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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)

POSSIBLE DISCLOSEABLE TRANSACTION
TENDERS FOR LANDS IN GUANGXI

The Board is pleased to announce that Wuling Industrial, a non-wholly owned subsidiary of the Company, has submitted the First Tender on 30 July 2010 to Liuzhou Bureau of Land Resources for the purpose of acquiring the Land No. 1 (as defined below) located in Liuzhou, Guangxi Zhuang Autonomous Region, the PRC at a consideration of RMB35,100,000 (equivalent to approximately HK\$40,252,000).

The Board would also like to announce that Wuling Industrial has also submitted the Other Tenders to Liuzhou Bureau of Land Resources on 30 July 2010 for the purpose of acquiring the Land Nos. 2 to 4 (as defined below) located in Liuzhou, Guangxi Zhuang Autonomous Region, the PRC, at a total consideration of RMB105,450,000 (equivalent to approximately HK\$120,929,000).

Accordingly, the Aggregate Consideration for the Lands (i.e. Land No. 1 to 4) is RMB140,550,000 (equivalent to approximately HK\$161,181,000).

As one of the applicable percentage ratios as set out in the Listing Rules is more than 5% but less than 25%, the First Tender and the Other Tenders, if succeed, will constitute a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

THE TENDERS

Pursuant to the notices published by Liuzhou Bureau of Land Resources in relation to the transfer of land use rights on 3 July 2010 (the “First Notice”) and 9 July 2010 (the “Second Notice”) respectively, Wuling Industrial, according to the schedules of releasing the tenders by Liuzhou Bureau of Land Resources, has submitted (i) the First Tender on 30 July 2010 to Liuzhou Bureau of Land Resources for the purpose of acquiring the Land No. 1 (as defined below); and (ii) the Other Tenders to Liuzhou Bureau of Land Resources on 30 July 2010 for the purpose of acquiring the Land Nos. 2 to 4 (as defined below).

Date of the First Tender and the Other Tenders

30 July 2010

Parties involved in the First Tender and Other Tenders

- (i) Liuzhou Bureau of Land Resources; and
- (ii) Wuling Industrial

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Liuzhou Bureau of Land Resources and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

Pursuant to the First Tender, Wuling Industrial will acquire the Land No. 1.

Pursuant to the Other Tenders, Wuling Industrial will acquire the Land Nos. 2 to 4.

Consideration

The consideration for the First Tender is RMB35,100,000 (equivalent to approximately HK\$40,252,000), which is the minimum bid price of and the intended bid price of Wuling Industrial for the Land No. 1 offered for sale by Liuzhou Bureau of Land Resources.

The total consideration for the Other Tenders is RMB105,450,000 (equivalent to approximately HK\$120,929,000), which is the minimum bid price of and the intended bid price of Wuling Industrial for the Land Nos. 2 to 4 offered for sale by Liuzhou Bureau of Land Resources.

The Directors consider that the Aggregate Consideration for the Land Nos. 1 to 4 in the amount of RMB140,550,000 (equivalent to approximately HK\$161,181,000) is fair and reasonable as it represents the aggregate minimum bid prices of the Lands as determined by Liuzhou Bureau of Land Resources and after taking into account their location and development potential.

As at the date of this announcement, Wuling Industrial has paid a total of RMB40,000,000 (equivalent to approximately HK\$45,872,000) in cash as refundable guarantee deposit to participate in the open tenders for acquiring the Lands, which formed part of the Aggregate Consideration. The remaining balance of the Aggregate Consideration in the amount of RMB100,550,000 (equivalent to approximately HK\$115,309,000) will be payable by Wuling Industrial, if the First Tender and Other Tenders succeed, as follows:

- (i) For Land No. 1, the remaining balance of RMB25,100,000 (equivalent to approximately HK\$28,784,000) will be payable on or before 15 September 2010 as specified in the acquisition document for the First Tender; and

- (ii) For Land Nos. 2 to 4, the remaining balance of RMB75,450,000 (equivalent to approximately HK\$86,525,000) will be payable on or before 22 September 2010 as specified in the acquisition documents of the Other Tenders.

The Aggregate Consideration (as defined below) is to be satisfied by the internal resources of the Wuling Industrial Group.

Completion

Pursuant to the First Notice, the listing and bidding processes of the First Tender commence from 23 July 2010 to 3 August 2010 and the result of the First Tender will be released within ten business days from the closing of the listing and bidding processes. Pursuant to the Second Notice, the listing and bidding processes of the Other Tenders commence from 29 July 2010 to 10 August 2010 and the result of the Other Tenders will be released within ten business days from the closing of the listing and bidding processes. The Company will make an announcement to update the result of the First Tender and the Other Tenders once the same is obtained from Liuzhou Bureau of Land Resources.

The Lands

Details of the Lands tendered by Wuling Industrial are set out below:

Land No.	Location	Permitted land use rights	Terms of land use rights	Site area (square metres)	Consideration (RMB' million)	Guarantee deposit (RMB' million)	Submission date of the tender for the relevant land
1.	Lot A19-1, the 3rd zone of Hexi Industrial District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC# (中國廣西壯族自治區 柳州市河西工業區三區 A19-1號地塊) (the "Land No. 1")	Industrial use	50 years	103,695.81	35.10	10.00	30 July 2010
2.	Lot A13-1, the 3rd zone of Hexi Industrial District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC# (中國廣西壯族自治區 柳州市河西工業區三區 A13-1號地塊) (the "Land No. 2")	Industrial use	50 years	103,793.04	35.20	10.00	30 July 2010

Land No.	Location	Permitted land use rights	Terms of land use rights	Site area	Consideration	Guarantee deposit	Submission date of the tender for the relevant land
				(square metres)	(RMB' million)	(RMB' million)	
3.	Lot A14-1, the 3rd zone of Hexi Industrial District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC# (中國廣西壯族自治區 柳州市河西工業區三區 A14-1號地塊) (the "Land No. 3")	Industrial use	50 years	105,862.63	35.85	10.00	30 July 2010
4.	Lot A18-1, the 3rd zone of Hexi Industrial District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC# (中國廣西壯族自治區 柳州市河西工業區三區 A18-1號地塊) (the "Land No. 4")	Industrial use	50 years	101,683.07	34.40	10.00	30 July 2010
Total:				<u>415,034.55</u>	<u>140.55</u>	<u>40.00</u>	

REASONS FOR AND BENEFITS OF THE TENDERS

The Group is principally engaged in the manufacturing and trading of engines, automotive components and specialized vehicles in the PRC, the provision of procurement services of raw materials, water and power supply as well as other businesses including provision of financial services and property investment.

Liuzhou Bureau of Land Resources is a government department in charge of the planning, development and management of the land and mineral resources in Liuzhou under the People's Government of Liuzhou Municipality (柳州市人民政府).

Wuling Industrial is currently a non-wholly owned subsidiary of the Company as at the date of this announcement. Wuling Industrial and its subsidiaries (the "Wuling Industrial Group") are principally engaged in the manufacturing of motor vehicle's engines, automotive components and special mini-vehicles in the PRC. For the past two years, Wuling Industrial Group has experienced impressive growth in businesses and has planned to undertake various capacity expansion programs to cope with the increasing demands from the customers. The Directors consider that the location and development potential of the Lands will be beneficial to the expansion of Wuling Industrial's operation in the future.

In addition, the Aggregate Consideration represents the aggregate minimum bid prices of the Lands as determined by Liuzhou Bureau of Land Resources. As a result, the Directors are of the view that the First Tender and Other Tenders are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

As one of the applicable percentage ratios as set out in the Listing Rules is more than 5% but less than 25%, the First Tender and the Other Tenders, if succeed, will constitute a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the following meaning:

“Aggregate Consideration”	the aggregate consideration in the amount of RMB 140,550,000 payable by the Company to Liuzhou Bureau of Land Resources for the Lands pursuant to the First Tender and Other Tenders
“Board”	the board of the Directors
“Company”	Dragon Hill Wuling Automobile Holdings Limited (俊山五菱汽車集團有限公司*), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“First Tender”	the tender submitted by the Company on 30 July 2010 to Liuzhou Bureau of Land Resources for the purpose of acquiring the Land No. 1
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lands”	the four pieces of lands (i.e. Land Nos. 1 to 4) located in Liuzhou, Guangxi Zhuang Autonomous Region, the PRC, to be acquired by the Company pursuant to the First Tender and the Other Tenders, if succeed, details of the lands are set out in the section headed “The Lands” in this announcement

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Liuzhou Bureau of Land Resources”	柳州市國土資源局 (Liuzhou Bureau of Land Resources [#]), a government department in charge of the planning, development and management of the land and mineral resources in Liuzhou under the People’s Government of Liuzhou Municipality (柳州市人民政府)
“Other Tenders”	the tenders submitted by the Company on 30 July 2010 to Liuzhou Bureau of Land Resources for the purpose of acquiring the Land Nos. 2 to 4
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuling Industrial”	柳州五菱汽車工業有限公司 (Liuzhou Wuling Motors Industrial Company Limited [#]), a company established in the PRC and a non-wholly owned subsidiary of the Company
“%”	per cent

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at HK\$1.00= RMB0.872.

By order of the Board
Sun Shaoli
Chairman

Hong Kong, 30 July 2010

As at the date of this announcement, 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.

The English translations of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

** For identification purpose only*