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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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,  
SHARE PREMIUM REDUCTION,  
CHANGE OF COMPANY NAME AND AMENDMENT TO BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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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 Friday, 27 May 2011 at 3:30 pm is set out on pages 21 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.

26 April 2011

\* For identification purposes only

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## DEFINITIONS

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

“Accumulated Losses”	the accumulated losses of the Company in the amount of RMB528,201,830 (equivalent to approximately HK\$627,504,000) as at 31 December 2010, being the latest audited result of the Company
“Amendment to Bye-laws”	the amendment to the Bye-laws in relation to the Change of Company Name
“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 Friday, 27 May 2011 at 3:30 pm or any adjournment thereof, to consider, if appropriate to approve the resolutions contained in the notice of annual general meeting which is set out on pages 21 to 25 of this circular
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“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
“Change of Company Name”	the proposed change of the English name of the Company to “Wuling Motors Holdings Limited” and the adoption of the Chinese name of “五菱汽車集團控股有限公司” as the secondary name of the Company
“Companies Act”	the Companies Act 1981 of Bermuda, as amended 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
“Directors”	the directors of the Company
“Effective Date”	the date on which the Share Premium Reduction shall become effective, being the next business day immediately following the date of the Annual General Meeting at which the relevant special resolution approving the Share Premium Reduction will be considered and, if thought fit, passed by the Shareholders

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## DEFINITIONS

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“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 People’s Republic of China
“Issue Mandate”	as defined in paragraph II of the Letter from the Board
“Latest Practicable Date”	19 April 2011, 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Memorandum of Association”	the Memorandum of Association of the Company in force as at the Latest Practicable Date which was adopted on 30 October 1992 as amended, supplemented or modified, if any, from time to time
“Options”	the options granted to the eligible persons under the Share Option Scheme
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“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) of HK\$0.004 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 11 June 2002
“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the proposed reduction of the entire amount standing to the credit of the Share Premium Account to nil on the terms described herein in this circular

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## DEFINITIONS

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“Shareholders”	holders of the Shares
“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

*For the purposes of this circular, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.188 for the purpose of illustration only. No representation is made that any amount converted into HK\$ and RMB could have been or could be converted at the above rate or at any other rate.*

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## LETTER FROM THE BOARD

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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)

***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:***

Unit 2805-06,  
28th Floor, Office Tower,  
Convention Plaza,  
No.1 Harbour Road,  
Wanchai, Hong Kong.

26 April 2011

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

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
SHARE PREMIUM REDUCTION,  
CHANGE OF COMPANY NAME AND AMENDMENT TO BYE-LAWS  
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; (iii) the Share Premium Reduction; and (iv) the Change of Company Name and Amendment to Bye-laws.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### II. BUYBACK MANDATE AND ISSUE MANDATE

At the annual general meeting of the Company held on 3 June 2010, 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. Zhou Sheji, Yu Xiumin, Zuo Duofu and Ye Xiang 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.

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

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## LETTER FROM THE BOARD

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### IV. SHARE PREMIUM REDUCTION

The Directors propose to put forward to the Shareholders the proposed Share Premium Reduction pursuant to the laws of Bermuda and the Bye-laws. Upon completion of the Share Premium Reduction, the entire amount standing to the credit of the Share Premium Account as at the Effective Date will be reduced to nil. The credit arising from the Share Premium Reduction will be transferred to the contributed surplus account of the Company and a sum of RMB528,201,830 (equivalent to approximately HK\$627,504,000) in the contributed surplus account of the Company will be applied to set off against the Accumulated Losses. The balance of the Share Premium Account as at the Latest Practicable Date was approximately RMB466,886,000 (equivalent to approximately HK\$554,661,000).

The Directors consider that the Share Premium Reduction and the elimination of the Accumulated Losses in full will give the Company greater flexibility to declare dividends to its Shareholders at an earlier opportunity in the future as and when the Board considers appropriate. In light of the above, the Directors consider that the Share Premium Reduction is in the interests of the Company and its Shareholders as a whole.

#### (1) Reasons for the Share Premium Reduction

The Directors consider that it is unnecessary to maintain the Share Premium Account at its current level. The Company is subject to certain restrictions under the laws of Bermuda on the use of funds standing to the credit of its Share Premium Account. The contributed surplus account of the Company is a distributable reserve which is available to be applied by the Company in a more general manner, including but not limited to setting off against accumulated losses, if any. The Directors believe that the Share Premium Reduction is beneficial to the Company and its Shareholders as a whole.

#### (2) Effect of the Share Premium Reduction

The implementation of the Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares. The implementation of the Share Premium Reduction will not affect the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, other than related expenses incurred which are immaterial. Save as the aforesaid expenses, the Directors consider that the Share Premium Reduction will not cause any loss in the Shareholders' funds and will not have any material adverse effect on the financial position of the Company.

#### (3) Conditions of the Share Premium Reduction

The Share Premium Reduction is conditional upon, inter alia, the following being fulfilled:

- (a) the passing of a special resolution by the Shareholders to approve the Share Premium Reduction at the Annual General Meeting;



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## LETTER FROM THE BOARD

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- (b) the compliance with section 46(2) of the Companies Act 1981 of Bermuda in relation to the publication of a notice of the Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the Effective Date; and
- (c) the Directors being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Effective Date will be, unable to pay its liabilities as they become due.

### V. CHANGE OF COMPANY NAME AND AMENDMENT TO BYE-LAWS

The Board proposes to put forward at the Annual General Meeting a resolution to change the English name of the Company from “Dragon Hill Wuling Automobile Holdings Limited” to “Wuling Motors Holdings Limited” (the “Primary Name”) and the Chinese name of the Company, from “俊山五菱汽車集團有限公司” (which has been used by the Company for identification purposes only) to “五菱汽車集團控股有限公司” (the “Secondary Name”) by adopting the same as the secondary name of the Company.

The Directors consider that the Change of Company Name can more clearly reflect the nature of business conducted by the Company. It will also provide the Company with a new corporate identity and image which is in the interests of the Company and its Shareholders as a whole.

Moreover, the Board also proposes to amend its Bye-laws, subject to the Change of Company Name taking effect, in the following manner at the Annual General Meeting:

#### **Bye-law 1**

by deleting the existing definition of the “the Company” or “this Company” in the existing Bye-law 1 in its entirety and substituting therefor the following new definition of the “the Company” or “this Company”:

““the Company” or “this Company” means Wuling Motors Holdings Limited with a secondary name of “五菱汽車集團控股有限公司” incorporated in Bermuda on 24 August 1992;”.

The Change of Company Name and Amendment to Bye-laws are subject to:

- (a) the passing of a special resolution to approve the Change of Company Name and Amendment to Bye-laws at the Annual General Meeting; and
- (b) the granting of the approval for the Change of Company Name by the Registrar of Companies in Bermuda.

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## LETTER FROM THE BOARD

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Subject to the satisfaction of the conditions set out above, the effective date of the Change of Company Name will be the respective dates on which the Primary Name and the Secondary Name are entered on the register of companies maintained by the Registrar of Companies in Bermuda. Thereafter, the Company will carry out the necessary filing procedures with the Companies Registry in Hong Kong. Further announcement will be made by the Company once the Primary Name and the Secondary Name become effective and on the change of the stock name of the Company.

The Change of Company Name will not affect any of the rights of the existing Shareholders. All existing Share certificates in issue bearing the existing name of the Company will, after the Change of Company Name, continue to be evidence of title to the Shares and will be valid for trading, settlement, registration and delivery for the same number of Shares in the new name of the Company. As soon as the Change of Company Name has become effective, any new issue of Share certificates will be issued in the new name of the Company. There will be no special arrangement for free exchange of the existing Share certificates of the Company for new Share certificates printed in the new name of the Company.

The Company has been advised by its legal advisers that the proposed Amendment to Bye-laws comply with the requirements of the Listing Rules and the laws of Bermuda, respectively. The Company also confirms that there is nothing unusual about the proposed Amendment to Bye-laws for a company listed on the Stock Exchange.

### VI. ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 21 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; (d) the Share Premium Reduction and; (e) the Change of Company Name and Amendment to the Bye-laws.

Pursuant to Bye-law 69 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.

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.

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## LETTER FROM THE BOARD

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### VII. 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, the Share Premium Reduction and the Change of Company Name and Amendment to Bye-laws 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.

### VIII. GENERAL INFORMATION

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

### IX. 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. 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 1,170,605,390 Shares. 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 117,060,539 Shares during the period in which the Buyback Mandate remains in force.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares 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 2010) 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:

	<b>Share Prices</b>	
	<b>(Per Share)</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2010</b>		
April	1.089	0.909
May	0.969	0.686
June	0.789	0.703
July	0.780	0.669
August	0.763	0.694
September	0.883	0.720
October	1.517	0.763
November	1.414	1.003
December	1.123	0.866
<b>2011</b>		
January	1.166	0.926
February	1.020	0.891
March	1.160	0.870
April (up to the Latest Practicable Date)	1.170	1.010

## 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 (note 1)	Interested in controlled corporation	281,622,914	24.06%
Dragon Hill Development Limited (俊山發展有限公司) (“Dragon Hill”) (note 1)	Beneficial Owner	281,622,914	24.06%
五菱(香港)控股有限公司 (Wuling (Hong Kong) Holdings Limited) (“Wuling HK Holdings”) (notes 2 and 3)	Beneficial Owner	433,651,975 (note 3)	37.05%
五菱汽車(香港)有限公司 Wuling Motors (Hong Kong) Company Limited (“Wuling HK”) (notes 2 and 3)	Interested in controlled corporation	433,651,975 (note 3)	37.05%
柳州五菱汽車有限責任公司 (Liuzhou Wuling Motors Company Limited) (“Liuzhou Wuling”) (notes 2 and 3)	Interested in controlled corporation	433,651,975 (note 3)	37.05%

## Notes:

- (1) The entire issued share capital of Dragon Hill is legally and beneficially owned by Mr. Lee Shing, an executive Director. Accordingly, this parcel of Shares has also been disclosed as long positions of Mr. Lee Shing under the above section.
- (2) 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.
- (3) Apart from 433,651,975 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 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 the 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, 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 repurchase 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:

<b>Substantial Shareholders</b>	<b>Before Buyback Mandate</b>	<b>After Buyback Mandate</b>
Mr. Lee Shing	24.06%	26.73%
Dragon Hill	24.06%	26.73%
Wuling HK Holdings	37.05%	41.16%
Wuling HK	37.05%	41.16%
Liuzhou Wuling	37.05%	41.16%

The Directors consider that such an increase would give rise to an obligation on the part of Wuling HK Holdings, Wuling HK and Liuzhou Wuling 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.

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

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*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. ZHOU SHEJI, AGED 53, AN EXECUTIVE DIRECTOR (“MR. ZHOU”)**

**(a) Positions held with the Group**

Mr. Zhou was appointed as an executive Director on 10 October 2008. He is currently a vice general manager of Liuzhou Wuling Motors Industrial Company Limited, the principal subsidiary of the Company. Other than that, Mr. Zhou does not hold any positions with other members of the Group.

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

Mr. Zhou holds a bachelor’s degree in mechanical engineering and a master’s degree in business administration. Mr. Zhou has more than 22 years of experiences in the management of a number business sectors in China such as construction, international trade and information technology sectors. Save as disclosed above, Mr. Zhou has not held any directorships in other public listed companies in the past three years.

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

Mr. Zhou has been an executive Director of the Company since 10 October 2008. There is no service contract entered into between Mr. Zhou and the Company. Mr. Zhou 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. Zhou is the sole shareholder and sole director of Gao Bao Development Limited, which has beneficial interests in the Company. Other than disclosed above, Mr. Zhou does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.



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

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**(e) Interest in Shares within the meaning of Part XV of the SFO**

As at the Latest Practicable Date, Mr. Zhou held beneficially interested in 44,770,000 Shares, which interests were held by his controlled corporation, Gao Bao Development Limited; and 1,410,606 Options, in which (i) 705,303 Options may be exercised between 21 January 2010 to 31 December 2012 (both days inclusive); and (ii) 705,303 Options may be exercised between 21 January 2011 to 31 December 2013 (both days inclusive) with the exercise price of HK\$1.062 per Option. Other than disclosed above, Mr. Zhou does not have any interest in the 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 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. Zhou, being an executive director of the Company, receives HK\$18,000 per month as fee and HK\$25,000 per month as salary from the Company, and is eligible for participating in the Share Option Scheme. Besides, Mr. Zhou also receives salary from Wuling Industrial for his services as vice general manager 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. Zhou'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. The total remuneration paid to Mr. Zhou for the year ended 31 December 2010 is set out in note 10 to the financial statements of the Company's 2010 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. Zhou 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**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Zhou 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) of the Listing Rules.

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

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**(2) MR. YU XIUMIN, AGED 50, AN INDEPENDENT NON-EXECUTIVE DIRECTOR  
("MR. YU")**

**(a) Positions held with the Group**

Mr. Yu was appointed as an independent non-executive Director, a member of the Audit Committee and the Remuneration Committee on 22 June 2006. Other than that, Mr. Yu does not hold any positions with other members of the Group.

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

Mr. Yu holds a doctorate degree in engineering and has extensive experiences in the research and teaching aspects of the automobile engineering. Save as disclosed above, Mr. Yu has not held any directorships in other public listed companies in the past three years.

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

Mr. Yu has been an independent non-executive Director since 22 June 2006. The Company has entered into a service contract with Mr. Yu which provides for three years but he holds office until the Annual General Meeting and shall be eligible for 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**

Other than disclosed above, Mr. Yu does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

**(e) Interest in Shares within the meaning of Part XV of the SFO**

As at the Latest Practicable Date, Mr. Yu held 1,209,090 Options, in which (i) 604,545 Options may be exercised between 21 January 2010 to 31 December 2012 (both days inclusive); and (ii) 604,545 Options may be exercised between 21 January 2011 to 31 December 2013 (both days inclusive) with the exercise price of HK\$1.062 per Option. Other than disclosed above, Mr. Yu does not have any interest in the Shares within the meaning of Part XV of the SFO.

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

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- (f) Amount of the Director's emoluments and the basis of determining the Director'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. Yu, being an independent non-executive Director, a member of the Audit Committee and the Remuneration Committee, receives HK\$12,000 per month as fee from the Company and is eligible for participating in the Share Option Scheme. Mr. Yu'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. The total remuneration paid to Mr. Yu for the year ended 31 December 2010 is set out in note 10 to the financial statements of the Company's 2010 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. Yu 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**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Yu 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) of the Listing Rules.

- (3) MR. ZUO DUOFU, AGED 67, AN INDEPENDENT NON-EXECUTIVE DIRECTOR ("MR. ZUO")**

- (a) Positions held with the Group**

Mr. Zuo was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee on 22 June 2006. Other than that, Mr. Zuo does not hold any positions with other members of the Group.

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

Mr. Zuo graduated from Department of Journalism of Jinan University. Mr. Zuo has over 26 years of experience in the media industry in the PRC. He is currently a representative of Congress of Writers; Representatives in Guangdong and a member of president group of Guangdong Writer Association. Save as disclosed above, Mr. Zuo has not held any directorships in other public listed companies in the past three years.

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

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

Mr. Zuo has been an independent non-executive Director since 22 June 2006. The Company has entered into a service contract with Mr. Zuo which provides for three years but he holds office until the Annual General Meeting and shall be eligible for 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**

Other than disclosed above, Mr. Zuo does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

**(e) Interest in Shares within the meaning of Part XV of the SFO**

As at the Latest Practicable Date, Mr. Zuo held 1,209,090 Options, in which (i) 604,545 Options may be exercised between 21 January 2010 to 31 December 2012 (both days inclusive); and (ii) 604,545 Options may be exercised between 21 January 2011 to 31 December 2013 (both days inclusive) with the exercise price of HK\$1.062 per Option. Other than disclosed above, Mr. Zuo does not have any interest in the 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 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. Zuo, being an independent non-executive director, the chairman of the Remuneration Committee and a member of the Audit Committee, receives HK\$12,000 per month as fee from the Company and is eligible for participating in the Share Option Scheme. Mr. Zuo'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. The total remuneration paid to Mr. Zuo for the year ended 31 December 2010 is set out in note 10 to the financial statements of the Company's 2010 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. Zuo 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.

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

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

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Zuo 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) of the Listing Rules.

**(4) MR. YE XIANG, AGED 47, AN INDEPENDENT NON-EXECUTIVE DIRECTOR (“MR. YE”)**

**(a) Positions held with other members of the Group**

Mr. Ye was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee on 10 October 2008. Other than that, Mr. Ye does not hold any positions with other members of the Group.

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

Mr. Ye is the founder and managing director of Vision Gain Capital Limited (“Vision Gain”), a company engages in the fund management and investment advisory business. He is currently a member of the Public Shareholders Group of the Securities and Futures Commission. Mr. Ye is a chartered financial analyst and holds a doctorate degree in finance. He has more than 15 years of experiences in the monetary and finance industry and has extensive exposures in the banking and regulatory aspects. Prior to joining Vision Gain, Mr. Ye was the director of China Affairs of the Securities and Futures Commission of Hong Kong. Save as disclosed above, Mr. Ye has not held any directorships in other public listed companies in the past three years.

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

Mr. Ye has been an independent non-executive Director since 10 October 2008. The Company has entered into a service contract with Mr. Ye which provides for three years but he holds office until the Annual General Meeting and shall be eligible for 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**

Other than disclosed above, Mr. Ye does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

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

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**(e) Interest in Shares within the meaning of Part XV of the SFO**

As at the Latest Practicable Date, Mr. Ye held 1,209,090 Options, in which (i) 604,545 Option may be exercised between 21 January 2010 to 31 December 2012 (both days inclusive); and (ii) 604,545 Options may be exercised between 21 January 2011 to 31 December 2013 (both days inclusive) with the exercise price of HK\$1.062 per Option. Other than disclosed above, Mr. Ye does not have any interest in the 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 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. Ye, being an independent non-executive director, the chairman of the Audit Committee and a member of the Remuneration Committee, receives HK\$17,000 per month as fee from the Company and is eligible for participating in the Share Option Scheme. Mr. Ye'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. The total remuneration paid to Mr. Ye for the year ended 31 December 2010 is set out in note 10 to the financial statements of the Company's 2010 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. Ye 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**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Ye 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) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)*

**NOTICE IS HEREBY GIVEN** that the annual general meeting (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 Friday, 27 May 2011, at 3:30 pm for the following purposes:

#### **ORDINARY RESOLUTIONS**

1. To adopt the audited financial statements and the reports of the directors of the Company (the “Directors”) and of the auditors of the Company for the year ended 31 December 2010.
2. To re-elect the Directors, to fix the maximum number of Directors and to authorize the board of Directors (the “Board”) to fix their remuneration.
3. To re-appoint the auditors of the Company and to authorize the Board 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 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;

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 (the "Bye-laws") 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 during the Relevant Period (as defined below) of all the powers of the Company to allot, issue 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,

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



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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 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 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 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.”

### SPECIAL RESOLUTIONS

7. As special business, to consider and, if thought fit, pass the following resolution as a special resolution:
- “**THAT** effect from the business day immediately following the day of passing this resolution (the “Effective Date”):
- (a) the entire amount standing to the credit of the share premium account of the Company as at the Effective Date be reduced to nil (the “Share Premium Reduction”).
  - (b) the credit arising from the Share Premium Reduction be transferred to the contributed surplus account of the Company; and
  - (c) a sum of RMB528,201,830 (equivalent to approximately HK\$627,504,000) in the contributed surplus account of the Company be applied to set off against the accumulated loss of the Company, which amounted to RMB528,201,830 (equivalent to approximately HK\$627,504,000) as at 31 December 2010, being the latest audited result of the Company.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (d) any one or more Directors be and are hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by them to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the proposed Share Premium Reduction.”
8. As special business, to consider and, if thought fit, pass the following resolution as a special resolution:

**“THAT**

- (a) subject to and conditional upon the approval of the Registrar of Companies of Bermuda, the English name of the Company be changed to “Wuling Motors Holdings Limited” (the “Primary Name”) and the Chinese name of “五菱汽車集團控股有限公司” (the “Secondary Name”) be adopted as the secondary name of the Company (the “Change of Company Name”) with effect from the respective dates on which the Primary Name and the Secondary Name are entered on the register of companies maintained by the Registrar of Companies in Bermuda;
- (b) subject to and forthwith upon the Change of Company Name taking effect, the Bye-laws be and are hereby amended in the following manner (the “Amendment to Bye-laws”):

**Bye-law 1**

by deleting the existing definition of “the Company” or “this Company” in the existing Bye-law 1 in its entirety and substituting therefor the following new definition of “the Company” or “this Company”:

“**“the Company”** or **“this Company”** means Wuling Motors Holdings Limited with a secondary name of “五菱汽車集團控股有限公司” incorporated in Bermuda on 24th August 1992;”

- (c) any one or more Directors be and are hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by them to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the proposed Change of Company Name and Amendment to Bye-laws.”

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.*

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. Any member entitled to attend and vote at the Annual General 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](http://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 Annual General Meeting or any adjourned meeting (as the case may be).
4. Shareholders are advised to read the circular to the Shareholders dated 26 April 2011 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.