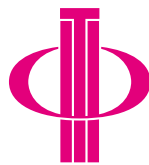


THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CITIC Pacific Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

DISCLOSEABLE TRANSACTION

ACQUISITION AND CAPITAL INJECTION AGREEMENT
IN RESPECT OF
SHIJIAZHANG STEEL MILL

7 December 2005

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

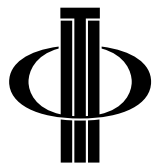
“Acquisition”	the acquisition of Sale Interest by CITIC Pacific under the Acquisition and Capital Injection Agreement;
“Acquisition and Capital Injection Agreement”	the acquisition and capital injection agreement entered into between CITIC Pacific, Hebei SASAC and Hebei Zhongfu, the principal terms of which are set out below;
“associate(s)” or “connected person(s)”	have the meanings ascribed to them respectively under the Listing Rules;
“Board”	the board of Directors;
“Capital Injection”	the injection as the additional capital of Shijiazhuang Steel Mill by CITIC Pacific in the amount of RMB196,406,087.92 (approximately HK\$188,549,844), Hebei SASAC in the amount of RMB134,387,667.70 (approximately HK\$129,012,161) and Hebei Zhongfu in the amount of RMB341,144,582.87 (approximately HK\$327,498,800) under the Acquisition and Capital Injection Agreement;
“Company” or “CITIC Pacific”	CITIC Pacific Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange;
“Director(s)”	director(s) of CITIC Pacific;
“Group”	the Company and its subsidiaries;
“Hebei SASAC”	中國河北省人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the Government of Hebei Province, PRC);
“Hebei Zhongfu”	河北眾富投資有限責任公司 (Hebei Zhongfu Investment Limited), a company beneficially owned by various management members and employees of Shijiazhuang Steel Mill;
“Latest Practicable Date”	30 November 2005, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Percentage Ratios”	has the meaning set out in Rule 14.04(9) of the Listing Rules;
“PRC”	People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Interest”	80% of the existing registered capital of Shijiazhuang Steel Mill;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.4 each in the share capital of the Company;
“Shareholders”	holder of Shares in CITIC Pacific;
“Shijiazhuang Steel Mill”	石家莊鋼鐵有限責任公司 (Shijiazhuang Iron & Steel Co., Ltd.), a company wholly owned by the PRC government which will become a Sino-foreign equity joint venture company upon the completion of the Acquisition and Capital Injection Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	percentage.

(For reference only, the exchange rates used in this circular are RMB1 = HK\$0.96.)

LETTER FROM THE BOARD



CITIC PACIFIC

CITIC Pacific Limited 中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 267)

Directors:

Larry Yung Chi Kin (*Chairman*)
Henry Fan Hung Ling (*Managing Director*)
Peter Lee Chung Hing (*Deputy Managing Director*)
Norman Yuen Kee Tong (*Deputy Managing Director*)
Vernon Francis Moore (*Executive Director*)
Yao Jinrong (*Executive Director*)
Li Shilin (*Executive Director*)
Carl Yung Ming Jie (*Executive Director*)
Liu Jifu (*Executive Director*)
Leslie Chang Li Hsien (*Executive Director*)
Willie Chang*
Hamilton Ho Hau Hay**
Alexander Reid Hamilton**
Hansen Loh Chung Hon**
Norman Ho Hau Chong**
André Desmarais*
Peter Kruyt#

Registered Office:

32nd Floor
CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

* *Non-executive Director*

** *Independent non-executive Director*

Alternate Director to André Desmarais

7 December 2005

To the Shareholders,

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

ACQUISITION AND CAPITAL INJECTION AGREEMENT IN RESPECT OF SHIJIAZHANG STEEL MILL

INTRODUCTION

In an announcement dated 15 November 2005, the Directors announced that on 11 November 2005, CITIC Pacific entered into the Acquisition and Capital Injection Agreement with Hebei SASAC and Hebei Zhongfu whereby CITIC Pacific agreed to:–

LETTER FROM THE BOARD

- acquire 80% of the existing registered capital of Shijiazhuang Steel Mill from Hebei SASAC for a consideration of RMB1,281,887,104.49 (approximately HK\$1,230,611,620); and
- subscribe for new registered capital of Shijiazhuang Steel Mill in the amount of RMB196,406,087.92 (approximately HK\$188,549,844).

Upon completion of the Acquisition and Capital Injection Agreement, CITIC Pacific will hold 65% of the enlarged registered capital of Shijiazhuang Steel Mill which will become a jointly controlled entity of CITIC Pacific.

As the applicable Percentage Ratios are more than 5% and less than 25%, the Acquisition and Capital Injection Agreement constitutes a discloseable transaction of CITIC Pacific and is subject to the announcement and reporting requirements of the Listing Rules.

The purpose of this circular is to provide you with further information relating to, among others, details of the Acquisition and Capital Injection Agreement.

ACQUISITION AND CAPITAL INJECTION AGREEMENT

Date: 11 November 2005

- Parties:**
- (1) CITIC Pacific, as purchaser of the Sale Interest and as subscriber of the registered capital of Shijiazhuang Steel Mill
 - (2) Hebei SASAC, as vendor of the Sale Interest and as subscriber of the registered capital of Shijiazhuang Steel Mill
 - (3) Hebei Zhongfu, as subscriber of the registered capital of Shijiazhuang Steel Mill

CITIC Pacific has nominated its wholly-owned subsidiary, Winchamp Enterprises Corp, to enter into the relevant joint venture contract and to execute the articles of association of Shijiazhuang Steel Mill.

Assets involved

- 80% of the existing registered capital of Shijiazhuang Steel Mill (excluding the interest in a subsidiary operating a hospital) from Hebei SASAC for a consideration of RMB1,281,887,104.49 (approximately HK\$1,230,611,620); and
- registered capital of Shijiazhuang Steel Mill for subscription by:
 - (1) CITIC Pacific in the amount of RMB196,406,087.92 (approximately HK\$188,549,844);

LETTER FROM THE BOARD

- (2) Hebei SASAC in the amount of RMB134,387,667.70 (approximately HK\$129,012,161); and
- (3) Hebei Zhongfu in the amount of RMB341,144,582.87 (approximately HK\$327,498,800).

At present, Shijiazhuang Steel Mill is owned by Hebei SASAC as to 100% of its registered capital. Upon completion of the Acquisition and Capital Injection Agreement, CITIC Pacific, Hebei SASAC and Hebei Zhongfu will respectively hold 65% (i.e. in the amount of RMB1,300 million (approximately HK\$1,248 million)), 20% (i.e. in the amount of RMB400 million (approximately HK\$384 million)) and 15% (i.e. in the amount of RMB300 million (approximately HK\$288 million)) of the enlarged registered capital of Shijiazhuang Steel Mill.

Consideration for the Acquisition and Amount of Capital Injection

The purchase price payable by CITIC Pacific to Hebei SASAC for the acquisition of the Sale Interest is RMB1,281,887,104.49 (approximately HK\$1,230,611,620) and the amount of Capital Injection payable by CITIC Pacific is RMB196,406,087.92 (approximately HK\$188,549,844).

In August 2005, the Company submitted its tender proposal to Hebei SASAC regarding the acquisition of Shijiazhuang Steel Mill. As a condition to the tender process, on 9 August 2005 the Company paid a deposit equivalent to RMB500 million (approximately HK\$480 million) to Hebei SASAC. The amount was kept in custody by Hebei Merger Centre (河北省產權交易中心). The said amount will be returned to the Company at the same time as the Company settles the purchase price in respect of the Acquisition as set out below.

The payment for the purchase price and amount of the Capital Injection payable by CITIC Pacific in respect of the Acquisition and the Capital Injection respectively shall be made within one month after approval from the relevant governmental authorities for the Acquisition and Capital Injection Agreement having been obtained. It will be funded by the internal resources of CITIC Pacific.

The said purchase price of approximately RMB1,282 million (approximately HK\$1,231 million) was determined after arm's length negotiation between CITIC Pacific and Hebei SASAC with reference to the appraised net asset value of Shijiazhuang Steel Mill (excluding the interest in a subsidiary operating a hospital incorporated in the year 2004) as at 31 December 2004 of approximately RMB1,452 million (approximately HK\$1,394 million) as stipulated in the appraisal report prepared by China Consultants of Accounting and Financial Management Co., Ltd., a professional appraiser in the PRC which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is a third party independent of and not connected with CITIC Pacific or any of the directors, chief executive or substantial shareholders of CITIC Pacific or any of its subsidiaries or any of their respective associates.

LETTER FROM THE BOARD

Completion accounts will be prepared and audited (in accordance with generally accepted accounting principles in the PRC) with the view to ascertaining the net asset value of Shijiazhuang Steel Mill (excluding the interest in a subsidiary operating a hospital) as of the date of the completion. If the relevant net asset value at completion exceeds the corresponding net asset value as of 31 December 2004, such excess shall belong to Hebei SASAC and be payable by Shijiazhuang Steel Mill either (a) in cash within one week after the completion accounts are prepared and audited or (b) by Shijiazhuang Steel Mill issuing new registered capital to Hebei SASAC upon which CITIC Pacific and Hebei Zhongfu will subscribe for such amount of new equity in Shijiazhuang Steel Mill in order to maintain their respective 65% and 15% interest. If the relevant net asset value at completion is less than the corresponding net asset value as of 31 December 2004, Hebei SASAC shall indemnify Shijiazhuang Steel Mill on a dollar for dollar basis for such deficit.

Completion

Completion of the Acquisition and Capital Injection Agreement is conditional upon (a) all approvals from the relevant governmental authorities for the Acquisition and the Capital Injection having been obtained; (b) all the approvals, licences (including business licence) and registration from the relevant governmental authorities for the changes of the constitution of Shijiazhuang Steel Mill having been obtained.

Completion of the Acquisition and Capital Injection is expected to take place simultaneously. Shijiazhuang Steel Mill will be changed from a company wholly owned by the PRC government (i.e. state-owned) into a Sino-foreign equity joint venture company. After completion, decisions of Shijiazhuang Steel Mill must be approved by two thirds of all its directors, with some other corporate matters requiring unanimous approval by all the directors. As such, Shijiazhuang Steel Mill would be accounted for as a jointly controlled entity of CITIC Pacific in the financial statement upon completion. The results, assets and liabilities of Shijiazhuang Steel Mill will not be consolidated into CITIC Pacific's consolidated financial statements. Such accounting treatment is consistent with the accounting policy adopted by CITIC Pacific's audited annual accounts of 2004, and has been concurred by CITIC Pacific's auditors. The Directors expect that the Acquisition and Capital Injection would not have adverse effect on the earnings, net asset value and liabilities of the Company.

Prior to completion of the Acquisition and Capital Injection, CITIC Pacific executed a guarantee in the amount of up to RMB400 million (approximately HK\$384 million) on 22 November 2005 to secure the banking facilities granted to a subsidiary of Shijiazhuang Steel Mill and Hebei Merger Centre has returned the deposit equivalent to the guaranteed amount to the Company. The banking facilities are expected to be repaid once the proceeds for Capital Injection has been paid by shareholders to Shijiazhuang Steel Mill according to the Acquisition and Capital Injection Agreement. The guarantee will then be cancelled.

LETTER FROM THE BOARD

INFORMATION ON SHIJIAZHUANG STEEL MILL

Shijiazhuang Steel Mill was established on 22 May 1997 in Shijiazhuang, Hebei Province, PRC. At present, it is wholly owned by the PRC government. Shijiazhuang Steel Mill has current annual production capacity of 2 million tonnes of special steel and is one of the leading special steel manufacturers in the PRC. Shijiazhuang Steel Mill principally operates through its 75.09% subsidiary Shijiazhuang Iron & Steel Holdings Ltd (石家莊鋼鐵股份有限公司) and engages in the production and sale of special steel and related products. Shijiazhuang Iron & Steel Holdings Ltd (石家莊鋼鐵股份有限公司) is the main operating arm of Shijiazhuang Steel Mill. In order to streamline the corporate structure, this company will be dissolved as soon as practicable after completion of the Acquisition and Capital Injection Agreement with all its assets and liabilities transferred to Shijiazhuang Steel Mill.

Forthwith upon signing the Acquisition and Capital Injection Agreement, Hebei SASAC with reference to the net asset value of Shijiazhuang Steel Mill, will capitalize certain reserves into registered capital and after capitalization, the registered capital of Shijiazhuang Steel Mill will be approximately RMB1,328 million (approximately HK\$1,275 million) prior to completion of the Acquisition and Capital Injection Agreement. Upon completion of the Acquisition and Capital Injection Agreement, the total investment and registered capital of Shijiazhuang Steel Mill will be RMB4,000 million (approximately HK\$3,840 million) and RMB2,000 million (approximately HK\$1,920 million) respectively. The term of Shijiazhuang Steel Mill will be 50 years commencing from the date of obtaining the new business license, which may be extended if approved by the relevant PRC authorities.

The board of directors of Shijiazhuang Steel Mill will, after completion of the Acquisition and Capital Injection Agreement, comprise seven directors, four of which shall be appointed by CITIC Pacific, two by Hebei SASAC and one by Hebei Zhongfu. The Chairman shall be nominated by CITIC Pacific.

For the year ended 31 December 2004, the unaudited net profits before and after taxation of Shijiazhuang Steel Mill (in accordance with generally accepted accounting principles in the PRC and excluding the subsidiary operating a hospital incorporated in the year 2004) were approximately RMB457 million (approximately HK\$439 million) and RMB282 million (approximately HK\$271 million) respectively. For the year ended 31 December 2003, the unaudited net profits before and after taxation of Shijiazhuang Steel Mill (in accordance with generally accepted accounting principles in the PRC) were approximately RMB305 million (approximately HK\$293 million) and RMB212 million (approximately HK\$204 million) respectively. As at 31 December 2004, the unaudited net asset value of Shijiazhuang Steel Mill (in accordance with generally accepted accounting principles in the PRC and excluding the interest in the subsidiary operating a hospital incorporated in the year 2004) was approximately RMB1,346 million (approximately HK\$1,292 million).

The hospital subsidiary was owned by Shijiazhuang Steel Mill as to 88.9%. It does not form part of the core business of Shijiazhuang Steel Mill and will be disposed of by Shijiazhuang Steel Mill before completion. It has not been taken into account by the parties in arriving at the consideration for the Acquisition nor the Capital Injection.

LETTER FROM THE BOARD

REASONS AND BENEFIT FOR THE ACQUISITION AND CAPITAL INJECTION

The investment in Shijiazhuang Steel Mill through the Acquisition and Capital Injection provides an opportunity for the Group to further expand its special steel manufacturing business in the PRC by obtaining a majority stake in Shijiazhuang Steel Mill. Given this acquisition, the Group will have access to markets in East, Central and North China. Upon completion of the Acquisition and Capital Injection, CITIC Pacific will be entitled to appoint the majority of the board of directors of Shijiazhuang Steel Mill.

The Directors (including the independent non-executive directors) consider that the terms of the Acquisition and Capital Injection Agreement are normal commercial terms and are fair and reasonable and in the interests of CITIC Pacific and its shareholders as a whole.

INFORMATION RELATING TO THE PARTIES

The principal businesses of CITIC Pacific comprise the provision of basic infrastructure in Hong Kong and the PRC including power generation, communications, aviation and civil infrastructure and the manufacturing of special steel, distribution of motor vehicles and consumer products and property investment and development. Hebei SASAC is a governmental authority responsible for administration of state assets. Hebei Zhongfu is a company beneficially owned by various management members and employees of Shijiazhuang Steel Mill. CITIC Pacific confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Hebei Zhongfu, its ultimate beneficial owners and Hebei SASAC are third parties independent of and not connected with CITIC Pacific or any of the directors, chief executive or substantial shareholders of CITIC Pacific or any of its subsidiaries or any of their respective associates.

GENERAL

As the applicable Percentage Ratios are more than 5% and less than 25%, the Acquisition and Capital Injection Agreement constitutes a discloseable transaction of CITIC Pacific and is subject to the announcement and reporting requirements of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the general information set out in the Appendix to this circular.

Yours faithfully,
By Order of the Board
CITIC Pacific Limited
Larry Yung Chi Kin
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive in securities

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of the SFO) which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short position which he was taken or deemed to have under such provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Companies set out in the Listing Rules:

(i) Shares in the Company:

Name of Director	Number of Shares				Percentage of issued share capital (%)
	Personal interests	Corporate interests	Family interests	Trusts and similar interests	
Larry Yung Chi Kin		400,381,000			18.259
Henry Fan Hung Ling		1,728,000		44,600,000	2.113
Peter Lee Chung Hing	500,000				0.023
Norman Yuen Kee Tong	33,000				0.002
Vernon Francis Moore				3,200,000	0.146
Liu Jifu	40,000				0.002
Leslie Chang Li Hsien	30,000				0.001
Hansen Loh Chung Hon	1,050,000	500,000 ¹	500,000 ¹		0.071
André Desmarais	1,488,000	102,242,000 ²	75,000		4.734
Peter Kruyt	2,100				0.0001
<i>(alternate director to Mr André Desmarais)</i>					

Notes:

1. The corporate interests and the family interests of the relevant Director duplicate each other as the 500,000 Shares are held through a company in which the relevant Director and his family are interested.

2. *Out of 102,242,000 Shares, 2,012,000 Shares are held by a corporation controlled by the relevant Director and 100,230,000 Shares are held indirectly by a corporation of which the relevant Director is the President and Co-Chief Executive Officer.*

(ii) Share options in the Company

Directors	Date of Grant	Number of Share options granted	Options lapsed/ cancelled/ exercised	Number of Share options Outstanding	Percentage of issued share capital %
Larry Yung Chi Kin	28 May 2002 1 Nov 2004	2,000,000 2,000,000	Nil	4,000,000	0.182
Peter Lee Chung Hing	28 May 2002 1 Nov 2004	1,000,000 1,000,000	Nil	2,000,000	0.091
Norman Yuen Kee Tong	28 May 2002 1 Nov 2004	500,000 500,000	Nil	1,000,000	0.046
Vernon Francis Moore	28 May 2002 1 Nov 2004	1,000,000 1,000,000	Nil	2,000,000	0.091
Yao Jinrong	28 May 2002 1 Nov 2004	300,000 500,000	Nil	800,000	0.036
Li Shilin	28 May 2002	300,000	Nil	300,000	0.014
Carl Yung Ming Jie	28 May 2002 1 Nov 2004	300,000 500,000	Nil	800,000	0.036
Liu Jifu	28 May 2002 1 Nov 2004	300,000 500,000	Nil	800,000	0.036
Leslie Chang Li Hsien	28 May 2002 1 Nov 2004	300,000 500,000	Nil	800,000	0.036

(iii) Shares in the associated corporation:

Name of Director	Number of ordinary shares in Cathay Pacific Airways Limited				Percentage to the issued share capital (%)
	Personal interests	Corporate interests	Family interests	Trusts and similar interests	
Hansen Loh Chung Hon	450,000				0.013

(b) Substantial shareholders of the Company

As at the Latest Practicable Date, save as disclosed herein, so far as was known to any Director or chief executive of the Company, no person (other than a Director or chief executive of the Company or their respective associates) had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Number of Shares of the Company	Percentage to the issued share capital (%)
CITIC Group	632,066,285	28.824
CITIC Hong Kong (Holdings) Limited ("CITIC HK")	632,066,285	28.824
Heedon Corporation	498,424,285	22.730
Honpville Corporation	310,988,221	14.182

CITIC HK is a substantial shareholder of the Company (within the meaning of the Listing Rules) indirectly through the following wholly owned subsidiary companies:

Name of subsidiary companies of CITIC HK	Number of Shares of the Company	Percentage to the issued share capital (%)
<i>Affluence Limited</i>	<i>43,266,000</i>	<i>1.973</i>
<i>Winton Corp.</i>	<i>30,718,000</i>	<i>1.401</i>
<i>Westminster Investment Inc.</i>	<i>101,960,000</i>	<i>4.650</i>
<i>Jetway Corp.</i>	<i>22,500,000</i>	<i>1.026</i>
<i>Cordia Corporation</i>	<i>32,258,064</i>	<i>1.471</i>
<i>Honpville Corporation</i>	<i>310,988,221</i>	<i>14.182</i>
<i>Hainsworth Limited</i>	<i>80,376,000</i>	<i>3.665</i>
<i>Southpoint Enterprises Inc.</i>	<i>10,000,000</i>	<i>0.456</i>

Each of Affluence Limited, Winton Corp., Westminster Investment Inc., Jetway Corp., Cordia Corporation, Honpville Corporation, Hainsworth Limited and Southpoint Enterprises Inc. holds the shares of the Company beneficially. Accordingly, Honpville Corporation is a substantial shareholder of the Company.

CITIC Group is the direct holding company of CITIC HK. CITIC HK is the direct holding company of Heedon Corporation, Hainsworth Limited, Affluence Limited and Barnsley Investments Limited. Heedon Corporation is the direct holding company of Winton Corp., Westminster Investment Inc., Jetway Corp., Kotron Company Ltd. and Honpville Corporation and Kotron Company Ltd. is the direct holding company of Cordia Corporation. Barnsley Investments Limited is the direct holding company of Southpoint Enterprises Inc. Accordingly, the interests of CITIC Group in the Company duplicate the interests of CITIC HK in the Company. The interests of CITIC HK in the Company duplicate the interests in the Company of all its direct and indirect subsidiary companies as described above. The interests of Heedon Corporation in the Company duplicate the interests in the Company of all its direct and indirect subsidiary companies as described above. The interests of Barnsley Investments Limited in the Company duplicate the interests in the Company of its direct subsidiary company as described above and the interests of Kotron Company Ltd. in the Company duplicate the interests in the Company of its direct subsidiary company as described above.

As at the Latest Practicable Date, save as disclosed below, none of the Directors is a director or employee of a company which had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or, is, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Director	Name of company which had such discloseable interest or short position	Position within such company
Larry Yung Chi Kin	CITIC Group	Director
	CITIC HK	Director
	Heedon Corporation	Director
	Honpville Corporation	Director
	Earnplex Corporation	Director & Shareholder
	Bloomfield Enterprises Corp.	Director & Shareholder
	Rockhampton Investments Limited	Director & Shareholder
Henry Fan Hung Ling	CITIC HK	Director
Vernon Francis Moore	CITIC HK	Director
	Heedon Corporation	Director
	Honpville Corporation	Director
Yao Jinrong	CITIC Group	Director
Li Shilin	CITIC Group	Director
Carl Yung Ming Jie	Earnplex Corporation	Director
Liu Jifu	CITIC HK	Director
Leslie Chang Li Hsien	Honpville Corporation	Director

(c) Substantial shareholding in other members of the Group

As at the Latest Practicable Date, save as disclosed herein, so far as was known to any Director or chief executive of the Company, no person (other than a Director or chief executive of the Company or their respective associates) is, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of subsidiary	Name of shareholder	Percentage of issued share capital
Adwood Company Limited	Silverstone Assets Limited	30%
New Hong Kong Tunnel Company Limited	Kumagai International Limited	13.875%
Sims Trading (Macau) Company Limited	Mr. Ma Iao Hang	10%
	Mr. Ma Chi Seng	10%
	Mr. Ka Lon Ho	10%
Dah Chong Hong – Dragonair Airport GSE Service Limited	Hong Kong Dragon Airlines Limited	30%
Triangle – Isuzu Motors Limited	Isuzu Motors Limited	40%
DAS Nordisk Limited	Nordisk Aviation Products Asia Limited	30%
DAS Aviation Support Limited	Hong Kong Dragon Airlines Limited	30%
Bright Billion Limited	Jungle Investment Limited	10%
Alixon Co. Ltd.	RFC Management Limited	10%
Prosperity Motors Limited	Xin Kang Heng Holdings Limited	40%
Dah Chong Hong Motor Service Centre (Macau) Limited	Xin Kang Heng Holdings Limited	40%
Dong Chong Motors (China) Limited	Tokyo Boeki Ltd.	32.25%

Name of subsidiary	Name of shareholder	Percentage of issued share capital
Hang Shun Fat Company, Limited	Honorway Investments Limited	11.8%
	Wideland Investors Limited	11.8%
	Mr. Leung Kau Kui, deceased	11.8%
Wah Luen Fung Company, Limited	Marvel Sweet Management Ltd.	15%
	Wideland Investors Limited	15%
Asia Pacific Internet Exchange Limited	HKIX Hong Kong Ltd.	25%
Ko Lok Investment Company, Limited	Marvel Sweet Management Ltd.	40%
Goldenburg Properties Limited	Gorich Traders Limited	30%
Dah Chong Hong (Macao) Engineering Limited	Mr. Ma Iao Hang	20%
	Mr. Liu Chak Wan	20%
Dah Chong Hong Macau Total Supply Chain Management Company Limited	CBA Investments Company Limited	35%
	Cheong Wah Hong Corporation – Enterprises and Investments Limited	10%
DCH Supply Chain Management Company Limited	Excel Epoch International Limited	20%
Mainstream Holdings Limited	IBP Caribbean Inc.	45%
Regal Heights Limited	Perdue Farms Incorporated	40%
Winway Investments Holdings Corp.	Rising Sun Investments Holdings Ltd.	38%
Join Resources Limited	Swire Properties Limited	16.67%

Name of subsidiary being a joint venture company established in the PRC without the concept of general meetings (#)	Name of shareholder	Percentage of registered capital
Guangdong Jing Yun Distribution Co., Ltd.	Guangdong Huada Distribution Company	10%
無錫太湖景發展有限公司 (Wuxi Taihu Jing Development Co., Ltd.)	無錫市國聯發展(集團)有限公司 (Wuxi Guo Lian Development Group Co., Ltd.)	30%
無錫太湖苑置業有限公司 (Wuxi Taihu Yuan Property Co., Ltd.)	無錫市國聯發展(集團)有限公司 (Wuxi Guo Lian Development Group Co., Ltd.)	30%
無錫太湖美生態環保有限公司 (Wuxi Taihu Mei Environmental Co., Ltd.)	無錫市國聯發展(集團)有限公司 (Wuxi Guo Lian Development Group Co., Ltd.)	30%
Jiangsu CP Xingcheng Special Steel Co., Ltd.	Jiangyin Steel Mill Bright Trinity Enterprises Ltd.	10.6% 11.62%
Jiangyin Xingcheng Steel Products Co., Ltd.	Jiangyin Steel Mill	11.7%
Jiangyin Xingcheng Storage and Transportation Co., Ltd.	Jiangyin Steel Mill	11.7%
Wuxi Xingcheng Steel Products Co., Ltd.	Jiangyin Steel Mill	11.7%
Kunming Dah Chong Motor Service Co., Ltd.	雲南客車廠(Yunnan Coach Factory)	30%
Guangdong Dah Chong Foodstuffs Co., Ltd.	Guangdong International Trade Travel Service Ltd.	30%
Qingdao Adachi Paints and Chemical Materials Co., Ltd.	New Asia Pacific Group Co. Ltd.	25%
Shanghai DCH Jiangnanfeng Co., Ltd.	Shanghai Agriculture Investment Holding Co., Ltd. Shanghai Pudong Huilun Enterprise Holding Co., Ltd.	12.67% 10.56%
Shenzhen Zhongliangdachang Foodstuffs Co., Ltd.	COFCO Shenzhen Trading & Development Co. Ltd.	30%
Dalian CP Digital Technology Co., Ltd.	大連儀表集團有限公司 (Dalian Instrument Group Co., Ltd.)	19.5%
上海中信泰富廣場有限公司 (Shanghai CITIC Square Co., Ltd.)	Shanghai Jingan City Trading Group Company	10%

Although the information relating to these joint venture companies have been set out under this section, such joint venture companies established in the PRC under the relevant laws thereof have a different capital structure from, and do not have the same concept of shareholders general meetings as, subsidiaries of the Company established in other jurisdictions.

3. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

4. SERVICE CONTRACTS

There is no existing or proposed service contracts between any of the Directors and the Company or any of its subsidiaries, other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTEREST

In so far as the Directors are aware, none of the Directors or their respective associates have any interest in a business which competes or is likely to compete with the business of the Group.

6. GENERAL

- (a) The secretary of the Company is Ms. Alice Tso Mun Wai, ACIS, MA and the qualified accountant of the Company appointed pursuant to Rule 3.24 of the Listing Rules is Mr. Leslie Chang Li Hsien, HKICPA, AICPA, NYSSCPA.
- (b) The registered office of the Company is at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong.
- (c) The share registrars of the Company is Tengis Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.