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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 licensed securities dealer or registered institution 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 licensed securities dealer or registered institution in securities 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

DAYE SHARE REFORM PLAN

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DEFINITIONS

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

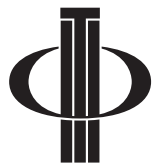
“Board”	the board of Directors
“CITIC Pacific” or the “Company”	CITIC Pacific Limited, a company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange
“CITIC Pacific China”	中信泰富(中國)投資有限公司(CITIC Pacific China Holdings Limited), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Daye”	大冶特殊鋼股份有限公司 (Daye Special Steel Co., Ltd.), a joint stock limited company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange
“Daye Freely Transferable Share(s)”	freely transferable share(s) of Daye
“Daye Non-freely Transferable Share(s)”	not freely transferable share(s) of Daye
“Daye Share Reform Plan”	the proposal for the conversion of the Daye Non-freely Transferable Shares into Daye Freely Transferable Shares
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Implementation Date”	the date of implementation of the Daye Share Reform Plan
“Latest Practicable Date”	16 December 2005, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option Date”	the last trading day of the twelfth month after the Implementation Date

DEFINITIONS

“Option Period”	the trading days comprised in a period of 30 days after the Option Date
“Percentage Ratios”	has the meaning set out in Rule 14.04(9) of the Listing Rules
“PRC”	the People’s Republic of China
“Record Date”	3 January 2006, which is the date chosen for the determination of shareholders’ entitlements to vote in respect of the Daye Share Reform Plan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of HK\$0.40 each in the share capital of the Company
“Shareholders”	holder of Shares in CITIC Pacific
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xin Yegang”	湖北新冶鋼有限公司 (Hubei Xin Yegang Co., Ltd.), a joint venture company incorporated in the PRC and owned as to 95% by the Company and as to 5% by 黃石東方投資有限公司 (Huangshi Dongfang Investment Co., Ltd.)
“%”	percentage

(For the purpose of illustration only, the exchange rate of RMB1 to HK\$0.96 is adopted.)

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

22 December 2005

To the Shareholders,

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

DAYE SHARE REFORM PLAN

INTRODUCTION

On 23 November 2005, the Board announced that the Daye Share Reform Plan was proposed by Xin Yegang and CITIC Pacific China, which together hold a total of 261,238,480 Daye Non-Freely Transferable Shares (representing an approximately 58.13% of all the

LETTER FROM THE BOARD

issued shares in Daye and approximately 92.52% of all the issued Daye Non-freely Transferable Shares) and that communication with the holders of Daye Freely Transferable Shares would be made for the purposes of obtaining their views on Daye Share Reform Plan.

Subsequently, on 2 December 2005, the Board announced that such communication ended on 2 December 2005, and the conclusion was that the exercise price of the Option would be revised from RMB3.7 to RMB3.8 per Daye Freely Transferable Share with other terms of the Daye Share Reform Plan as disclosed in the announcement of 23 November 2005 remain unchanged. Accordingly, the terms of the Daye Share Reform Plan were finalised on 2 December 2005. Subject to the obtaining of the requisite shareholders' approvals, the Daye Share Reform Plan will proceed on the terms and conditions with the said alteration cleared by the Shenzhen Stock Exchange.

As the applicable Percentage Ratios are more than 5% and less than 25%, the proposed granting of the Options by Xin Yegang under the Daye Share Reform Plan constitutes a discloseable transaction for the Company 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 Options and the Daye Share Reform Plan.

DAYE SHARE REFORM PLAN

The finalised terms and conditions of the Daye Share Reform Plan are summarised below:–

Conversion of Daye Non-freely Transferable Shares into Daye Freely Transferable Shares

Subject to the obtaining of the requisite shareholders' approvals as described below, the Daye Non-freely Transferable Shares will be freely transferable on the Shenzhen Stock Exchange on the first trading day following the Implementation Date subject to a lock-up period of 36 months in the case of Xin Yegang and CITIC Pacific China and a period of at least 12 months as required by the applicable laws in the case of the remaining holders of Daye Non-freely Transferable Shares. However, some of such remaining holders of Daye Non-freely Transferable Shares have accepted longer lock-up period of up to 24 months.

Conditions

The Daye Share Reform Plan is conditional upon:

- (a) the approvals of more than two-thirds of (i) all the shareholders of Daye and (ii) the holders of Daye Freely Transferable Shares; and
- (b) the completion of all the necessary formalities for the purpose of enabling the trading on the Shenzhen Stock Exchange of those Daye Freely Transferable Shares to be converted from Daye Non-freely Transferable Shares.

LETTER FROM THE BOARD

The votes of the shareholders of Daye in respect of the Daye Share Reform Plan may be cast at a meeting to be held on 12 January 2006 or via the internet from 10 January 2006 to 12 January 2006.

If any of such conditions cannot be fulfilled, the Daye Share Reform Plan will not be implemented.

Put Option

Xin Yegang will grant a put option (the “**Option**”) to each holder of Daye Freely Transferable Shares, pursuant to which a holder of Daye Freely Transferable Shares (whose name shall be registered on the register of members of Daye upon close of trading on the Option Date) shall have the right (but not the obligation) to sell its Daye Freely Transferable Shares to Xin Yegang within the Option Period at an exercise price of RMB3.8 per Daye Freely Transferable Share (subject to adjustment for any cash or scrip dividend distributions by Daye and conversion of Daye’s common reserve fund to equity), representing a premium of 14.46% over the closing price per Daye Freely Transferable Share at the close of trading on 28 October 2005 after which date trading in Daye Freely Transferable Shares was suspended pending the announcement of the Daye Share Reform Plan. Based on the 167,040,000 Daye Freely Transferable Shares in issue as at the date hereof, the full exercise of the Options would require the payment of approximately RMB634.75 million (approximately HK\$609.36 million) by Xin Yegang, which is intended by the Company to be funded by the Group’s internal resources.

If the conditions for the Daye Share Reform Plan as set out above cannot be fulfilled, any granting of Options will not be effective and the Company will make an announcement to disclose the same. Upon the exercise of the Option, the Company will comply with all the relevant requirements of the Listing Rules in relation thereto.

Further Undertakings

Xin Yegang further undertakes that it will:

- (1) prior to the Record Date, pay a performance guarantee deposit of approximately RMB126.95 million (approximately HK\$121.87 million), representing 20% of the total amount payable by Xin Yegang upon full exercise of the Options, into the bank account designated by the relevant authority, which will be frozen until the expiry of the Option Period. Such performance guarantee deposit will be funded by the Group’s internal resources;
- (2) with a view to ensuring that the following debts be repaid prior to the Record Date, actively procure the repayment to Daye of an aggregate amount of approximately RMB188.88 million (approximately HK\$181.32 million) owed by two debtors of Daye and provide an irrevocable guarantee for the said repayments. In the event that the said two debtors fail to make such repayments, Xin Yegang will repay the said amount to Daye on their behalf

LETTER FROM THE BOARD

out of the purchase prices payable by the Group for the Group's acquisitions of certain assets including fixed assets and stocks of two steel pipe factories from the two debtors or their parent company. Save for such arrangements, the two debtors are third parties independent of the Company; and

- (3) within 3 years from the Implementation Date, put forward proposal(s) at meeting(s) of the shareholders of Daye in respect of Xin Yegang's injection(s) of quality asset(s) of a value of not less than RMB300 million and of a return on net asset ratio calculated on the basis of the audited financial statements for the preceding financial year of not less than 10% to Daye with a view to enhancing the profitability of Daye. In the event that such undertaking is not complied with, Xin Yegang shall pay to each shareholder of Daye (other than Xin Yegang and CITIC Pacific China) RMB0.053 for each share of Daye held by such shareholder. Based on the number of shares of Daye held by the shareholders of Daye (other than Xin Yegang and CITIC Pacific China) as at the date hereof, an aggregate amount of approximately RMB10 million (approximately HK\$9.6 million) shall be payable by Xin Yegang if it fails to comply with such undertaking. If the conditions for the Daye Share Reform Plan as set out above cannot be fulfilled, Xin Yegang will not be bound by this undertaking.

The Directors expect that the above undertakings given by Xin Yegang will not have material adverse effect on the earnings, assets and liabilities of CITIC Pacific.

The holders of Daye Non-freely Transferable Shares, other than Xin Yegang, are not obliged to, and will not grant, nor be granted, the Option or give any of the above undertakings to be given by Xin Yegang described above, except that some of them have accepted a lock-up period of longer than the legal requirement of 12 months as mentioned above.

INFORMATION RELATING TO THE COMPANY AND DAYE

The Group is engaged in diversified range of businesses in Hong Kong and the PRC, including basic infrastructure (such as power generation, communications, aviation and civil infrastructure), manufacturing of specialty steel, marketing and distribution of motor vehicles and consumer products, and property investment and development.

Daye is a joint stock limited company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange. Daye is primarily engaged in specialty steel manufacturing.

As at the Latest Practicable Date, insofar as the Directors were aware, Daye did not have any substantial shareholder (within the meaning of the Listing Rules) other than Xin Yegang and CITIC Pacific China. As at the Latest Practicable Date, Daye had more than 50,000 holders of its Daye Freely Transferable Shares. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable

LETTER FROM THE BOARD

enquiry, in respect of those shareholders holding Daye Freely Transferable Shares of a value (valued on the basis of RMB3.8 per Daye Freely Transferable Share) which gave a relevant percentage ratio of Rule 14.07 of more than 0.1%, none of such shareholders was a connected person of the Company.

For the year ended 31 December 2004, both the audited net profits before and after taxation of Daye were approximately RMB27 million (approximately HK\$26 million). For the year ended 31 December 2003, the audited net losses before and after taxation of Daye were approximately RMB29 million (approximately HK\$28 million) and RMB43 million (approximately HK\$41 million) respectively. As at 30 September 2005, the net asset value of Daye was approximately RMB927 million (approximately HK\$890 million).

REASONS AND BENEFITS FOR DAYE SHARE REFORM PLAN

The implementation of the Daye Share Reform Plan is in line with the prevailing development of the securities market of the PRC and will render the Daye Non-freely Transferable Shares held by the Group becoming freely transferable on the Shenzhen Stock Exchange.

The Board considers that the implementation of the Daye Share Reform Plan is in the interest of the Group because it can enhance the value of the Group's interest in Daye, and will provide more flexibility to the Group in dealing with its interest in Daye. The Directors (including the independent non-executive directors) also consider that the terms thereof (including the granting of the Options (as defined above)) are fair and reasonable from the perspective of the Group whilst giving an incentive for holders of Daye Freely Transferable Shares to support the Daye Share Reform Plan and they are in the interests of the shareholders of the Group as a whole.

The Directors expect that if the Options are not exercised, the Daye Share Reform Plan will not have any material effect on the earnings, assets and liabilities of CITIC Pacific, and that if the Options are fully exercised, it would not have material adverse effect on the earnings, assets and liabilities of CITIC Pacific.

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			Trusts and similar interests	Percentage of issued share capital (%)
	Personal interests	Corporate interests	Family interests		
Larry Yung Chi Kin		400,381,000			18.258
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	2,000,000	Nil	104,000,000	4.74
	1 Nov 2004	2,000,000			
	5 Dec 2005	100,000,000 (Note)			
Peter Lee Chung Hing	28 May 2002	1,000,000	Nil	2,000,000	0.091
	1 Nov 2004	1,000,000			
Norman Yuen Kee Tong	28 May 2002	500,000	Nil	1,000,000	0.046
	1 Nov 2004	500,000			
Vernon Francis Moore	28 May 2002	1,000,000	Nil	2,000,000	0.091
	1 Nov 2004	1,000,000			
Yao Jinrong	28 May 2002	300,000	Nil	800,000	0.036
	1 Nov 2004	500,000			
Li Shilin	28 May 2002	300,000	Nil	300,000	0.014
Carl Yung Ming Jie	28 May 2002	300,000	Nil	800,000	0.036
	1 Nov 2004	500,000			
Liu Jifu	28 May 2002	300,000	Nil	800,000	0.036
	1 Nov 2004	500,000			
Leslie Chang Li Hsien	28 May 2002	300,000	Nil	800,000	0.036
	1 Nov 2004	500,000			

Note: These 100,000,000 Share options were granted by CITIC Hong Kong (Holdings) Limited ("CITIC HK"), a substantial shareholder of the Company (within the meaning of the Listing Rules).

(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:

(i) *Interest in the Shares*

Name	Number of Shares of the Company	Percentage to the issued share capital (%)
CITIC Group	632,253,285	28.832
CITIC HK	632,253,285	28.832
Heedon Corporation	496,386,285	22.636
Honpville Corporation	310,988,221	14.181

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>20,462,000</i>	<i>0.933</i>
<i>Cordia Corporation</i>	<i>32,258,064</i>	<i>1.471</i>
<i>Honpville Corporation</i>	<i>310,988,221</i>	<i>14.181</i>
<i>Hainsworth Limited</i>	<i>82,601,000</i>	<i>3.767</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 beneficially. Accordingly, Honpville Corporation is a substantial shareholder of the Company (within the meaning of the Listing Rules).

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.

(ii) *Short position in the Shares*

Name	Number of Shares of the Company	Percentage to the issued share capital (%)
CITIC Group	100,000,000	4.56
CITIC HK	100,000,000	4.56

These are in respect of options granted by CITIC HK, a substantial shareholder of the Company (within the meaning of the Listing Rules), to Mr. Larry Yung Chi Kin.

As at the Latest Practicable Date, save as disclosed below, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or, was, 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 Vernon Francis Moore	CITIC HK	Director
	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 or a member of the Group) was, 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 Wideland Investors Limited Mr. Leung Kau Kui, deceased	11.8% 11.8% 11.8%
Wah Luen Fung Company, Limited	Marvel Sweet Management Ltd. Wideland Investors Limited	15% 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 Mr. Liu Chak Wan	20% 20%
Dah Chong Hong Macau Total Supply Chain Management Company Limited	CBA Investments Company Limited Cheong Wah Hong Corporation – Enterprises and Investments Limited	35% 10%
Dah Chong Hong Macau Food Supply Company Limited	CBA Investments Company Limited Cheong Wah Hong Corporation – Enterprises and Investments Limited	35% 10%
Dah Chong Hong Macau Logistics Warehouse Company Limited	CBA Investments Company Limited Cheong Wah Hong Corporation – Enterprises and Investments Limited	35% 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.	12.67%
	Shanghai Pudong Huilun Enterprise Holding Co., Ltd.	10.56%

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
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.