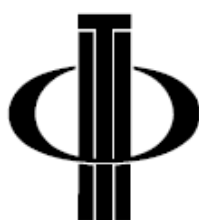


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CITIC PACIFIC

CITIC Pacific Limited

中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 267)

ANNOUNCEMENT

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
DAH CHONG HONG HOLDINGS LIMITED
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

The Board is pleased to announce that on 31 July 2007, DCH submitted an advance booking form for an application for the listing of, and permission to deal in, the DCH Shares on the main board of the Stock Exchange. On 20 July 2007, CITIC Pacific has put forward to the Stock Exchange a proposal for the separate listing of DCH, pursuant to Practice Note 15 of the Listing Rules.

DCH Group is a diversified business conglomerate in motor vehicle sales, motor vehicle related business and services, sales of food and consumer products, as well as logistics services supported by integrated distribution platforms and with a well-established base

and network in Mainland China, Hong Kong and Macao.

It is intended that assured entitlement to certain DCH Shares will be provided to qualifying Shareholders, subject to certain conditions. The details of such assured entitlement have not yet been finalised and will be announced in due course.

As each of the total assets and revenue of DCH represents more than 5% of CITIC Pacific's total assets and revenue, respectively, DCH is a "major subsidiary" of CITIC Pacific as defined under the Listing Rules. In addition, since the applicable ratios calculated with reference to the Proposed Spin-off is expected to be more than 5% but less than 25%, the Proposed Spin-off may constitute a material dilution of CITIC Pacific's interest in DCH and a possible discloseable transaction under Chapter 14 of the Listing Rules.

The Proposed Spin-off is therefore subject to approval from the Shareholders under paragraph 3(e)(1)(ii) of Practice Note 15 of the Listing Rules. A circular containing further information with respect to the Proposed Spin-off will be despatched to the Shareholders as and when appropriate.

Investors are reminded that no final decision has been made by CITIC Pacific yet as to whether and when the Proposed Spin-off will be effected. There is also no assurance that the approval of the Stock Exchange and/or the Listing Committee for the Proposed Spin-off and the listing of, and permission to deal in, the DCH Shares on the main board of the Stock Exchange will be granted. Further announcement in relation to the Proposed Spin-off will be made by CITIC Pacific as and when necessary in compliance with the Listing Rules.

As the listing of the DCH Shares pursuant to the Proposed Spin-off is subject to, among others, the approval of the Stock Exchange and/or the Listing Committee, the approval of the Shareholders, the final decision of the Board and of DCH, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of CITIC Pacific.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to announce that on 31 July 2007, DCH submitted an advance booking form for an application for the listing of, and permission to deal in, the DCH Shares on the main board of the Stock Exchange. BNP Paribas Capital (Asia Pacific) Limited has been

appointed as the sponsor to DCH in its listing application. On 20 July 2007, CITIC Pacific has put forward to the Stock Exchange a proposal for the separate listing of DCH, pursuant to Practice Note 15 of the Listing Rules.

INFORMATION ON DCH

DCH is currently a wholly owned subsidiary of CITIC Pacific. DCH Group is a diversified business conglomerate in motor vehicle sales, motor vehicle related business and services, sales of food and consumer products, as well as logistics services supported by integrated distribution platforms and with a well-established base and network in Mainland China, Hong Kong and Macao.

INFORMATION ON THE PROPOSED SPIN-OFF

It is currently proposed that, pursuant to the Share Offer, DCH Shares will be offered for subscription to the public in Hong Kong, and subscription and sale to certain professional, institutional and other investors and may include a potential offer for subscription of DCH Shares to qualifying Shareholders.

The Group's percentage interest in the share capital of DCH will be reduced but DCH is expected to remain a subsidiary of CITIC Pacific upon completion of the Share Offer, subject to the final structure of the Share Offer which is not yet confirmed at this stage.

RATIONALE AND BENEFITS OF THE PROPOSED SPIN-OFF

The Board proposes the separate listing of DCH as it believes that the separate listing of DCH will be beneficial to the Group for the following reasons:

- the Proposed Spin-off could unlock the value of DCH and investors would be able to appraise and assess the performance and potential of DCH separate and distinct from that of CITIC Pacific. CITIC Pacific is expected to remain a major shareholder of DCH after the listing, and to benefit from any enhanced value of DCH through the Proposed Spin-off; and
- the Proposed Spin-off is expected to comprise sale of existing shares and subscription of new shares of DCH. Proceeds from the sale and subscription may also provide funding to the Group and DCH to make further development in their businesses respectively.

The Board considers that such listing will also be beneficial to DCH Group for the following reasons:

- It provides flexibility and a more diversified funding source for the DCH Group to finance its existing operations and to support its growth through continuing organic expansion as well as acquisitions.
- It enables the DCH Group to take advantage of the significant global growth potential by attracting new investors who are seeking investment opportunities in a conglomerate engaged in a broad range of businesses.

ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT

The Board will give due regard to the interests of the Shareholders by providing qualifying Shareholders with assured entitlement to a certain number of DCH Shares (subject to certain conditions) by way of preferred application, if the Stock Exchange and/or the Listing Committee and the Shareholders have given its approval of the Proposed Spin-off and/or the Share Offer, and the Board and the board of directors of DCH decide to proceed with the Proposed Spin-off and the Share Offer. The details of such assured entitlement have not yet been finalised. Further announcement will be made by CITIC Pacific in due course setting out the details of the assured entitlement to be made to the qualifying Shareholders.

APPROVAL REQUIRED FROM THE SHAREHOLDERS

As each of the total assets and revenue of DCH represents more than 5% of CITIC Pacific's total assets and revenue, respectively, DCH is a "major subsidiary" of CITIC Pacific as defined under the Listing Rules. In addition, since the applicable ratios calculated with reference to the Proposed Spin-off is expected to be more than 5%, but less than 25%, the Proposed Spin-off may constitute a material dilution of CITIC Pacific's interest in DCH and a possible discloseable transaction under Chapter 14 of the Listing Rules.

The Proposed Spin-off is therefore subject to approval from the Shareholders under paragraph 3(e)(1)(ii) of Practice Note 15 of the Listing Rules. A circular containing further information with respect to the Proposed Spin-off will be despatched to the Shareholders as and when appropriate.

GENERAL

The Group's business includes manufacturing of special steel, property development and investment, infrastructure (such as power generation, aviation, civil infrastructure and communications), marketing and distribution.

Investors are reminded that no final decision has been made by CITIC Pacific yet as to whether and when the Proposed Spin-off will be effected. There is also no assurance that the approval of the Listing Committee for the Proposed Spin-off and the listing of, and permission to deal in, the DCH Shares on the main board of the Stock Exchange will be granted.

Further announcement in relation to the Proposed Spin-off will be made by CITIC Pacific as and when necessary in compliance with the Listing Rules.

As the listing of the DCH Shares pursuant to the Proposed Spin-off is subject to, among others, the approval of the Stock Exchange and/or the Listing Committee, the approval of the Shareholders, the final decision of the Board and of DCH, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of CITIC Pacific.

DEFINITIONS

“Board”	the board of directors of CITIC Pacific;
“CITIC Pacific” or “the Company”	CITIC Pacific Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange;
“DCH Group”	DCH and its subsidiaries;
“DCH Shares”	ordinary shares in the capital of DCH;
“DCH”	Dah Chong Hong Holdings Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Company as at the date of this announcement;

“Group”	CITIC Pacific and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macao”	the Macao Special Administrative Region of the People’s Republic of China;
“PRC” or “Mainland China”	the People's Republic of China which for the purpose of this announcement, excludes Hong Kong and Macao;
“Proposed Spin-off”	the proposed spin-off of the interests in DCH currently held by the Group for the separate listing on the main board of the Stock Exchange;
“Share Offer”	the offer of DCH Shares to the public in Hong Kong for subscription, the placing of DCH Shares with certain professional, institutional and other investors and a potential offer for subscription of DCH Shares to qualifying Shareholders, pursuant to the listing of DCH Shares on the main board of the Stock Exchange;
“Shareholders”	the shareholders of CITIC Pacific; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board
CITIC Pacific Limited
Stella Chan Chui Sheung
Company Secretary

Hong Kong, 31 July 2007

As at the date of this announcement, the executive directors of the Company are Messrs Larry Yung Chi Kin (Chairman), Henry Fan Hung Ling, Peter Lee Chung Hing, Carl Yung Ming Jie, Leslie Chang Li Hsien, Vernon Francis Moore, Li Shilin, Liu Jifu, Chau Chi Yin, Milton Law Ming To and Wang Ande; the non-executive directors of the Company are Messrs Willie Chang, André Desmarais, Chang Zhenming and Peter Kruyt (alternate director to Mr. André Desmarais); and the independent non-executive directors of the Company are Messrs Hamilton Ho Hau Hay, Alexander Reid Hamilton, Hansen Loh Chung Hon and Norman Ho Hau Chong.