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大昌行集團有限公司
DAH CHONG HONG HOLDINGS LIMITED
(incorporated in Hong Kong with limited liability)
(Stock Code: 01828)



CITIC PACIFIC

CITIC Pacific Limited
中信泰富有限公司
(incorporated in Hong Kong with limited liability)
(Stock Code: 00267)

ANNOUNCEMENT

This announcement is made as a result of the recent fluctuation in the price and the trading volume of the shares of DCH (as defined below).

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in relation to the recent fluctuation in the price and the trading volume of the shares of Dah Chong Hong Holdings Limited ("**DCH**"), a 56.67% owned subsidiary of CITIC Pacific Limited ("**CP**").

The board of directors of CP (the "**CP Board**") and the board of directors of DCH (the "**DCH Board**") have noted the recent fluctuation in the price and the trading volume of the shares of DCH. Each of the CP Board and the DCH Board is not aware of any reasons for such fluctuation other than information set out in the press announcement of CP dated 20 October 2008. However, the CP Board wishes to advise that CP is now conducting an initial discussion regarding disposal of all or part of their interests in DCH (the "**Possible Disposal**"). Discussion is at a very preliminary stage and there is no certainty that the Possible Disposal will proceed. The Possible Disposal, if materialised, may or may not constitute a change in control of DCH. Further announcement(s) will be made as and when necessary in accordance with the Listing Rules and the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong (the "**Code**").

Save for the above, the DCH Board confirms that there is no negotiation or agreement relating to any acquisition or realisation which is discloseable under Rule 13.23 of the Listing Rules in respect of DCH, and that the DCH Board is not aware of any matter which is discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules in respect of DCH, which is or may be of a price-sensitive nature.

As the Possible Disposal may or may not be materialised, potential investors and respective shareholders of DCH and CP are advised to exercise caution when dealing in the shares in DCH and CP.

The DCH Board confirms that:

- a. as at the date hereof, DCH has an issued share capital comprising 1,797,833,000 ordinary shares of HK\$0.15 each and outstanding share options to acquire up to 17,500,000 shares pursuant to an employee share option scheme, and that save for the above, DCH does not have any outstanding warrants, options, or other convertible securities in issue;
- b. DCH has no outstanding leveraged foreign exchange derivative contract;
- c. DCH's financial position remains sound and its gearing ratio was 9.2% as at 30 June 2008;
- d. DCH's overall businesses performance is normal with major operations progressing according to plan as revealed in interim report; and
- e. DCH's management is not aware of any material adverse change to the shareholders' fund per share since the last interim report at 30 June 2008, which was HK\$2.57.

Disclosure of dealings

The associates of DCH are hereby reminded to disclose their dealings in any securities of DCH under Rule 22 of the Code.

In accordance with Rule 3.8 of the Code, reproduced below is the full text of Note 11 to Rule 22 of the Code:

"Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation."

Made by the order of the DCH Board, the members of which individually and jointly accept responsibility for the accuracy of this announcement in respect of information relating to DCH.

Made by the order of the CP Board, the members of which individually and jointly accept responsibility for the accuracy of this announcement in respect of information relating to CP.

By order of the Board
Dah Chong Hong Holdings Limited
Tso Mun Wai
Company Secretary

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

Hong Kong, 21 October 2008

As at the date of this announcement, the directors of DCH are:

Executive directors: Hui Ying Bun (Chairman), Chu Hon Fai, Yip Moon Tong, Mak Kwing Tim, Lau Sei Keung, Tsoi Tai Kwan, Arthur and Glenn Robert Sturrock Smith

Non-executive directors: Ho Hau Hay, Hamilton, Chan Chui Sheung, Stella and Kwok Man Leung

Independent non-executive directors: Cheung Kin Piu, Valiant, Hsu Hsung, Adolf and Yeung Yue Man

As at the date of this announcement, the directors of CP are:

Executive directors: Larry Yung Chi Kin (Chairman), Henry Fan Hung Ling, Peter Lee Chung Hing, Carl Yung Ming Jie, Vernon Francis Moore, Li Shilin, Liu Jifu, Milton Law Ming To, Wang Ande and Kwok Man Leung

Non-executive directors: Willie Chang, André Desmarais, Chang Zhenming and Peter Kruyt (alternate director to André Desmarais)

Independent non-executive directors: Hamilton Ho Hau Hay, Alexander Reid Hamilton, Hansen Loh Chung Hon and Norman Ho Hau Chong

The directors of DCH jointly and severally accept full responsibility for the accuracy of the information in respect of DCH contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement in respect of DCH have been arrived at after due and careful consideration and there are no other facts not contained in this announcement in respect of DCH, the omission of which would make any statement in respect of DCH in this announcement misleading.

The directors of CP jointly and severally accept full responsibility for the accuracy of the information in respect of CP contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement in respect of CP have been arrived at after due and careful consideration and there are no other facts not contained in this announcement in respect of CP, the omission of which would make any statement in respect of CP in this announcement misleading.