retain and/or recruit employees and to provide them with a direct economic interest in attaining the long term business objectives of the Company, the Board has decided to grant to those eligible persons such number of options which will provide sufficient incentives to them to achieve the Group's business goals. In order to facilitate the Company to maximise the use of options to retain and/or recruit employees, the Company wishes to take the opportunity of the Annual General Meeting to seek Shareholders' approval for refreshment of the Scheme Mandate Limit.

If the refreshment of the Scheme Mandate Limit is approved at the Annual General Meeting, based on the 1,001,296,049 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be allotted and issued and no Shares will be repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company may grant further options carrying rights to subscribe for up to a total of 100,129,604 Shares under the Share Option Scheme (representing 10% of the issued share capital of the Company as at the date of the Annual General Meeting). The Board considers that refreshment of the Scheme Mandate Limit is in the interests of the Company and its Shareholders as a whole. The refreshment of the Scheme Mandate Limit is conditional on:

- (a) the passing of the necessary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in such number of Shares representing 10% of the Shares in issue as at the date of the Annual General Meeting, which may be issued pursuant to exercise of options to be granted under the refreshed Scheme Mandate Limit.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued by the Company (representing 10% of the Shares in issue as at the date of the Annual General Meeting) which may be issued pursuant to exercise of options to be granted under the refreshed Scheme Mandate Limit.

V. ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 22 to 25 of this circular. At the Annual General Meeting, resolutions will be proposed to consider and, if thought fit, to approve, among other things, (a) the granting of the Buyback Mandate and the Issue Mandate; (b) the extension of the Issue Mandate to the Directors by the addition of the number of Shares repurchased pursuant to the Buyback Mandate; (c) the re-election of the retiring Directors; and (d) the refreshment of 10% limit on the grant of Options under the Share Option Scheme.

Pursuant to Bye-law 69 of the Company and Rules 13.39(4) of the Listing Rules, all resolutions to be proposed at the Annual General Meeting will be taken by poll and the Company will announce the results of the poll in accordance with the requirements of the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for use at the Annual General Meeting is enclosed with this circular. If you intend to appoint a proxy to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's share registrar in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time appointed for holding the Annual General Meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

VI. RECOMMENDATIONS

The Board considers that the proposed granting of the Buyback Mandate and the Issue Mandate and extension of the Issue Mandate to the Directors, the re-election of the retiring Directors, and the refreshment of 10% limit on the grant of Options under the Share Option Scheme are all in the best interests of the Company and its shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

VII. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (explanatory statement – the Buyback Mandate), and Appendix II (details of the retiring Directors proposed to be re-elected at the Annual General Meeting) to this circular.

VIII. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully
On behalf of the Board
Sun Shaoli
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information for your consideration of the proposed Buyback Mandate.

1. REASONS FOR SHARE BUYBACK

The Directors believe that the proposed granting of the Buyback Mandate is in the interests of the Company and its Shareholders.

Trading conditions on the Stock Exchange have sometimes been volatile in recent years. At any time in the future when Shares are trading at a discount to their underlying value, the ability of the Company to repurchase shares will be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company and thereby resulting in an increase in net assets and/or earnings per share of the Company. Although the Directors have no present intention of repurchasing any securities of the Company, they believe that the flexibility provided by the Buyback Mandate would be beneficial to the Company and its Shareholders.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,001,296,049 Shares of HK\$0.004 each. Subject to the passing of the ordinary resolution numbered 4 set out in the notice of the Annual General Meeting and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Buyback Mandate to repurchase a maximum of 100,129,604 Shares during the period in which the Buyback Mandate remains in force.

3. FUNDING OF REPURCHASES

In repurchasing Share under the Buyback Mandate, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws, the Listing Rules, the laws of Bermuda and other applicable laws.

Share shall not be repurchased for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. The Directors propose that repurchases of Shares under the Buyback Mandate in these circumstances would be financed from the Company's internal resources or existing banking facilities.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2009) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

4. MARKET PRICES OF SHARES

The highest and lowest market prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Share Prices	
	(Per Share)	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2009		
April	0.750	0.450
May	0.790	0.620
June	1.100	0.770
July	1.350	0.940
August	0.970	0.720
September	0.980	0.780
October	1.050	0.780
November	1.470	0.920
December	1.390	0.960
2010		
January	1.200	0.940
February	1.040	0.880
March	1.050	0.880
April (upto the Latest Practicable Date)	1.120	0.910

5. DISCLOSURE OF INTEREST

As at the Latest Practicable Date, the number of Shares held by persons having 5% or more interests were as follows:

Substantial Shareholders	Capacity	Number of Shares	Percentage of issued share capital
Mr. Lee Shing (notes 1 and 2)	Interested in controlled corporation	259,959,613	25.96%
Dragon Hill Development Limited (俊山發展有限公司) ("Dragon Hill") (notes 1 and 2)	Beneficial Owner	259,959,613	25.96%
五菱(香港)控股有限公司 (Wuling (Hong Kong) Holdings Limited) ("Wuling HK Holdings") (notes 2, 3, and 4)	Beneficial Owner	300,288,000 (note 4)	29.99%
五菱汽車(香港)有限公司 Wuling Motors (Hong Kong) Company Limited ("Wuling HK") (notes 2, 3 and 4)	Interested in controlled corporation	300,288,000 (note 4)	29.99%
柳州五菱汽車有限責任公司 (Liuzhou Wuling Motors Company Limited) ("Liuzhou Wuling") (notes 2, 3 and 4)	Interested in controlled corporation	300,288,000 (note 4)	29.99%

Notes:

- (1) The entire issued share capital of Dragon Hill is legally and beneficially owned by Mr. Lee Shing, a Director and the controlling Shareholder. Accordingly, this parcel of Shares has also been disclosed as long positions of Mr. Lee Shing under the above section.

- (2) Reference is made to the circular of the Company issued on 25 June 2007 (the “Circular”) and unless the context herewith otherwise requires, terms used in this note shall have the same meanings as in the circular. A share charge has been created on 280,959,613 Shares held by Dragon Hill in favour of Liuzhou Wuling pursuant to the execution of the Share Charge Documents on 28 August 2007 in which Dragon Hill has agreed to guarantee and undertake to procure (i) the due performance of the Company under the JV Agreements, and (ii) the Company not to allot and issue any of the new shares of the Company without the prior written consent of Liuzhou Wuling during the Guarantee Period (i.e., the 36 month-period from the date of the Share Charge). According to the Share Sale Agreement, the Share Charge Documents should be executed simultaneously with the completion of the Share Sale Agreement and that if the Company fails to duly perform its obligations pursuant to any of the JV Agreements or if the Company issues any of the new shares in breach of its undertaking, Liuzhou Wuling (or its wholly-owned subsidiary(ies)) shall have the right to acquire the Charged Shares (i.e., the 280,959,613 Shares held by Dragon Hill, being all of the shares of the Company held by Dragon Hill upon completion of the Share Sale Agreement which are agreed to be charged to Liuzhou Wuling (or its wholly-owned subsidiary(ies)), by Dragon Hill under the Share Charge) from Dragon Hill at the price of HK\$0.29 per Charged Shares during the Guaranteed Period. With effect from 2 November 2009 and pursuant to a consent letter issued by Liuzhou Wuling, the number of Charged Shares has been reduced to 254,659,613 Shares.
- (3) The entire issued share capital of Wuling HK Holdings is held by Wuling HK, whereas the entire issued share capital of Wuling HK is held by Liuzhou Wuling. Accordingly, Wuling HK and Liuzhou Wuling are deemed to be interested in the Shares in which Wuling HK Holdings is interested under the SFO.
- (4) Apart from 300,288,000 Shares beneficially owned by Wuling HK Holdings as at the Latest Practicable Date, Wuling HK Holdings, Wuling HK and Liuzhou Wuling were also interested in (i) 254,659,613 Shares held as security interest as stated in note 2 above; and (ii) 136,986,300 Shares issuable to Wuling HK Holdings upon exercise in full of the conversion rights attaching to a convertible notes issued by the Company to Wuling HK Holdings on 12 January 2009 according to a subscription agreement dated 28 November 2008, details of which have been fully disclosed in the circular and the announcement of the Company dated 16 December 2008 and 12 March 2010, respectively.

None of the Directors, and to the best of their knowledge having made all reasonable enquiries, nor any associates of the Directors, have any present intention to sell any Shares to the Company in the event that the Buyback Mandate is approved by Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases under the Buyback Mandate in accordance with the Bye-laws of the Company, the Listing Rules, the laws of Bermuda and other applicable laws.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the Buyback Mandate is approved by its Shareholders.

If as a result of a repurchases of securities of the Company, a shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a shareholder, or group of shareholders acting in concert, depending on the level of such increase, could increase, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Assuming that the substantial shareholders do not dispose of its Shares, if the Buyback Mandate were exercised in full, the percentage shareholdings of any persons having 5% or more interests in the Shares before and after such repurchase would be as follows:

Substantial Shareholders	Before Buyback Mandate	After Buyback Mandate
Mr. Lee Shing	25.96%	28.85%
Dragon Hill	25.96%	28.85%
Wuling HK Holdings	29.99%	33.32%
Wuling HK	29.99%	33.32%
Liuzhou Wuling	29.99%	33.32%

The Directors consider that such an increase would give rise to an obligation on the part of all of the above to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors consider that, in absence of any special circumstances, they have no intention to exercise the Buyback Mandate to such an extent.

6. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares had been made by the Company nor any of its subsidiaries (whether on the Stock Exchange or otherwise) during the last six months immediately preceding the Latest Practicable Date.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Stated below are the details of the Directors who will retire and be eligible for re-election at the Annual General Meeting according to the Bye-laws:

(1) MR. SUN SHAOLI, AGED 54, AN EXECUTIVE DIRECTOR (“Mr. Sun”)

(a) Positions held with other members of the Company’s group

Mr. Sun was appointed as an executive Director and the Chairman of the Company on 10 September 2007 and 4 January 2010, respectively. Other than that, Mr. Sun also holds directorship in other principal subsidiaries of the Company. Mr. Sun is also currently the chairman of the board of directors of 柳州五菱汽車工業有限公司 (Liuzhou Wuling Motors Industrial Company Limited* “Wuling Industrial”) and 柳州五菱柳機動力有限公司 (Liuzhou Wuling Liuji Motors Company Limited* “Wuling Liuji”) and a director of 柳州五菱汽車聯合發展有限公司 (Liuzhou Wuling Motors United Development Limited* “Wuling United”) and 柳州五菱專用汽車製造有限公司 (Liuzhou Wuling Specialized Vehicles Manufacturing Company Limited* “Wuling Specialized Vehicles”), all of them principal subsidiaries of the Company.

(b) Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications

Mr. Sun obtained a master degree in business administration from Harbin Industrial University (哈爾濱工業大學) in 1988 and is a senior economist. Mr. Sun has about 27 years’ experience in the automobile manufacturing industry. Mr. Sun is currently the chairman of the board of directors of Liuzhou Wuling Motors Company Limited (“Liuzhou Wuling”), a director of each of Wuling Motors (Hong Kong) Company Limited (“Wuling HK”) and Wuling (Hong Kong) Holdings Limited (“Wuling HK Holdings”), all of them substantial Shareholders of the Company. He is also the vice-chairman of the board of directors of SAIC-GM-Wuling Automobile Co., Ltd. (上汽通用五菱汽車股份有限公司 “SGMW”), which is a joint venture formed among Shanghai Automobile Industry (Group) Company, General Motors China and Liuzhou Wuling, and is currently a major customer of the automotive engines and components businesses of the Company. Mr. Sun does not hold or did not hold any directorships in other public listed companies in the past 3 years.

(c) Length or proposed length of service with the Company

Mr. Sun is an executive Director of the Company since September 2007. There is no service contract entered into between Mr. Sun and the Company. Mr. Sun is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

(d) Relationships with any directors, senior management or substantial or controlling shareholders of the Company

Save as disclosed in (b) above, Mr. Sun does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

(e) Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance

As at the Latest Practicable Date, Mr. Sun held 1,800,000 share options granted by the Company, in which (i) 900,000 share options may be exercised between 21 January 2010 to 31 December 2012 (both days inclusive); and (ii) 900,000 share options shall be exercised between 21 January 2011 to 31 December 2013 (both days inclusive) with the exercise price of HK\$1.070 per option. Other than disclosed above, Mr. Sun does not have any interest in the Company's Shares within the meaning of Part XV of the SFO.

(f) Amount of the director's emoluments and the basis of determining the director's or supervisor's emoluments (including any bonus payments, whether fixed or discretionary in nature, irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract

Mr. Sun, as the Chairman and an executive Director, receives HK\$10,000 per month as fee, a bonus of not more than one month fee payable on discretion and a half year allowance of HK\$4,000 and is eligible for participating into the Company's share option scheme. Besides, Mr. Sun also receives salary from Wuling Industrial for his services as a director of this subsidiary which compensation package comprises a base salary payment, an incentive annual salary which is remunerated in accordance with the business performance of Wuling Industrial and other benefits which include primarily contribution to statutory pension plan. Mr. Sun's compensation package is determined with reference to his duties and responsibilities in the Group, its business performance, profitability and market conditions, and has been approved by the Board and the Remuneration Committee. Total remuneration paid to Mr. Sun for the year ended 31 December 2009 is set out in note 10 to the financial statements of the Company's 2009 annual report.

(g) Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules

There is no information which is discloseable nor is/was Mr. Sun involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

(h) Other matters that need to be brought to the attention of the Shareholders of the Company

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Sun as Director that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

(2) MR. LEE SHING, AGED 52, AN EXECUTIVE DIRECTOR (“Mr. Lee”)

(a) Positions held with other members of the Company’s group

Mr. Lee was appointed as an executive director of the Company on 22 June 2006. He is currently the Vice-chairman and Chief Executive Officer of the Company. Other than that, Mr. Lee also holds directorship in our principal subsidiaries namely, Wuling Industrial, Dragon Hill Financial Services Limited, Dragon Hill Credit Limited, Dragon Hill (HK) Limited, Hilcrest Limited and Jenpoint Limited.

(b) Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications

Mr. Lee has extensive experiences in the trading and manufacturing businesses in Hong Kong and the PRC. He is currently a member of the Committee of The Chinese People’s Political Consultative Conference of Liuzhou, Guangxi Province, the PRC. Mr. Lee is currently the chairman and an executive director of Grand T G Gold Holdings Limited (stock code: 8299), a company listed on the Growth Enterprise Market of the Stock Exchange). Save as disclosed above, Mr. Lee has not held any directorship in other public listed companies in the last 3 years.

(c) Length or proposed length of service with the Company

Mr. Lee is an executive Director of the Company since June 2006. There is no service contract entered into between Mr. Lee and the Company. Mr. Lee is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

(d) Relationships with any directors, senior management or substantial or controlling shareholders of the Company

Mr. Lee is the sole shareholder and sole director of Dragon Hill Development Limited, a substantial Shareholder of the Company. Other than that, Mr. Lee does not have any relationships with any directors, senior management or substantial shareholders of the Company.

(e) Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance

As at the Latest Practicable Date, Mr. Lee is taken to be interested in 259,959,613 Shares (25.96%) of the issued share capital of the Company within the meaning of Part XV of the SFO. A number of 254,659,613 Shares, were charged to Wuling HK Holding, details of which may refer to the respective note in the section “Disclosure of Interest” as included in Appendix I of this circular.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Besides, as at the Latest Practicable Date, Mr. Lee held 1,800,000 share options granted by the Company, in which (i) 900,000 share options may be exercised between 21 January 2010 to 31 December 2012 (both days inclusive); and (ii) 900,000 share options shall be exercised between 21 January 2011 to 31 December 2013 (both days inclusive) with the exercise price of HK\$1.070 per option. In addition, Ms. Kwan To Yin, the spouse of Mr. Lee, also held 700,000 share options granted by the Company, in which (i) 350,000 share options may be exercised between 21 January 2010 to 31 December 2012 (both days inclusive); and (ii) 350,000 share options shall be exercised between 21 January 2011 to 31 December 2013 (both days inclusive) with the exercise price of HK\$1.070 per option. Other than disclosed above, Mr. Lee does not have any interest in the Company's Shares within the meaning of Part XV of the SFO.

(f) Amount of the director's emoluments and the basis of determining the director's or supervisor's emoluments (including any bonus payments, whether fixed or discretionary in nature, irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract

Mr. Lee, as the Vice-chairman, Chief Executive Officer and an executive Director, receives HK\$100,000 per month as fee, a bonus of not more than one month fee payable on discretion and a half year allowance of HK\$40,000, and is eligible for participating into the Company's statutory pension plan and share option scheme. Mr. Lee's compensation package is determined with reference to his duties and responsibilities in the Group, its business performance, profitability and market conditions, and has been approved by the Board and the Remuneration Committee. Total remuneration paid to Mr. Lee for the year ended 31 December 2009 is set out in note 10 to the financial statements of the Company's 2009 annual report.

(g) Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules

There is no information which is discloseable nor is/was Mr. Lee involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

(h) Other matters that need to be brought to the attention of the Shareholders of the Company

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Lee as Director that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

(3) MR. WEI HONGWEN, AGED 47, AN EXECUTIVE DIRECTOR (“Mr. Wei”)

(a) Positions held with other members of the Company’s group

Mr. Wei was appointed an executive Director of the Company on 10 September 2007. Other than that, Mr. Wei also holds directorship in other principal subsidiaries of the Company. He is currently a director and the general manager of Wuling Industrial, our principal subsidiary. Mr. Wei is in charge of the daily operations of our specialized vehicles, automotive engines and components manufacturing business.

(b) Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications

Mr. Wei obtained a master degree in economics from Sun Yat-Sen University (中山大學) in 1995 and is a senior engineer. Mr. Wei has about 27 years’ experience in the automobile manufacturing industry. Mr. Wei is currently a director of Liuzhou Wuling, Wuling HK Holdings and Wuling HK, all of them substantial Shareholders of the Company and a director of SGMW, a joint venture in which Liuzhou Wuling has beneficial interest, and is currently a major customer of the automotive engines and components businesses of the Company. Mr. Wei does not hold or did not hold any directorships in other public listed companies in the past 3 years.

(c) Length or proposed length of service with the Company

Mr. Wei is an executive Director of the Company since September 2007. There is no service contract entered into between Mr. Wei and the Company. Mr. Wei is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

(d) Relationships with any directors, senior management or substantial or controlling shareholders of the Company

Save as disclosed in (b) above, Mr. Wei does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

(e) Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance

As at the Latest Practicable Date, Mr. Wei held 1,600,000 share options granted by the Company, in which (i) 800,000 share options may be exercised between 21 January 2010 to 31 December 2012 (both days inclusive); and (ii) 800,000 share options shall be exercised between 21 January 2011 to 31 December 2013 (both days inclusive) with the exercise price of HK\$1.070 per option. Other than disclosed above, Mr. Wei does not have any interest in the Company’s Shares within the meaning of Part XV of the SFO.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

- (f) Amount of the director’s emoluments and the basis of determining the director’s or supervisor’s emoluments (including any bonus payments, whether fixed or discretionary in nature, irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract**

Mr. Wei, as an executive Director, receives HK\$10,000 per month as fee, a bonus of not more than one month fee payable on discretion and a half year allowance of HK\$4,000 and is eligible for participating into the Company’s share option scheme. Besides, Mr. Wei also receives salary from Wuling Industrial for his services as a director of this subsidiary which compensation package comprises a base salary payment, an incentive annual salary which is remunerated in accordance with the business performance of Wuling Industrial and other benefits which include primarily contribution to statutory pension plan. Mr. Wei’s compensation package is determined with reference to his duties and responsibilities in the Group, its business performance, profitability and market conditions, and has been approved by the Board and the Remuneration Committee. Total remuneration paid to Mr. Wei for the year ended 31 December 2009 is set out in note 10 to the financial statements of the Company’s 2009 annual report.

- (g) Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules**

There is no information which is discloseable nor is/was Mr. Wei involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

- (h) Other matters that need to be brought to the attention of the Shareholders of the Company**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Wei as Director that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

(4) MS. LIU YALING, AGED 34, AN EXECUTIVE DIRECTOR (“Ms. Liu”)

- (a) Positions held with other members of the Company’s group**

Ms. Liu was appointed an executive Director of the Company on 22 June 2006. Other than that, Ms. Liu also holds directorship in our principal subsidiaries namely, Dragon Hill Financial Services Limited, Dragon Hill Credit Limited, Dragon Hill (HK) Limited, Hilcrest Limited and Jenpoint Limited.

- (b) Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications**

Ms. Liu has a postgraduate education background. She is a qualified accountant in the PRC specializing in financial management. Ms. Liu gains her working experience in the automobile manufacturing industry and has approximately 12 years of experience in the finance and accounting profession in the PRC. Ms. Liu is a member of the International Association of Registered Financial Planners and an Associate member of the Institute of Financial Accountants. Ms. Liu does not hold or did not hold any directorships in other listed companies in the past 3 years.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

(c) Length or proposed length of service with the Company

Ms. Liu is an executive Director of the Company since June 2006. There is no service contract entered into between Ms. Liu and the Company. Ms. Liu is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

(d) Relationships with any directors, senior management or substantial or controlling shareholders of the Company

Ms. Liu does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

(e) Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance

As at the Latest Practicable Date, Ms. Liu held 1,600,000 share options granted by the Company, in which (i) 800,000 share options may be exercised between 21 January 2010 to 31 December 2012 (both days inclusive); and (ii) 800,000 share options shall be exercised between 21 January 2011 to 31 December 2013 (both days inclusive) with the exercise price of HK\$1.070 per option. Other than disclosed above, Ms. Liu does not have any interest in the Company's Shares within the meaning of Part XV of the SFO.

(f) Amount of the director's emoluments and the basis of determining the director's or supervisor's emoluments (including any bonus payments, whether fixed or discretionary in nature, irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract

Ms. Liu, as an executive Director, receives HK\$10,000 per month as fee, a bonus of not more than one month fee payable on discretion and a half year allowance of HK\$4,000, and is eligible for participating into the Company's share option scheme. Ms. Liu's compensation package is determined with reference to her duties and responsibilities in the Group, its business performance, profitability and market conditions, and has been approved by the Board and the Remuneration Committee. Total remuneration paid to Ms. Liu for the year ended 31 December 2009 is set out in note 10 to the financial statements of the Company's 2009 annual report.

(g) Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules

There is no information which is discloseable nor is/was Ms. Liu involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

(h) Other matters that need to be brought to the attention of the Shareholders of the Company

Save as disclosed above, there are no other matters in relation to the re-election of Ms. Liu as Director that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

(5) MR. ZHONG XIANHUA AGED 51, AN EXECUTIVE DIRECTOR (“Mr. Zhong”)

(a) Positions held with other members of the Company’s group

Mr. Zhong was appointed an executive Director of the Company on 4 January 2010. Other than that, Mr. Zhong is currently a director of Wuling Industrial, our principal subsidiary.

(b) Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications

Mr. Zhong graduated from Hunan University major in mesoporphyrin protection. He is a senior engineer. He has over 21 years of extensive experience in the production management, marketing and corporate management of the automotive components industry. Mr. Zhong is currently the vice general manager of Liuzhou Wuling, a substantial Shareholder of the Company. Mr. Zhong does not hold or did not hold any directorship in other listed companies in the last three years.

(c) Length or proposed length of service with the Company

Mr. Zhong is an executive Director of the Company since January 2010. There is no service contract entered into between Mr. Zhong and the Company. Mr. Zhong is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

(d) Relationships with any directors, senior management or substantial or controlling shareholders of the Company

Save as disclosed above, Mr. Zhong does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

(e) Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance

As at the Latest Practicable Date, Mr. Zhong held 1,400,000 share options granted by the Company, in which (i) 700,000 share options may be exercised between 21 January 2010 to 31 December 2012 (both days inclusive); and (ii) 700,000 share options shall be exercised between 21 January 2011 to 31 December 2013 (both days inclusive) with the exercise price of HK\$1.070 per option. Other than disclosed above, Mr. Zhong does not have any interest in the Company’s Shares within the meaning of Part XV of the SFO.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

- (f) Amount of the director's emoluments and the basis of determining the director's or supervisor's emoluments (including any bonus payments, whether fixed or discretionary in nature, irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract**

Mr. Zhong, as an executive Director, receives HK\$10,000 per month as fee, a bonus of not more than one month fee payable on discretion and a half year allowance of HK\$4,000, and is eligible for participating into the Company's share option scheme. Mr. Zhong's compensation package is determined with reference to his duties and responsibilities in the Group, its business performance, profitability and market conditions, and has been approved by the Board and the Remuneration Committee. Mr. Zhong was appointed on 4 January 2010 and did not receive any remuneration as director for the year ended 31 December 2009.

- (g) Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules**

There is no information which is discloseable nor is/was Mr. Zhong involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

- (h) Other matters that need to be brought to the attention of the Shareholders of the Company**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Zhong as Director that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Dragon Hill Wuling Automobile Holdings Limited (“the Company”) will be held at The Ballroom, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on Thursday, 3 June, 2010, at 12:00 noon for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 December 2009.
2. To re-elect Directors, to fix the maximum number of Directors and to authorize the Board of Directors to fix their remuneration.
3. To re-appoint auditors of the Company and to authorize the Board of Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase its securities, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of securities of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held.”

5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares of the Company or securities convertible into Shares, or options, warrants or similar rights to subscribe Shares and to make or grant offers, agreements and options which would or might require Shares or securities convertible into Shares, or options, warrants or similar rights to subscribe Shares to be allotted, issued or dealt with during or after the end of the Relevant Period (as defined below), be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to:
 - (i) a rights issue where Shares are offered to shareholders on a fixed record date in proportion to their then holdings of Shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong); or
 - (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible grantee pursuant to the scheme of shares or rights to acquire Shares of the Company; or
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company,

the total nominal amount of additional Shares or securities of the Company to be issued, allotted or dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with shall not in total exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held.”
6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** the general mandate granted to the Directors of the Company pursuant to resolution no. 5 above and for the time being in force to exercise the powers of the Company to issue, allot or dispose of additional shares or securities convertible into Shares, or options, warrants or similar rights to subscribe Shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of securities in the capital of the Company repurchased by the Company pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such securities since the granting of such general mandate referred to in the above resolution no. 4, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution.”

7. As special business, to consider and, if thought fit, pass the following resolution as Ordinary Resolution:

“**THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in such number of Shares in the capital of the Company representing 10% of the Shares in issue as at the date of passing this resolution, which may be issued pursuant to exercise of options to be granted under the Refreshed Scheme Mandate Limit (as defined below), the existing scheme mandate limit under the share option scheme adopted by the Company on 11 June 2002 (“Share Option Scheme”) be refreshed so that the number of Shares to be allotted and issued pursuant to the exercise of the options under the Share Option Scheme and other share option scheme(s) of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised) shall not exceed 10% of the Shares in issue

NOTICE OF ANNUAL GENERAL MEETING

as at the date of the passing of this resolution (“Refreshed Scheme Mandate Limit”) and that any director of the Company be and are hereby authorized to do such act and execute such document to effect the Refreshed Scheme Mandate Limit.”

By Order of the Board
Sun Shaoli
Chairman

As at the date of this notice, the Board comprises Mr. Sun Shaoli (Chairman), Mr. Lee Shing (Vice-chairman and Chief Executive Officer), Mr. Wei Hongwen, Mr. Zhong Xianhua, Ms. Liu Yaling, and Mr. Zhou Sheji as executive directors and Mr. Yu Xiumin, Mr. Zuo Duofu and Mr. Ye Xiang as independent non-executive directors.

Notes:

1. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote, on a poll, on his behalf. A proxy need not be a member of the Company.
2. A form of proxy for use in connection with the Annual General Meeting is enclosed and such form is also published on the website of the Stock Exchange (www.hkexnews.hk).
3. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of authority must be lodged with the Company’s Hong Kong share registrar, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjourned Meeting (as the case may be).
4. Shareholders are advised to read the circular to the Shareholders of the Company dated 30 April 2010 which contains information concerning the resolutions to be proposed in this notice.
5. All resolutions to be proposed at the Annual General Meeting shall be decided by way of poll.