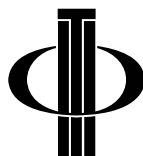


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CITIC PACIFIC

**CITIC Pacific Limited**

**中信泰富有限公司**

(incorporated in Hong Kong with limited liability)

(Stock Code: 267)

## **CONNECTED TRANSACTION**

### **ACQUISITION OF THE REMAINING INTEREST IN SHANGHAI LI TONG**

The Directors announce that on 30 March 2009, the Company entered into the Equity Transfer Agreement with Shentong Metro Assets, pursuant to which the Company agreed to purchase a 10% equity interest in Shanghai Li Tong from Shentong Metro Assets at a consideration of RMB75,003,271 (approximately HK\$85 million).

Shanghai Li Tong is a non-wholly owned subsidiary of the Company. As Shentong Metro Assets is a substantial shareholder of Shanghai Li Tong, it is a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios calculated with reference to the Acquisition are more than 0.1% but less than 2.5%, the Acquisition is only subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company submitted a tender to bid for the 10% equity interest in Shanghai Li Tong which had been put out to open tender on Shanghai United Assets and Equity Exchange. The tender was awarded to the Company and as a result, Shentong Metro Assets and the Company entered into the Equity Transfer Agreement on 30 March 2009.

#### **THE EQUITY TRANSFER AGREEMENT**

Date: 30 March 2009

Parties:

(1) Seller: Shentong Metro Assets

(2) Purchaser: Company

(3) Other parties: (a) Shanghai ZhuZong Group Asset and Property Agency Limited; and  
(b) Shanghai DaoHe Investment Consultancy Limited

In so far as the Directors are aware, each of the other parties is person independent of and not connected with the Company.

Before the Acquisition, Shentong Metro Assets and the Group hold 10% and 90% of equity interests in Shanghai Li Tong, respectively.

### ***Assets***

10% equity interest in Shanghai Li Tong together with all the interests in any operating profits or losses attributable to the said 10% equity interest on or after the Reference Date.

Shanghai Li Tong is engaged in property development, and is the developer of the properties at Sichuan Beilu Station of Metro Line No. 10 in Shanghai, China.

### ***Consideration and Completion***

The consideration for the 10% equity interest in Shanghai Li Tong is RMB75,003,271 (approximately HK\$85 million) and shall be paid by the Company in full within 5 business days after the Equity Transfer Agreement has been approved by the Ministry of Commerce of the PRC. Within 5 business days upon receipt of the consideration, Shentong Metro Assets will repay the outstanding principal together with all the interests accrued thereon up to the date of completion owed by Shentong Metro Assets to the Group. As at the date of this announcement, the total outstanding principal plus interests owed by Shentong Metro Assets to the Group is approximately RMB57 million (approximately HK\$65 million).

The consideration was the minimum bidding price stipulated by Shentong Metro Assets. The Company arranged a valuation by an independent third party of the value of the 10% equity interest in Shanghai Li Tong of approximately RMB81,147,233 (approximately HK\$92 million) as at 28 October 2008. The consideration represents a discount of 7.6% to the said valuation and will be funded by internal resources of the Company.

Completion of the Acquisition will take place within 6 months after payment of the consideration by the Company.

The Company is required to undertake to support Shanghai Li Tong to proceed with its development project in accordance with the relevant government plan and land grant contract before 31 December 2009.

### ***Other information***

At present, Shanghai Li Tong is held as to 90% by the Group and 10% by Shentong Metro Assets. Upon completion of the Acquisition, Shanghai Li Tong will be a wholly owned subsidiary of the Company. Shanghai Li Tong was incorporated in the PRC on 27 September 2007.

As at 31 December 2008, the audited net asset value attributable to the 10% equity interest in Shanghai Li Tong was approximately RMB53 million (approximately HK\$60 million).

For the period from 27 September 2007, i.e. the date of incorporation of Shanghai Li Tong, to 31 December 2007, the audited net profits both before and after taxation and extraordinary items of Shanghai Li Tong were nil. For the year ended 31 December 2008, the audited net profits both before and after taxation and extraordinary items of Shanghai Li Tong were nil.

The original investment amount of Shentong Metro Assets in respect of the 10% equity interest in Shanghai Li Tong was RMB52,951,668 (approximately HK\$60 million).

### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company is of the view that in the long run, the PRC property market will have a strong growth potential. Upon completion of the Acquisition, the Group will gain complete control of Shanghai Li Tong and its project, which gives complete autonomy to the Company in enhancing its return on this investment.

The Directors (including the independent non-executive Directors) consider that the Equity Transfer Agreement is on normal commercial terms and fair and reasonable and in the interests of the shareholders of the Company as a whole.

### **INFORMATION ON THE GROUP AND SHENTONG METRO ASSETS**

The Group is engaged in a diversified range of business, including but not limited to manufacturing of special steel, iron ore mining, property development and investment, basic infrastructure (such as power generation, aviation, tunnels and communications) and marketing and distribution.

Shentong Metro Assets focuses on investment and development planning along the underground railway.

### **LISTING RULES IMPLICATIONS**

Shanghai Li Tong is a non-wholly owned subsidiary of the Company. As Shentong Metro Assets is a substantial shareholder of Shanghai Li Tong, it is a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios calculated with reference to the Acquisition are more than 0.1% but less than 2.5%, the Acquisition is only subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

<b>“Acquisition”</b>	the acquisition of 10% equity interest in Shanghai Li Tong by the Company pursuant to the Equity Transfer Agreement
<b>“Board”</b>	the board of Directors
<b>“Company”</b>	CITIC Pacific Limited (中信泰富有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
<b>“connected person(s)”</b>	has the meaning given to it by the Listing Rules
<b>“Directors”</b>	the directors of the Company
<b>“Equity Transfer Agreement”</b>	the equity transfer agreement dated 30 March 2009 between Shentong Metro Assets, the Company and others in relation to the Acquisition
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“percentage ratio(s)”</b>	has the meaning given to it by the Listing Rules
<b>“PRC”</b>	the People’s Republic of China
<b>“Reference Date”</b>	29 February 2008
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Shanghai Li Tong”</b>	上海利通置業有限公司(Shanghai Li Tong Real Property Co. Ltd.), a company incorporated in the PRC

“ <b>Shentong Metro Assets</b> ”	上海申通地鐵資產經營管理有限公司(Shanghai Shentong Metro Assets Management Company Limited), a company incorporated in the PRC
“ <b>Stock Exchange</b> ”	The Stock Exchange of Hong Kong Limited
“ <b>substantial shareholder</b> ”	has the meaning given to it by the Listing Rules

*For illustration purposes only, the amounts in RMB are translated to HK\$ at the rate of RMB1.00 =HK\$1.13. No representation is made that any amount in RMB has been or could be converted at the above rates or at any other rates or at all.*

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

Hong Kong, 30 March 2009

*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, Vernon Francis Moore, Li Shilin, Liu Jifu, Milton Law Ming To, Wang Ande and Kwok Man Leung; 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.*