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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: 267)

**ANNOUNCEMENT
UNDER RULE 13.09 OF
THE LISTING RULES**

AND

CONNECTED TRANSACTIONS

**PROVISION OF ADDITIONAL
FINANCIAL ASSISTANCE FOR**

(1) SHANGHAI JV GROUP

AND

(2) NINGBO JV GROUP

AND

RESUMPTION OF TRADING

CONNECTED TRANSACTIONS

**PROVISION OF ADDITIONAL
FINANCIAL ASSISTANCE FOR**

(1) SHANGHAI JV GROUP

AND

(2) NINGBO JV GROUP

This announcement is made as a result of the recent fluctuation in the price of the shares of DCH Holdings. Other than (i) the possibility of the introduction of a strategic minority investor in DCH Holdings; (ii) the connected transactions relating to the provision of additional financial assistance for the Shanghai JV Group and the Ningbo JV Group; (iii) the information as set out in the CCT Announcement; and (iv) discussions in relation to various increase / decrease of the DCH Group's interests in its joint ventures engaged in distribution, as further described in this announcement below, the DCH Board is not aware of any reasons for such fluctuation.

This announcement is made pursuant to Rule 13.09 of the Listing Rules in relation to the recent fluctuation in the price of the shares of DCH Holdings, a 56.67% owned subsidiary of CITIC Pacific.

POSSIBILITY OF INTRODUCTION OF A STRATEGIC MINORITY INVESTOR IN DCH HOLDINGS

CITIC Pacific is now conducting an initial discussion regarding the introduction of a strategic minority investor in DCH Holdings. Discussion is at a very preliminary stage. CITIC Pacific has not reached a stage where it can consider the proposal of the potential strategic minority investor but any proposal considered will be on the basis that after such investment CITIC Pacific retains control of DCH Holdings. There is no certainty that the investment will proceed. Further announcement(s) will be made as and when necessary in accordance with the Listing Rules and, if relevant, the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission.

As the strategic minority investment may or may not materialise, potential investors and respective shareholders of DCH Holdings and CITIC Pacific are advised to exercise caution when dealing in the shares in DCH Holdings and CITIC Pacific.

CONNECTED TRANSACTIONS

SHANGHAI PROJECT AND SHANGHAI JV GROUP

The Shanghai Project is to develop and roll out the business operations of Shanghai Junjia which provides vehicle sales, spare parts and services and conducts customer survey for the manufacturer or supplier in respect of the “Lexus” brand in Shanghai in the PRC through the Shanghai JV Group. Kamfield is a 50:50 joint venture company established by Boton, a wholly-owned subsidiary of DCH Holdings, and Denker. Kamfield wholly owns Shanghai Junjia which operates the Shanghai Project as a 4S dealership. Kamfield and Shanghai Junjia are accounted for as non wholly-owned subsidiaries of DCH Holdings.

As set out in the Shanghai Project Announcement made by DCH Holdings on 2 April 2009 regarding the provision of the Previous Shanghai Pro Rata Shareholder’s Loan to Kamfield for the Shanghai Project, further funding would be required as the Shanghai Project developed. The Shanghai Project has continued to progress and has reached a stage where further funding is required to prepare for the commencement of the operation of Shanghai Junjia in the first half of 2010, including but not limited to the payment for construction costs and the purchase of assets, and the working capital of the Shanghai JV Group. As such, Boton, Denker, DCH Holdings and Mr. Mak entered into the Shanghai JV Shareholders’ Financial Assistance Agreement on 28 January 2010.

Shanghai JV Shareholders' Financial Assistance Agreement

It is currently estimated that the Shanghai JV Group may need further funding in the amount of RMB125,000,000 (approximately HK\$142,500,000). Having assessed the funding requirements of the Shanghai Project, Boton, Denker, DCH Holdings and Mr. Mak entered into the Shanghai JV Shareholders' Financial Assistance Agreement pursuant to which, among other things, Boton and Denker agreed to provide and/or procure financial assistance for the benefit of the Shanghai Project of up to a maximum amount of RMB125,000,000 (approximately HK\$142,500,000) in the forms set out below:

- (a) The Shanghai JV Group may seek financing from independent third parties. Boton and Denker have agreed to procure (i) members of the DCH Group; and (ii) members of Mr. Mak's Group, respectively, to provide guarantees in favour of such independent third party to secure the financing.

The Shanghai JV Group shall endeavour to negotiate such guarantees to be made on a 50:50 several basis. In case such guarantees are not acceptable by the independent third party, the DCH Group and Mr. Mak's Group may be required to provide guarantees of up to 100% of the Shanghai JV Group's indebtedness, either by way of joint and several guarantees or otherwise.

Denker and Mr. Mak have agreed to indemnify the relevant member of the DCH Group for 50% of the exposure undertaken by such member of the DCH Group under any sole or joint and several guarantees, such that any financial assistance so provided by the relevant member of the DCH Group shall in effect be made on a 50:50 basis. Conversely, Boton and DCH Holdings have agreed to indemnify the relevant member of Mr. Mak's Group for 50% of the exposure undertaken by such member of Mr. Mak's Group under any sole or joint and several guarantees, such that any financial assistance so provided by the relevant member of Mr. Mak's Group shall in effect be made on a 50:50 basis.

- (b) Pro-rata shareholders' loans to be made available to the Shanghai JV Group from time to time with reference to its funding requirements. Such shareholders' loans shall be provided by each of the DCH Group and Mr. Mak's Group on a 50:50 basis and shall be interest-free, unsecured and repayable on demand.
- (c) Loans or other forms of financial assistance to be made available to the Shanghai JV Group from time to time with reference to its funding requirements by other joint venture companies which the DCH Group and Mr. Mak's Group each holds a 50% economic interest. The abovesaid loans shall be interest-free, unsecured and repayable on demand.

Taking into account that the form of financial assistance may be the provision of a joint and several guarantee by both members of the DCH Group and Mr. Mak's Group or a full guarantee from one of the DCH Group or Mr. Mak's Group, for the purposes of the percentage ratios under the Shanghai JV Shareholders' Financial Assistance Agreement, the full amount of RMB125,000,000 (approximately HK\$142,500,000) was used.

NINGBO PROJECT AND NINGBO JV GROUP

The Ningbo Project is to develop and roll out the business operations of Cixi Junjia which provides vehicle sales, spare parts and services and conducts customer survey for the manufacturer or supplier in respect of the “Lexus” brand in Ningbo in the PRC through the Ningbo JV Group. Powerful Maker is a 50:50 joint venture company established by Brilliant Way, a wholly-owned subsidiary of DCH Holdings, and DGL. Brilliant Way wholly owns Cixi Junjia which operates the Ningbo Project as a 4S dealership. Brilliant Way and Cixi Junjia are accounted for as non wholly-owned subsidiaries of DCH Holdings.

As set out in the Ningbo Project Announcement made by DCH Holdings on 3 March 2009 regarding the provision of the Previous Ningbo Pro Rata Shareholder’s Loan to Powerful Maker for the Ningbo Project, further funding would be required as the Ningbo Project developed. The Ningbo Project has continued to progress and has reached a stage where further funding is required to prepare for the commencement of the operation of Cixi Junjia in the first half of 2010, including but not limited to the payment for construction costs and the purchase of assets, and the working capital of the Ningbo JV Group. As such, Brilliant Way, DGL, DCH Holdings and Mr. Mak entered into the Ningbo JV Shareholders’ Financial Assistance Agreement on 28 January 2010.

Ningbo JV Shareholders’ Financial Assistance Agreement

It is currently estimated that the Ningbo JV Group may need further funding in the amount of RMB120,000,000 (approximately HK\$136,800,000). Having assessed the funding requirements of the Ningbo Project, Brilliant Way, DGL, DCH Holdings and Mr. Mak entered into the Ningbo JV Shareholders’ Financial Assistance Agreement pursuant to which, among other things, Brilliant Way and DGL agreed to provide and/or procure financial assistance for the benefit of the Ningbo Project of up to a maximum amount of RMB120,000,000 (approximately HK\$136,800,000) in the forms set out below:

- (a) The Ningbo JV Group may seek financing from independent third parties. Brilliant Way and DGL have agreed to procure (i) members of the DCH Group; and (ii) members of Mr. Mak’s Group, respectively, to provide guarantees in favour of such independent third party to secure the financing.

The Ningbo JV Group shall endeavour to negotiate such guarantees to be made on a 50:50 several basis. In case such guarantees are not acceptable by the independent third party, the DCH Group and Mr. Mak’s Group may be required to provide guarantees of up to 100% of the Ningbo JV Group’s indebtedness, either by way of joint and several guarantees or otherwise.

DGL and Mr. Mak have agreed to indemnify the relevant member of the DCH Group for 50% of the exposure undertaken by such member of the DCH Group under any sole or joint and several guarantees, such that any financial assistance so provided by the relevant member of the DCH Group shall in effect be made on a 50:50 basis. Conversely, Brilliant Way and DCH Holdings have agreed to indemnify the relevant member of Mr. Mak’s Group for 50% of the exposure undertaken by such member of Mr. Mak’s Group under any sole or joint and several guarantees, such that any financial assistance so provided by the relevant member of Mr. Mak’s Group shall in effect be made on a 50:50 basis.

- (b) Pro-rata shareholders' loans to be made available to the Ningbo JV Group from time to time with reference to its funding requirements. Such shareholders' loans shall be provided by each of the DCH Group and Mr. Mak's Group on a 50:50 basis and shall be interest-free, unsecured and repayable on demand.
- (c) Loans or other forms of financial assistance to be made available to the Ningbo JV Group from time to time with reference to its funding requirements by other joint venture companies which the DCH Group and Mr. Mak's Group each holds a 50% economic interest. The abovesaid loans shall be interest-free, unsecured and repayable on demand.

Taking into account that the form of financial assistance may be the provision of a joint and several guarantee by both members of the DCH Group and Mr. Mak's Group or a full guarantee from one of the DCH Group or Mr. Mak's Group, for the purposes of the percentage ratios under the Ningbo JV Shareholders' Financial Assistance Agreement, the full amount of RMB120,000,000 (approximately HK\$136,800,000) was used.

FURTHER INFORMATION

Boton and Brilliant Way are investment holding companies wholly owned by DCH Holdings.

Denker and DGL are investment holding companies wholly owned by Mr. Mak who is a director and substantial shareholder of various subsidiaries of DCH Holdings. Therefore, Denker and DGL are associates of Mr. Mak and thus connected persons of each of DCH Holdings and CITIC Pacific.

Kamfield and Powerful Maker are investment holding companies and non wholly-owned subsidiaries of DCH Holdings, owned equally by DCH Holdings and Mr. Mak. Shanghai Junjia and Cixi Junjia are 4S dealerships wholly owned by Kamfield and Powerful Maker, respectively. Therefore, the Shanghai JV Group and the Ningbo JV Group are associates of Mr. Mak and thus connected persons of each of DCH Holdings and CITIC Pacific.

The 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 a well-established base and network in the PRC, Hong Kong and Macao.

CITIC Pacific's operational focus is on China, both the mainland and Hong Kong. Its major businesses are special steel manufacturing, iron ore mining and property development in mainland China. Other businesses include power and civil infrastructure. It also holds controlling interests in DCH Holdings and CITIC 1616 Holdings Limited.

REASONS FOR AND BENEFITS OF THE SHANGHAI JV FINANCIAL ASSISTANCE AND THE NINGBO JV FINANCIAL ASSISTANCE

The provision of the Shanghai JV Financial Assistance and the Ningbo JV Financial Assistance will provide further funding to the Shanghai JV Group and the Ningbo JV Group, respectively, to prepare for the commencement of the operation of Shanghai Junjia and Cixi Junjia in the first half of 2010, including but not limited to the payment for construction costs and the purchase of assets, and the working capital of the Shanghai JV Group and the Ningbo JV Group.

The DCH Board (including the independent non-executive directors of DCH Holdings) consider that the Shanghai JV Shareholders' Financial Assistance Agreement and the Ningbo JV Shareholders' Financial Assistance Agreement are on normal commercial terms and in the ordinary and normal course of business of the DCH Group, fair and reasonable and in the interests of the DCH Shareholders as a whole.

The CITIC Pacific Board (including the independent non-executive directors of CITIC Pacific) consider that the Shanghai JV Shareholders' Financial Assistance Agreement and the Ningbo JV Shareholders' Financial Assistance Agreement are on normal commercial terms and in the ordinary and normal course of business of the CITIC Pacific Group, fair and reasonable and in the interests of the CITIC Pacific Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since the applicable percentage ratios calculated with reference to the amount of the Previous Shanghai Pro Rata Shareholder's Loan and the full amount of the Shanghai JV Financial Assistance contemplated under the Shanghai JV Shareholders' Financial Assistance Agreement are over 0.1% but less than 2.5%, the entering into of the Shanghai JV Shareholders' Financial Assistance Agreement is therefore a connected transaction for each of DCH Holdings and CITIC Pacific subject to the reporting and announcement requirements, but exempt from the DCH Holdings Shareholders' approval requirement and the CITIC Pacific Shareholders' approval requirement, respectively, under the Listing Rules.

Since the applicable percentage ratios calculated with reference to the amount of the Previous Ningbo Pro Rata Shareholder's Loan and the full amount of the Ningbo JV Financial Assistance contemplated under the Ningbo JV Shareholders' Financial Assistance Agreement are over 0.1% but less than 2.5%, the entering into of the Ningbo JV Shareholders' Financial Assistance Agreement is therefore a connected transaction for each of DCH Holdings and CITIC Pacific subject to the reporting and announcement requirements, but exempt from the DCH Holdings Shareholders' approval requirement and the CITIC Pacific Shareholders' approval requirement, respectively, under the Listing Rules.

DISCUSSIONS IN RESPECT OF INTERESTS IN JOINT VENTURES

DCH Holdings has been considering various restructure plans in its distribution businesses and is in discussions in relation to various increase / decrease of the DCH Group's interests in its joint ventures engaged in distribution. Further announcement(s) will be made as and when necessary in accordance with the Listing Rules.

The discussions in relation to various increase / decrease of the DCH Group’s interests in its joint ventures engaged in distribution may or may not continue, potential investors and shareholders of DCH Holdings are advised to exercise caution when dealing in the shares in DCH Holdings.

GENERAL

Save for the above and the CCT Announcement, 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 Holdings, 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 Holdings, which is or may be of a price-sensitive nature.

RESUMPTION OF TRADING IN THE SHARES OF DCH HOLDINGS

At the request of DCH Holdings, trading in the shares of DCH Holdings on the Stock Exchange was suspended with effect from 9:30 a.m. on 27 January 2010 pending the release of this announcement. An application has been made by DCH Holdings for the resumption of trading in its shares with effect from 9:30 a.m. on 29 January 2010.

DEFINITIONS

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

“associate”	has the meaning ascribed to it by the Listing Rules;
“Boton”	Boton Investments Limited 寶頓投資有限公司, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of DCH Holdings;
“Brilliant Way”	Brilliant Way International Limited 明途國際有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of DCH Holdings;
“CCT Announcement”	the announcement of DCH Holdings dated 28 January 2010 in relation to certain continuing connected transactions of the DCH Group;
“CITIC Pacific”	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;
“CITIC Pacific Board”	the directors of CITIC Pacific;

“CITIC Pacific Group”	CITIC Pacific and its subsidiaries, or, where the context so requires, any of them (as defined under the Listing Rules);
“CITIC Pacific Shareholders”	holders of the ordinary shares of CITIC Pacific;
“Cixi Junjia”	寧波慈溪駿佳雷克薩斯汽車銷售服務有限公司 (Ningbo Cixi Junjia Lexus Motors Sale and Service Limited) (formerly known as 慈溪駿昌汽車技術服務有限公司 (Cixi Junchong Motor Service Company Limited)), a wholly foreign owned enterprise under the Ningbo JV Group and is a non wholly-owned subsidiary of DCH Holdings;
“connected person”	has the meaning ascribed to it by the Listing Rules;
“DCH Board”	the directors of DCH Holdings;
“DCH Group”	DCH Holdings and its subsidiaries (including joint venture companies in which the DCH Group and Mr. Mak's Group each holds a 50% economic interest but are accounted for as non wholly-owned subsidiaries of DCH Holdings) or, where the context so requires, any of them (as defined under the Listing Rules);
“DCH Holdings”	Dah Chong Hong Holdings Limited 大昌行集團有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange, and a non wholly-owned subsidiary of CITIC Pacific;
“DCH Shareholders”	holders of the ordinary shares of DCH Holdings;
“Denker”	Denker Group Development Limited 駿佳集團發展有限公司, a company incorporated in Hong Kong with limited liability;
“DGL”	Denker Group Limited 駿佳企業集團有限公司, a company incorporated in Hong Kong with limited liability;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Kamfield”	Kamfield International Limited 錦輝國際有限公司, a company incorporated in Hong Kong with limited liability and a non wholly-owned subsidiary of DCH Holdings;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Macao”	the Macao Special Administrative Region of the PRC;
“Mr. Mak”	Mr. Mak Hing Lung;
“Mr. Mak's Group”	Mr. Mak and/or his associate(s) (other than subsidiaries of DCH Holdings);
“Ningbo JV Financial Assistance”	the guarantees, indemnities, shareholders' loans and loans or other forms of financial assistance to be provided by members of the DCH Group and Mr. Mak’s Group for the benefit of the Ningbo Project as detailed under the section headed "Ningbo JV Shareholders’ Financial Assistance Agreement”;
“Ningbo JV Group”	Powerful Maker and Cixi Junjia;
“Ningbo JV Shareholders’ Financial Assistance Agreement”	the Financial Assistance Agreement dated 28 January 2010 between Brilliant Way, DGL, DCH Holdings and Mr. Mak regarding the Ningbo JV Financial Assistance;
“Ningbo Project”	the development and roll-out of the business operations of Cixi Junjia which provides vehicle sales, spare parts and services and conducts customer survey for the manufacturer or supplier in respect of the “Lexus” brand in Ningbo in the PRC;
“Ningbo Project Announcement”	the announcement of DCH Holdings made on 3 March 2009 regarding the provision of the Previous Ningbo Pro Rata Shareholder’s Loan by Brilliant Way to Powerful Maker;
“percentage ratio”	has the meaning given to it by the Listing Rules;
“Powerful Maker”	Powerful Maker Limited 力瑋有限公司, a company incorporated in Hong Kong with limited liability and a non wholly-owned subsidiary of DCH Holdings;
“PRC”	the People’s Republic of China;
“Previous Ningbo Pro Rata Shareholder’s Loan”	the pro rata shareholder’s loan of HK\$15,000,000 provided by Brilliant Way to Powerful Maker and disclosed in the Ningbo Project Announcement;
“Previous Shanghai Pro Rata Shareholder’s Loan”	the pro rata shareholder’s loan of HK\$10,000,000 provided by Boton to Kamfield and disclosed in the Shanghai Project Announcement;
“RMB”	Renminbi, the lawful currency of the PRC;

“Shanghai Junjia”	上海駿佳市場營銷策劃有限公司 (Shanghai Junjia Marketing Company Limited), a wholly foreign owned enterprise under the Shanghai JV Group and is a non wholly-owned subsidiary of DCH Holdings;
“Shanghai JV Financial Assistance”	the guarantees, indemnities and, shareholders' loans and loans or other forms of financial assistance to be provided by members of the DCH Group and Mr. Mak's Group for the benefit of the Shanghai Project as detailed under the section headed "Shanghai JV Shareholders' Financial Assistance Agreement";
“Shanghai JV Group”	Kamfield and Shanghai Junjia;
“Shanghai JV Shareholders' Financial Assistance Agreement”	the Financial Assistance Agreement dated 28 January 2010 between Boton, Denker, DCH Holdings and Mr. Mak regarding the Shanghai JV Financial Assistance;
“Shanghai Project”	the development and roll-out of the business operations of Shanghai Junjia which provides vehicle sales, spare parts and services and conducts customer survey for the manufacturer or supplier in respect of the “Lexus” brand in Shanghai in the PRC;
“Shanghai Project Announcement”	the announcement of DCH Holdings made on 2 April 2009 regarding the provision of the Previous Shanghai Pro Rata Shareholder's Loan by Boton to Kamfield;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it by the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it by the Listing Rules; and
“%”	per cent.

For illustration purpose in this announcement, the conversion rate of RMB1.00 = HK\$1.14 was adopted.

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

By order of the board
CITIC Pacific Limited
Ricky Choy Wing Kay
Company Secretary

Hong Kong, 28 January 2010

As at the date of this announcement, the DCH Board is:

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

Non-executive directors: Kwok Man Leung, Yin Ke and Fei Yiping

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

As at the date of this announcement, the CITIC Pacific Board is:

Executive directors: Chang Zhenming (Chairman), Zhang Jijing, 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, Ju Weimin, Yin Ke and Peter Kruyt (alternate director to André Desmarais)

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