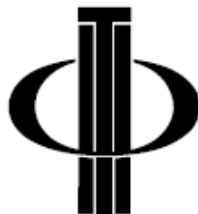


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CITIC PACIFIC

CITIC Pacific Limited

中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 267)

CONNECTED TRANSACTIONS

ACQUISITION OF THE REMAINING INTERESTS IN GUANGZHOU HEJUN, KUNMING HEDA AND GUANGZHOU ZHONGXIE

The Directors announce that on 14 September 2007, (1) Zhanjiang Junkai (a wholly owned subsidiary of DCH Holdings) agreed to purchase the remaining 10% equity interest in the registered capital of Guangzhou Hejun (in which another wholly owned subsidiary of DCH Holdings currently owns 90%) from Mr. Li Li for a consideration of RMB3,300,000 (approximately HK\$3,366,000); (2) Shenzhen Zhongyun (a wholly owned subsidiary of DCH Holdings) agreed to purchase the remaining 20% equity interest in the registered capital of Kunming Heda (in which another wholly owned subsidiary of DCH Holdings currently owns 80%) from Guangzhou Junyue for a consideration of RMB1,400,000 (approximately HK\$1,428,000); and (3) Zhanjiang Junkai (a wholly owned subsidiary of DCH Holdings) agreed to purchase the remaining 20% equity interest in the registered capital of Guangzhou Zhongxie (in which another wholly owned subsidiary of DCH Holdings currently owns 80%) from Guangzhou Junyue for a consideration of RMB1,300,000 (approximately HK\$1,326,000).

Upon completion, Guangzhou Hejun, Kunming Heda and Guangzhou Zhongxie will all become wholly owned subsidiaries of DCH Holdings. Completion of the Agreements are not conditional upon each other.

Mr. Li Li is a substantial shareholder of Guangzhou Hejun, a non-wholly owned subsidiary of DCH Holdings. Guangzhou Junyue is a substantial shareholder of Kunming Heda and Guangzhou Zhongxie, both are non-wholly owned subsidiaries of DCH Holdings. Mr. Li Li is a controlling shareholder of Guangzhou Junyue. Accordingly, both Mr. Li Li and Guangzhou Junyue are connected persons of the Company and the Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios calculated with reference to the Agreements on an aggregate

basis is over 0.1% but less than 2.5%, the above connected transactions are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under the Listing Rules.

1. DETAILS OF THE AGREEMENTS

(a) *GH Agreement*

Date

14 September 2007

Parties

- (1) Zhanjiang Junkai, a wholly owned subsidiary of DCH Holdings, as purchaser
- (2) Mr. Li Li, a substantial shareholder of Guangzhou Hejun, as seller

Assets

10% equity interest in the registered capital of Guangzhou Hejun. Guangzhou Hejun is engaged in motor vehicle dealing.

Consideration and Completion

The consideration for 10% equity interest in the registered capital of Guangzhou Hejun is RMB3,300,000, (approximately HK\$3,366,000), 10% of which shall be paid within 10 days after execution of the GH Agreement and the remaining balance shall be paid after completion of registration procedures for share transfer with the relevant PRC government authority.

Completion is expected to take place on or before 31 December 2007.

As at 30 June 2007, the unaudited net asset value attributable to the 10% equity interest in the registered capital of Guangzhou Hejun was approximately RMB2,530,872 (approximately HK\$2,581,490). The consideration was determined after arm's length negotiation with reference to the aforesaid unaudited net asset value.

The original investment amount of Mr. Li Li in respect of the 10% equity interest in the registered capital of Guangzhou Hejun was RMB1,000,000 (approximately HK\$1,020,000).

The consideration will be funded from internal resources of DCH Holdings.

Other information

At present, Guangzhou Hejun is held as to 90% by a wholly owned subsidiary of DCH Holdings and 10% by Mr. Li Li. Upon completion of the acquisition of such 10% equity interest in the registered capital of Guangzhou Hejun, Guangzhou Hejun will become a wholly owned subsidiary of DCH Holdings.

For the year ended 31 December 2005, the audited net profits before and after taxation and extraordinary items of Guangzhou Hejun were approximately RMB9,708,186 (approximately HK\$9,902,350) and approximately RMB6,579,955 (approximately HK\$6,711,555) respectively.

For the year ended 31 December 2006, the audited net profits before taxation and extraordinary items of Guangzhou Hejun was approximately RMB1,099,321 (approximately HK\$1,121,308) and the audited net loss after taxation and extraordinary items of Guangzhou Hejun was approximately RMB18,928 (approximately HK\$19,306).

(b) *KH Agreement*

Date

14 September 2007

Parties

- (1) Shenzhen Zhongyun, a wholly owned subsidiary of DCH Holdings, as purchaser
- (2) Guangzhou Junyue, a substantial shareholder of Kunming Heda, as seller

Assets

20% equity interest in the registered capital of Kunming Heda. Kunming Heda is engaged in motor vehicle dealing.

Consideration and Completion

The consideration for 20% equity interest in the registered capital of Kunming Heda is RMB1,400,000 (approximately HK\$1,428,000), 10% of which shall be paid within 10 days after execution of the KH Agreement and the remaining balance shall be paid after completion of registration procedures for share transfer with the relevant PRC government authority.

Completion is expected to take place on or before 31 December 2007.

As at 30 June 2007, the unaudited net asset value attributable to the 20% equity interest in the registered capital of Kunming Heda was approximately RMB1,733,070 (approximately HK\$1,767,731). The consideration was determined after arm's length negotiation with reference to the aforesaid unaudited net asset value.

The original investment amount of Guangzhou Junyue in respect of the 20% equity interest in the registered capital of Kunming Heda was RMB1,000,000 (approximately HK\$1,020,000).

The consideration will be funded from internal resources of DCH Holdings.

Other information

At present, Kunming Heda is held as to 80% by a wholly owned subsidiary of DCH Holdings and 20% by Guangzhou Junyue. Upon completion of the acquisition of such 20% equity interest in the registered capital of Kunming Heda, Kunming Heda will become a wholly owned subsidiary of DCH Holdings.

For the year ended 31 December 2005, the audited net profits before and after taxation and extraordinary items of Kunming Heda were approximately RMB2,579,881 (approximately HK\$2,631,479) and approximately RMB1,064,692 (approximately HK\$1,085,986) respectively.

For the year ended 31 December 2006, the audited net profits before taxation and extraordinary items of Kunming Heda was approximately RMB592,233 (approximately HK\$604,077) and the audited net loss after taxation and extraordinary items of Kunming Heda was approximately RMB233,213 (approximately HK\$237,877) respectively.

(c) *GZ Agreement*

Date

14 September 2007

Parties

- (1) Zhanjiang Junkai, a wholly owned subsidiary of DCH Holdings, as purchaser
- (2) Guangzhou Junyue, a substantial shareholder of Guangzhou Zhongxie, as seller

Assets

20% equity interest in the registered capital of Guangzhou Zhongxie. Guangzhou Zhongxie is engaged in motor vehicle dealing.

Consideration and Completion

The consideration for 20% equity interest in the registered capital of Guangzhou Zhongxie is RMB1,300,000 (approximately HK\$1,326,000), 10% of which shall be paid within 10 days after execution of the GZ Agreement and the remaining balance shall be paid after completion of registration procedures for share transfer with the relevant PRC government authority.

Completion is expected to take place on or before 31 December 2007.

As at 30 June 2007, the unaudited net asset attributable to the 20% equity interest in the registered capital of Guangzhou Zhongxie was approximately RMB1,322,259 (approximately HK\$1,348,705). The consideration was determined after arm's length negotiation with reference to the aforesaid unaudited net asset value.

The original investment amount of Guangzhou Junyue in respect of the 20% equity interest in the registered capital of Guangzhou Zhongxie was RMB2,000,000 (approximately HK\$2,040,000).

The consideration will be funded from internal resources of DCH Holdings.

Other information

At present, Guangzhou Zhongxie is held as to 80% by a wholly owned subsidiary of DCH Holdings and 20% by Guangzhou Junyue. Upon completion of the acquisition of such 20% equity interest in the registered capital of Guangzhou Zhongxie, Guangzhou Zhongxie will become a wholly-owned subsidiary of DCH Holdings.

For the year ended 31 December 2005, the audited net loss before and after taxation and extraordinary items of Guangzhou Zhongxie was approximately RMB1,410,379 (approximately HK\$1,438,586).

For the year ended 31 December 2006, the audited net loss before and after taxation and extraordinary items of Guangzhou Zhongxie was approximately RMB611,854 (approximately HK\$624,091).

2. REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The acquisition of the remaining interest in each of Guangzhou Hejun, Kunming Heda and Guangzhou Zhongxie enables the Group to maximize its interest in these companies.

The Directors (including the independent non-executive Directors) consider that the Agreements are on normal commercial terms and fair and reasonable and in the interests of the shareholders of the Company.

3. GENERAL

The Group is engaged in a diversified range of businesses, including manufacturing of special steel, iron ore mining, property development and investment, basic infrastructure (such as power generation, aviation, tunnels and communications) and distribution of motor vehicles and consumer products. DCH Holdings is a diversified business conglomerate in motor vehicles sales, motor-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.

Guangzhou Junyue is an investment holding company.

Mr. Li Li is a substantial shareholder of Guangzhou Hejun, a non-wholly owned subsidiary of DCH Holdings while Guangzhou Junyue is a substantial shareholder of Kunming Heda and Guangzhou Zhongxie, both are non-wholly owned subsidiaries of DCH Holdings. Mr. Li Li is a controlling shareholder of Guangzhou Junyue. Accordingly, both Mr. Li Li and Guangzhou Junyue are connected persons of the Company and the Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios calculated with reference to the Agreements on an aggregate basis is over 0.1% but less than 2.5%, the above connected transactions are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under the Listing Rules.

4. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Agreements”	collectively the GH Agreement, the KH Agreement and the GZ Agreement;
“CITIC Pacific” or the “Company”	CITIC Pacific Limited;
“connected person”	has the meaning given to it by the Listing Rules;
“DCH Holdings”	Dah Chong Hong Holdings Limited, a wholly owned subsidiary of the Company;
“Directors” or “Board”	the directors of the Company;
“GH Agreement”	the share transfer agreement dated 14 September 2007 entered into between Zhanjiang Junkai and Mr. Li Li in relation to acquisition of 10% equity interest in the registered capital of Guangzhou Hejun;

“Group”	CITIC Pacific and its subsidiaries, or, where the context so requires, any of them (as defined under the Listing Rules);
“Guangzhou Hejun”	廣州合駿汽車貿易有限公司 (Guangzhou Hejun Motors Trading Limited), a non-wholly owned subsidiary of DCH Holdings;
“Guangzhou Junyue”	廣州市駿悅投資管理有限公司 (Guangzhou Junyue Investment Management Limited), a company controlled by Mr. Li Li;
“Guangzhou Zhongxie”	廣州眾協汽車貿易有限公司 (Guangzhou Zhongxie Motors Trading Limited), a non-wholly owned subsidiary of DCH Holdings;
“GZ Agreement”	the share transfer agreement dated 14 September 2007 entered into between Zhanjiang Junkai and Guangzhou Junyue in relation to acquisition of 20% equity interest in the registered capital of Guangzhou Zhongxie;
“HK\$”	Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“KH Agreement”	the share transfer agreement dated 14 September 2007 entered into between Shenzhen Zhongyun and Guangzhou Junyue in relation to acquisition of 20% equity interest in the registered capital of Kunming Heda;
“Kunming Heda”	昆明合達汽車銷售服務有限公司 (Kunming Heda Motors Sale and Service Limited), a non-wholly owned subsidiary of DCH Holdings;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Li Li”	Li Li (李勵), a substantial shareholder of Guangzhou Hejun and the controlling shareholder of Guangzhou Junyue;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shenzhen Zhongyun”	深圳市眾運汽車貿易有限公司 (Shenzhen Zhongyun

Motors Trading Limited), a wholly owned subsidiary of DCH Holdings;

“Stock Exchange”

The Stock Exchange of Hong Kong Limited;

“substantial shareholder”

has the meaning given to it by the Listing Rules; and

“Zhanjiang Junkai”

湛江市駿凱汽車技術服務有限公司 (Zhanjiang Junkai Motors Technology and Service Limited), a wholly owned subsidiary of DCH Holdings.

For illustration purpose in this announcement, the conversion rate of RMB1.00 = HK\$1.02 was adopted.

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

Hong Kong, 14 September 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.