This summary aims to give you an overview of the information contained in this Prospectus and should be read in conjunction with the full text of this Prospectus. Since this is a summary, it does not contain all the information that may be important to you. You should read this Prospectus in its entirety before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are summarized in the section headed "Risk Factors" in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

Various expressions used in this section are defined or explained in the sections headed "Definitions" and "Glossary of Technical Terms" in this Prospectus.

The 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. Leveraging on the strong brand name of "Dah Chong Hong" in Hong Kong and with over 40 years of experience engaging in motor vehicle sales and related businesses, the Group is now a leading motor group in Hong Kong and Macao and is pursuing a strategy to be one of the leaders in the PRC market. The Group is also a leading food and consumer products distribution group with over 50 years of experience and a leading logistics service provider in Hong Kong. It is pursuing a strategy to be a leading food and consumer products trading group and a leading logistics service provider in the PRC and Macao.

The Group's leading position in its core trading and distribution business in Hong Kong has enabled it to generate a strong and stable recurring cashflow from its motor vehicle and related business as well as its food and consumer products business to fund the development of its PRC business. With rapidly rising PRC consumer demand, the Group has adopted a high growth strategy in its PRC business, supported by its strong local management team's ability to capture the business opportunities in the PRC market. This has proven to be a successful strategy as the Group's revenue derived from the PRC constitutes a substantial part of the Group's total revenues during the three years ended 31 December 2006 and the six months ended 30 June 2007.

The Group has over 40 years of experience in the sales, distribution and servicing of motor vehicles, during which time it has established long term relationships with international motor vehicle manufacturers. As at the Latest Practicable Date, it was granted distributorships for 11 brands of motor vehicles in Hong Kong, which accounted for approximately 27% of the brand new vehicle market in the territory in 2006 according to the new vehicle registration scheme of the Transport Department of Hong Kong. The brands in Hong Kong as at the Latest Practicable Date included Acura, Audi, Bentley, Honda, Isuzu, MAN, Nissan, Opel, Saab, UD Nissan Diesel and Volkswagen. Pursuant to these distributorships other than the distributorship for Bentley, the Group is responsible for the distribution and service operations of 10 brands of motor vehicles within Hong Kong and Macao, including the right to appoint dealers within Hong Kong and Macao, who are responsible for the sale of these motor vehicles to end consumers. As at the Latest Practicable Date, the Group also sold, through its subsidiaries and Contractual Arrangements with local partners, 17 vehicle brands (including 2 national and a regional distributorship), 29 4S outlets in 10 major cities in the PRC, 21 of which are operated under city dealerships. As at the Latest Practicable Date, the brands in the PRC included, among others, Bentley, BJ Hyundai, DF Honda, DF Nissan, DYK, FAW Audi, FAW Mazda, FAW Toyota, GZ Honda, Haima, Isuzu, Nissan, Qingling, Renault and SGM Buick. Pursuant to such city dealerships, the Group is responsible for the retail business of the sale of the motor vehicles to end consumers within the specified cities in the PRC. In addition, three memoranda of understanding were entered into in respect of three 4S outlets for Mercedes-Benz vehicles and Haima vehicles. The Group also has vehicle distribution businesses in Canada and Singapore. Given the wide range of brands in the Group's portfolio, it covers target customers from all walks of life and industries.

In addition, the Group has, through its subsidiary, Dah Chong Hong, over 50 years of experience in the trading and distribution of food and consumer products. As at the Latest Practicable Date, it distributed over 500 food commodities from 39 countries, such as frozen beef from Tyson of the United States and frozen pork and poultry from Seara of Brazil to a wide range of customers, including wholesalers which the Directors believe the Group has achieved market penetration in the wholesaler segment of approximately 81% in Hong Kong in 2005, and approximately 700 fast moving consumer goods, or FMCG, from 28 countries, such as Pocari Sweat sports drink, Ovaltine tonic food drink, and Ferrero confectionery. The Group also has an extensive distribution network covering more than 5,000 customers in Hong Kong and Macao, and more than 10,000 customers in the PRC. The Group's customers come from the food service, retail and wholesale industries in the PRC, Hong Kong and Macao as well as from overseas markets in Japan and Singapore. It also has a significant presence in the Hong Kong frozen food retail market with its 48 DCH Food Mart outlets and 4 DCH Food Mart Deluxe outlets.

The diversified and broad client base and customer information database have provided the Group with a ready platform to establish a well developed distribution network to service its businesses as well as for servicing third party customers, including but not limited to FMCG suppliers, food service operators, retailers and hoteliers. The Group sees great potential for growth in its logistics business as its customer base provides a one-stop brand building and penetration platform to the Hong Kong, Macao and the PRC markets for FMCG brand owners, especially in the imported branded food products segment. Coupled with the Group's strong national distribution network in the PRC, the Group aims to provide food supply chain management services to its customers in the catering and hospitality sectors. The Group's logistics and supply chain management business has received professional and international recognitions. In 2006, the Group was awarded the "Best Regional Third Party Logistics Company (3PL) in 2006" by the Global Institute of Logistics based in New York and also the "Hong Kong Logistics Award 2006" by the Hong Kong Trade Development Council and the Hong Kong Productivity Council, which among other criteria, includes assessment on a candidate's leadership and contribution to the logistics industry. As consumer spending in the PRC continues to increase and more manufacturers opt to outsource their logistics operations to professional logistics service providers, the Group believes that supply chain management services and logistics business offer strong growth potential in the coming years.

The Group's strong client relationships place it in a favourable position to obtain a high level of recurring business. It has forged a global and reputable customer base as well as an international procurement network which includes leading domestic and international brand names. The Group's ability to maintain such long-standing relationships with its customers and suppliers is mainly attributable to the Group's integrity and professionalism in customer service, both of which have been recognised in the industry and have led to the development of a strong brand name and goodwill for the Group.

The Group's core businesses are entering into an expansionary phase of the business cycle, creating significant opportunities with the Group's established PRC distribution network, customer base, and international procurement network. With this, the Group intends to further develop its motor vehicle, food and consumer products and logistics businesses in the PRC with an ultimate aim to be a leader in the trading and distribution of multi-brand motor vehicles, food and consumer products in various major cities in the PRC, and to be a leader in the provision of total food supply chain services.

The following tables show the turnover of each business segment of the Group as well as the geographical breakdown of revenue, each expressed as a percentage of the total turnover for the three years ended 31 December 2006 and the six months ended 30 June 2006 and 2007:

Turnover	For the years ended 31 December						For the six months ended 30 June			
	2004		2005		2006		2006		2007	
	HK$'m	*%*	*HK$'m*	*%*	*HK$'m*	*%*	*HK$'m* *(unaudited)*	*%*	*HK$'m*	*%*
Motor segment	6,681.0	58.1	5,532.8	52.6	7,683.9	59.5	3,469.6	59.4	4,312.7	61.8
Food and consumer products segment	4,677.8	40.8	4,821.5	45.8	5,047.1	39.0	2,284.7	39.1	2,567.3	36.7
Logistics segment	85.6	0.7	117.8	1.1	144.4	1.1	64.0	1.1	84.8	1.2
Others	49.7	0.4	47.9	0.5	51.0	0.4	24.0	0.4	24.2	0.3
Total	**11,494.1**	**100.0**	**10,520.0**	**100.0**	**12,926.4**	**100.0**	**5,842.3**	**100.0**	**6,989.0**	**100.0**

Turnover	For the years ended 31 December						For the six months ended 30 June			
	2004		2005		2006		2006		2007	
	HK$'m	*%*	*HK$'m*	*%*	*HK$'m*	*%*	*HK$'m* *(unaudited)*	*%*	*HK$'m*	*%*
Hong Kong and Macao	5,364.8	46.7	5,683.6	54.0	5,791.7	44.8	2,771.2	47.4	2,949.3	42.2
PRC (other than Hong Kong and Macao)	4,791.6	41.7	3,516.6	33.4	5,569.1	43.1	2,379.7	40.7	3,216.5	46.0
Others	1,337.7	11.6	1,319.8	12.6	1,565.6	12.1	691.4	11.9	823.2	11.8
Total	**11,494.1**	**100.0**	**10,520.0**	**100.0**	**12,926.4**	**100.0**	**5,842.3**	**100.0**	**6,989.0**	**100.0**

CUSTOMERS

Motor vehicles

The Group operates in diverse market environments, faces various market risks and has different operating modes of businesses in Hong Kong, Macao and the PRC. The degrees of differences vary from locations to locations, and from segments to segments. Hong Kong's motor vehicles industry is a matured market with market size maintained at around 33,000 units to 34,400 units in the past three years. Passenger car sales accounted for the biggest portion in the vehicle sales in Hong Kong and the annual sales volume maintained steadily at around 24,000 units to 25,500 units since 2004. In view of Hong Kong's well-developed public transport system and high standard of living, passenger cars are a luxury good to most end consumers. As a result, motor vehicle buyers consider exterior design, quality, performance and price as some of the important elements in making the vehicle purchase decision. Based on the Group's experience, luxury sedan, better specification or full options models usually receive better responses from customers than other more economical models. Under this customer preference, the Group expects the latest Tax Incentive programme for environmentally friendly petrol private cars would not vastly increase the market size. However, the incentive program will encourage car buyers to purchase environmental friendly models. Meanwhile, the sales of other commercial vehicle such as taxi, buses, light buses and goods vehicles were highly driven by government policy. In order to improve the air quality, there were a number of subsidy or incentive programs implemented by the Hong Kong government in the past years, including the latest replacement scheme for pre-Euro and Euro I diesel commercial vehicle, these programs encouraged the replacement demand commercial vehicle operators and helped to increase the vehicle sales. For its Hong Kong vehicle distribution business, the Group plays the role of a distributor and a dealer at the same time, as there is no industry regulatory restrictions in Hong Kong prohibiting the dual-function as both the vehicle distributor and dealer. The Group is involved in every channel in the process of the distribution of motor vehicles sourced from the automobile manufacturers until the delivery of the motor vehicles to the hands of the end consumers.

While in the PRC, regulated by the Measures for the Implementation of the Administration of Branded Automobile Sales (汽車品牌銷售管理實施辦法), the role and duty of every party in the vehicle distribution process, from the manufacturer, the distributor to the dealer, are well defined. Due to the extensive coverage of dealership network, manufacturers are usually involved in the distribution as well, and will also occasionally be involved in the dealership role. As the distributorship role is usually taken up by manufacturers directly, individual operators are mainly involved in the dealership business. In order to cover all potential customers in such a large country, manufacturers will appoint more than one dealerships in the same territory, thus a dealership has to face competition from dealerships of other brands and even dealership of the same brand. Unlike Hong Kong market, there may also be competition from dealerships in nearby territories. In the PRC, despite keen price competition, motor vehicle buyers also consider the quality and after sales services in making vehicle purchase decision. In addition, given the large market size, the market is able to accept a greater variety of brand and products than small market such as Hong Kong. The Group's city dealership business is mainly focus on the retail aspect in the vehicle distribution process, which a manufacturer or distributor delivers the vehicles directly to the city dealer, and the Group, as a city dealer, is only responsible for selling of the motor vehicles to end consumers, providing aftersales service and doing local advertising and promotional activities for the dealership. As for the distributorship business, the Group performs similar functions as that rendered in Hong Kong and Macao except for the selling of motor vehicles and providing of aftersales services to end consumers, where such services are sometimes handled by the city dealers appointed by the Group with the approval from automobile manufacturers.

In Hong Kong and Macao, the Group faces keen competitions from other motor vehicle distributors and parallel importers for motor vehicles of the same categories. Such competition is among various automobile brands as each automobile brand appoints only one distributor in Hong Kong and Macao. On the other hand, in the PRC, the Group faces keen competitions among other dealers distributing the same brand as well as other brands within the authorised territory since there are usually multiple dealers for each brand within the authorised territory. Please see "Business — Competition". The Group faces other market risks in Hong Kong, Macao and the PRC such as the risks of changes in customer preference, price competition, product defect, delay in factory production. Please see "Risk factors".

Food and consumer products

For its food commodities and FMCG distribution business in Hong Kong, the Group's operating mode is encompassing as it covers segments such as wholesale, food service, retail and food processing with strong support from the Group's solid logistics platforms. The encompassing business model of the Group in Hong Kong and Macao is evolved from the ever changing consumer taste or preference for food commodities and FMCG. The increasing trend towards health, diet control, and functional food consumption has boosted the Group's sales of food commodities such as seafood and lean meat, as well as FMCG beverages that come with added minerals or less sugar. On food service, the limited space and rising rental in Hong Kong and Macao have driven food service operators to outsource food preparation processes to food distributors such as the Group, in order to squeeze more space to seat diners by trimming down the size of their kitchens, thereby bringing additional business opportunities for the Group's HACCP-accredited food processing business. Most of the food distribution channels in Hong Kong are handled directly by the Group with some distribution channels handled through wholesalers appointed by the Group to help to distribute to some non-chain retail customers or retail customers who are remotely located. Other than distributing products to a wide array of customers, the Group also runs its own food retail arm comprising Food Mart and Food Mart Deluxe outlets. The Group's food processing operations lend further support by adding processed food products to suit the customers it serves, especially food service and retail. On the other hand, with the liberalisation of the domestic food market with reducing import duties since the PRC became a member of the WTO, as well as the increasing expenditure of urban households on food in the PRC, sales of quality and hygienic food products, especially imported FMCG products, have increased. The main distribution channels for frozen, chilled and packaged food in the PRC remain wholesale and retail markets such as supermarkets, hypermarkets, grocery, fast food chains, convenience stores, restaurants and hotels. Due to the huge territory to cover, the Group leverages on wholesalers in addition to using its own sales teams to maximise market penetration in the PRC. For food commodities, wholesalers play an important part in the Group's distribution network, supported by the Group's direct sales to food service customers for better understanding of their needs and providing better services. With regard to FMCG, retail customers, especially retail chains, which are the core customers, the Group has built dedicated sales and marketing team for effective management. Similar to the operating mode in Hong Kong, wholesalers are appointed to cover FMCG customers not economically served directly by the Group. On retail operation, unlike that in Hong Kong, the Group was not running any retail operations in the PRC as at the Latest Practicable Date as the retail market in the PRC is dominated by large supermarkets and hypermarkets. To sustain long-term business growth, the Group has started to develop house brands to provide further choices to customers and to attain higher economy of scale with the added volume from this business line.

For its food commodities and FMCG distribution business in Hong Kong and Macao, the Group operates in a highly competitive and mature market with relatively few restrictions of market entry. On the other hand, the market for food commodities and FMCG in the PRC is quite competitive in terms of price and stability of supply. The food products market in the PRC is huge in terms of volume and speed in turnover. Please see "Business — Competition". The Group faces other market risks in Hong Kong, Macao and the PRC such as changes in consumers' tastes and preferences, credit risks and inventory obsolescence risks. Viewed as one market generally, the PRC is in fact a summation of slightly different markets because consumers' tastes and preferences vary in different parts in the PRC. Purchasing habit is also not identical. Please see "Risk factors".

On electrical appliances, the Group is involved in distribution in that it sources products from manufacturers and distributes them to retailers. Such products are mainly for household consumption. Since a majority of electrical appliances are sold through retail channels such as retail chain stores and department stores in Hong Kong, Macao and the PRC, maintaining close working relationships with retailers who possess distribution network and good reputation is important. The Group has set up dedicated teams with experienced personnel to manage marketing and sales of products through them. Other than distribution of electrical appliances, the Group also provides repair and maintenance services to the brands it distributes. In view of Hong Kong's high standard of living and the society's concern for the environment, electrical appliances buyers consider brand name, quality, performance, refinement, energy saving, environmentally friendliness as well as product safety as some important factors in making purchase decision. Besides functional aspects, aesthetical dimensions such as the look of the products also have increasing influence on sales. In the PRC, electrical appliances consumers consider energy saving and product safety as important factors for making purchase decision. In addition, with the rising development in the entertainment industry associated with rising consumption power in the PRC, professional audio products have been selling well in the PRC to the entertainment industry. To achieve a win-win situation, the Group plays an important role in bridging the retailers and the manufacturers by keeping manufacturers abreast of consumer feedbacks as well as any newly implemented government policies and potential market changes. Electrical appliances are consumer durables and generally trigger more consumer involvement in deciding what brands to buy. Buying decisions are usually based on quality or price, or both at the same time. The Group faces keen competition in the electrical appliances market in Hong Kong that comprises imported and China-made brands, with high-end and budget products to cater for both quality-conscious and price-conscious consumers. In the PRC, the Group faces keen competition from Chinese brands as well as China-made foreign brands of electrical appliances. Please see "Business — Competition". In Hong Kong, the Group has over the years built a balanced product portfolio to cater for the needs of a wide range of customers. While in the PRC, the Chinese brands and China-made foreign brands bring new business on one hand but on the other hand, this breeds higher risk of stock obsolescence. Hence, the Group has been cautious in managing the introduction of new products and the fading out of past generation items. Please see "Risk factors".

Logistics

On logistics business, operators in Hong Kong and Macao such as the Group, face keen competition especially in the range of services provided, including conventional logistics services such as storage and delivery; value-added services such as product repackaging, customs clearance and food safety inspection arrangement. The Group has a history of working closely with FMCG manufacturers or brand owners in providing value-added services such as providing repackaging materials sourcing services to FMCG customers, thereby saving them costs and time. This has become a competitive edge of the Group compared with other logistics service providers in Hong Kong who are not as strong in serving FMCG customers as the Group. The Group also goes cross-border or cross-market to support customers' business expansion, such as by supporting a customer to expand its garment retail business to Macao recently. In the PRC, the huge geographical coverage of the PRC market poses stringent challenge to any logistics service provider, including the Group. After careful evaluation and planning, the Group has already set up a logistics service network that covers 9 key cities in the PRC with the support from its multi-function logistics hub in Xinhui, Jiangmen city. While the Group will continue to deepen its logistics operations in these key cities, plans are in place to expand to more cities to further expand its logistics coverage in the PRC. The Xinhui logistics hub will be vastly developed to grow its existing business, as well as to lend support to the Group's constantly expanding logistics coverage network in the PRC. The Group is also looking to build cold storage facilities in the Xinhui logistics hub to support business within and outside of China, especially for serving hotels and casinos in Macao.

In a highly competitive logistics market such as Hong Kong, there are always small players who compete primarily on price to attract price-sensitive customers. The Group faces competitions from other logistics operators on pricing and services, which are based on their capabilities measured by factors such as number of warehouses, type of facilities such as cold storage facilities of various temperature, storage area, location of warehouses, size and variety of delivery fleet, degree of sophistication of information technology system, know-how in handling logistics services and experience of management team. In order to distinguish from operators who compete mainly on price, the Group positions and differentiates itself from them by emphasising on the range and level of service it provides. Please see "Business — Competition". In addition, the logistics business in the PRC is still in a development stage and is identified as a focus industry in many cities in which local governments are required to speed up its development. As at the Latest Practicable Date, sophisticated facilities such as cold storage warehouses and temperature-controlled delivery trucks are in strong demand. Standards of logistics services have ample room for improvement to match the international standards. While there is a huge potential for growing logistics business in the PRC, a key factor hinges on the pace of the development of infrastructure in the PRC, because without effective and efficient transport network, investment in developing logistics business could be in vain. Please see "Industry overview — The PRC logistics services and supply chain management industry" and "Risk factors".

Customer relationships

The Group's motor vehicle business has established good customer relationships with major corporations and government departments. The Group has also set up a "DCH Motor Club" in Hong Kong to promote its latest motor vehicles and services to car owners who have purchased motor vehicles from the Group. Motor business has now built up and maintained a database of over 100,000 existing customers. In respect of the Group's food and consumer products business, it has maintained very good relationships with major supermarket chains, convenience stores chains, hotels and fast-food restaurant chains in Hong Kong, Macao and the PRC. As at the Latest Practicable Date, the Group's food and consumer goods business had more than 5,000 customers in Hong Kong and Macao, and more than 10,000 customers in the PRC. With respect to its logistics business, the Group has developed its customer base from FMCG brand manufacturers, retailers, food service operators and exporters, and is continuing to expand this base.

The Group has maintained business relationships with its five largest customers and its largest customers for the three years ended 31 December 2006 and six months ended 30 June 2007 for not less than 5 years each. Although the Group has not entered into any long-term contracts with any of its customers save for the dealership agreement for its motor vehicle customers, the Directors consider that the Group has a good business relationship with its customers. The Group's sales to customers are generally denominated in the currencies of the countries in which the members of the Group operate, such that sales in Hong Kong are denominated in Hong Kong dollars, MOP in Macao, RMB in the PRC, Japanese Yen in Japan, Canadian dollars in Canada and Singapore dollars in Singapore.

For the three years ended 31 December 2006 and six months ended 30 June 2006 and 2007, the breakdown of sales in different currencies by percentage is as follows:

	For the years ended 31 December			For the six months ended 30 June	
	2004	**2005**	**2006**	**2006**	**2007**
Net Sales					
British Pounds Sterling	0.7%	0.5%	0.2%	0.1%	0.3%
Canadian dollars	2.9%	2.9%	2.1%	2.2%	2.4%
Euro	0.5%	0.1%	0.1%	0.2%	0.0%
Hong Kong dollars	48.1%	56.1%	46.4%	48.8%	43.4%
Japanese Yen	21.2%	8.0%	9.8%	11.6%	11.2%
Macao Pataca	0.1%	0.2%	0.2%	0.1%	0.3%
Renminbi	19.2%	22.7%	31.3%	28.0%	32.1%
Singapore dollars	4.5%	4.8%	6.3%	5.4%	6.2%
US dollars	2.8%	4.7%	3.6%	3.6%	4.1%
	100.0%	100.0%	100.0%	100.0%	100.0%

For the three years ended 31 December 2006 and six months ended 30 June 2007:

(a) total turnover attributable to the Group's five largest customers for its motor vehicle business accounted for approximately 14.5%, 4.5%, 9.3% and 13.0% of the Group's total motor vehicle sales turnover respectively;

(b) total turnover attributable to the Group's five largest customers for its food and consumer products business accounted for approximately 8.9%, 10.5%, 10.8% and 11.5% of the Group's total food and consumer products sales turnover respectively; and

(c) total turnover attributable to the Group's five largest customers for its logistics business accounted for approximately 41.2%, 43.1%, 44.4% and 42.5% of the Group's total logistics sales turnover respectively.

For the three years ended 31 December 2006 and the six months ended 30 June 2007, the Group's largest customer for:

(a) its motor vehicle business accounted for approximately 6.7%, 1.7%, 3.3% and 4.5% of the Group's motor vehicle business sales turnover respectively;

(b) its food and consumer products business accounted for approximately 2.4%, 2.8%, 3.2% and 3.8% of the Group's food and consumer products business sales turnover respectively; and

(c) its logistics business accounted for approximately 10.3%, 17.9%, 18.6% and 16.1% of the Group's logistics business sales turnover respectively.

SUPPLIERS

Suppliers relationships

The sources of the Group's supplies of products can be divided into 2 main groups, namely:

(a) products sourced under dealership or distributorship such as motor vehicles, Genuine Parts, OE Parts, FMCG products, electrical appliances and cosmetics; and

(b) food commodities such as frozen meat, frozen seafood and edible oil.

Save for the dealership or distributorship agreements for motor vehicles, Genuine Parts, OE Parts, FMCG products, electrical appliances and cosmetics, the Group has not entered into any other long-term contracts with its suppliers. Although the Group has not entered into any other long-term supply contracts with all of its other major suppliers, the Group does not foresee any major problems in the future related to the obtaining of goods required for its business as most of these products can be sourced in the market from other alternative suppliers and the Directors consider that the Group has a good business relationship with its suppliers. The purchase costs paid to the Group's suppliers are mainly settled in US dollars, Japanese Yen, GBP, Euro and Renminbi.

For the three years ended 31 December 2006 and six months ended 30 June 2006 and 2007, the breakdown of purchase costs in different currencies by percentage is as follows:

	For the years ended 31 December			For the six months ended 30 June	
	2004	2005	2006	2006	2007
Purchases					
Australian dollars	0.2%	0.2%	0.1%	0.1%	0.1%
British Pounds Sterling	2.4%	2.2%	6.0%	6.8%	5.9%
Canadian dollars	3.1%	3.5%	2.4%	3.3%	4.7%
Euro	4.9%	5.5%	5.3%	5.6%	5.4%
Hong Kong dollars	12.1%	15.8%	13.8%	12.1%	9.5%
Japanese Yen	35.2%	22.1%	20.7%	23.5%	21.4%
Renminbi	17.9%	19.9%	27.3%	23.0%	28.8%
Singapore dollars	1.3%	1.5%	1.5%	1.6%	1.8%
US dollars	22.8%	29.3%	22.9%	24.0%	22.4%
Others	0.1%	0.0%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%

The total costs of goods sold account for a significant portion of the Group's cost of sales. Most of the purchases of imported products sourced from suppliers are paid in foreign currencies such as US dollars, GBP, Renminbi, Euro and Japanese Yen while non-imported products are paid in HK dollars and are settled either by cash, letter of credit or telegraphic transfer. The average credit period granted by the Group's suppliers is normally 7 to 30 days after delivery and save for motor vehicles, no trade deposits are required by such suppliers before delivery.

Motor vehicles, FMCG products, electrical appliances and cosmetics distributed or sold by the Group are branded products and are supplied by principals pursuant to various dealership or distributorship contracts. The Directors consider that there is a reliance on these principals for the supply of these products and there is a material risk of supply shortage if these contracts are terminated. However, many of the principals have had long standing business relationships with the Group for many decades and have been supportive of the Group's business for many years.

In contrast, food commodities are widely available in the market. The Directors consider that there is no over-reliance on any individual supplier and no material risk of supply shortage. The Directors believe the Group can replace one supplier with another with no undue difficulty. As these food commodities are readily available in the market and the Group has an extensive supplier network, the Group may opt to purchase from a wide range of alternative suppliers. With a view to maintaining steady supplies and a long term business relationship, the Group has been sourcing food commodities from different suppliers from different countries for most of the food commodities it distributes.

For the three years ended 31 December 2006 and the six months ended 30 June 2007, purchases from the top five largest suppliers of the Group accounted for approximately 40.4%, 27.8%, 26.6% and 28.7% of the Group's total purchases respectively. During the same period, the largest supplier accounted for approximately 18.8%, 7.6%, 11.1% and 10.7% of the Group's total purchases respectively. Isuzu Motors Limited has been one of the five largest suppliers of the Group in terms of the Group's total procurement amount for the three years ended 31 December 2006 and the six months ended 30 June 2007. It was a substantial shareholder of a subsidiary of the Group engaging in marketing activities. Save for the above, the Group's five largest suppliers are all Independent Third Parties.

Supply of motor vehicles

Pursuant to the distributorship agreements, the main obligations of the Group include the arranging of the importation of vehicles and parts if the automobile manufacturers do not have any presence in Hong Kong and Macao and entering into dealership agreements with dealers for the promotion, marketing and sales of the authorised marques of vehicles as well as maintaining after sales service and support to the dealers within Hong Kong and Macao. Due to the relatively small automobile market in Hong Kong, the Group also acts as the dealers under these distributorship agreements for the sale of the automobile products and provides after sales service and support to end consumers in Hong Kong, while the sale of the automobile products in Macao is carried out through dealers appointed by the Group. Under these distributorship agreements, the Group provides product warranties to the vehicles and parts sold by it, backed by the indemnification from the automobile manufacturers. Other than the manufacturers' agreed price for the purchase of the automobile products, there are no other rewards provided to the Group by the automobile manufacturers under these distributorship agreements. As at the Latest Practicable Date, most of these distributorship agreements were valid for an open period. However, they may be terminated by either parties with prior written notice ranging from 2 to 24 months in the absence of any default. On termination, the suppliers have the right to repurchase any new vehicles and parts at the price paid by the Group for such automobile inventory, subject to certain deductions such as depreciation.

As at the Latest Practicable Date, there were 3 business models in which the Group carried out its automobile business in the PRC. Firstly, pursuant to the national or regional distributorship agreements for Bentley, Isuzu and Renault, the main obligations for the Group include the arranging of the importation of vehicles and parts to the PRC market if the automobile manufacturers do not have any presence in the PRC. The Group is primarily responsible for the promotion, marketing and sales of the authorised marques of vehicles as well as maintaining after sales service and support to the dealers within the PRC for Bentley and Isuzu brands or within Anhui, Jiangsu, Zhejiang and Shanghai for Renault. With the approval by manufacturers, the Group has the right to appoint dealers within these territories for sale of the automobile products and provides after sale service and support to end consumers. Under these distributorship agreements, the Group provides product warranties for the vehicles and parts sold by it, backed by the indemnification from the automobile manufacturers. Other than the manufacturers' agreed price for the purchase of the automobile products, there are no other rewards provided to the Group by the automobile manufacturers under these distributorship contracts. As at the Latest Practicable Date, two out of three of these distributorship agreements, namely, Bentley and Isuzu, were valid for an open period. However, they may be terminated by either parties with prior written notice ranging from 2 to 24 months in the absence of any default. On termination, the suppliers have the right to repurchase any new vehicles and parts at the price paid by the Group for such automobile inventory, subject to certain deductions such as depreciation.

Secondly, pursuant to the various city dealership agreements, the Group sources the supply of the authorised marques automobiles from the distributor or manufacturer for sale and after sale service and supports to end consumers within the agreed locations through the 4S outlets established by the Group. Under these city distributorship agreements, the Group provides product warranty services to the end users on behalf of the distributor or manufacturer according to the dealership agreement. Other than the manufacturers' agreed price for the purchase of the automobile products, there will be rewards or rebate if the Group achieves the sales target, service requirements or other requirements set out by the distributor or the manufacturer. As at the Latest Practicable Date, most of the city dealerships are valid for a specified period and may be terminated by either party with prior written notice ranging from 2 to 24 months in the absence of any default. Such city dealerships may be terminated if the Group does not meet the agreed sales targets or the required service standard. On termination, the automobile distributors have the right to repurchase any new vehicles and parts at the price paid by the Group for such automobile inventory, subject to certain deductions such as depreciation.

Thirdly, in acting as a 4S operator, the Group has the similar obligations as a city dealer for the sale and after sale service and supports of the authorised marques automobiles to end consumers. However, such arrangements were governed by the annual purchase agreement with distributor or manufacturer, which will be renewed annually.

COMPETITIVE STRENGTHS

The Directors believe that the Group's historical and potential future growth are primarily attributable to the following strengths:

- the Group has, through Dah Chong Hong, over the past 50 years, built and developed a strong brand name and goodwill in the trading and distribution industry through the premium quality products it distributes and the high quality services it provides
- the Group is a motor vehicle distributor in Hong Kong with approximately 27% of the new vehicle market share in 2006, and with growing sales in the PRC new vehicle market, supported by a comprehensive range of motor vehicle related services
- the Group is a leading food and consumer products distributor with a strong base in Hong Kong and a well established network in the PRC
- the Group has an integrated business platform providing a range of comprehensive supply chain management services to its customers, supported by a strong logistics network and "real time" management system to cater for its multi-brand portfolio
- the Group has a strong management team with ample experience and expertise as well as a well-trained and knowledgeable team of frontline staff in the trading and distribution industry
- the Group has a well developed international procurement network with a large number of long term supplier relationships. It has maintained sizeable records of customer information as well as extensive distribution networks supporting a large customer base which enables effective marketing of its products

BUSINESS STRATEGIES

The mission of the Group is to enhance its leading position in the Hong Kong market for its main business, namely motor vehicles, food and consumer products, and logistics, to become a leading player and partner of choice for its suppliers and customers in Hong Kong and the PRC:

1. expanding its national and city dealerships and motor vehicle related services in the PRC through strategic partnerships with local partners or merger and acquisition exercises as well as diversifying motor vehicle related services in Hong Kong and Macao
2. maintaining growth in its core businesses to continue to generate strong and stable recurring cash flows, in particular by expanding and diversifying existing food commodities, FMCG and consumer products business to increase the Group's scale and market share in Hong Kong, Macao and major cities in the PRC
3. expanding the Group's distribution network in branded imported FMCG products in major cities in the PRC through strategic partnership with local partners or merger and acquisition exercises for faster market penetration

4. continuing to develop new value-added services for its third party logistics customers and to provide fully integrated food supply chain solutions to its customers at the initial phase, with the long term plan to provide total supply chain solutions for other related and synergistic industries

5. continuing to develop and enhance its modern management control system with local expertise and implement international standards of corporate governance

PROPOSED SPIN-OFF OF THE GROUP FROM CITIC PACIFIC

CITIC Pacific has concluded that the Group's business has grown to a size sufficient to command a separate listing and that such listing will also be beneficial to the Group for the following reasons:

- it provides flexibility to the Group in raising future funds from the capital markets to support its growth through continuing organic expansions as well as acquisitions; and

- it enables the Group to take advantage of the significant global growth potential by attracting new investors who are seeking investment opportunities in a conglomerate engaged in a broad range of business.

The proposed spin-off by CITIC Pacific has complied with the requirements of Practice Note 15 of the Listing Rules.

However, the Group has historically relied on financial support provided from its ultimate shareholder, CITIC Pacific, to fund its operation, especially for the Group's business expansion in the PRC. The Group leases some of the properties for its business operations from CITIC Pacific. Upon completion of the Global Offering and the proposed listing of the Group, there can be no assurance that the historical support from its shareholders will continue on terms as favourable as those previously provided. Please see "Risk factors — Risks relating to the Group and its operations — The Group may need additional capital in the future which may not be available on acceptable terms".

In addition, following the Global Offering, CITIC Pacific's equity interests in the Group will be reduced. With the independent operation of the Group from CITIC Pacific and the separate listing, the Group may lose some of the "marketing convenience" it previously enjoyed as a wholly-owned subsidiary of CITIC Pacific. Some of the marketing convenience includes the substantial financial supports from CITIC Pacific which is a listed company as well as CITIC Pacific's wide connections and successful business experiences in the PRC. Please see "Risk factors — Risks relating to the Global Offering — The Group's controlling shareholder may take actions that conflict with the Group's public shareholders' best interest".

RISK FACTORS

There are certain risks and considerations relating to an investment in the Company's Shares, details of which are set out in the section headed "Risk factors" of this Prospectus. A summary of these risks and considerations is as follows:

Risks relating to the Group and its operations

- The Group's future growth relies substantially on the PRC market and may be adversely affected by changes in the PRC's economic, political and social conditions

- A loss of distribution rights granted by the Group's principals or suppliers, or any material disputes between the Group and its principals may adversely affect the results of operations and financial condition of the Group

- The Group depends on major customers, especially the Group's logistics business which depends on its five largest customers in its logistics segment, for a significant portion of its business and the loss of any of such customers could materially and adversely affect the Group's business and financial position

- The Group is subject to credit risk in respect of account receivables

- The Group may need additional capital in the future which may not be available on acceptable terms

- Dividend declared and dividend policy immediately prior to Listing not indicative of future dividends

- The loss of any key members of the management team may impair the Group's ability to identify and secure new contracts with customers or otherwise manage its business effectively

- The Group's operations are dependent on its IT system and the Group relies on sophisticated billing and credit control systems, and any problems with these systems could interrupt the Group's operations

- The Group has not registered some of the intellectual property rights in relation to the products it distributes and supplies, and any unauthorised use, infringement or misappropriation of such rights by third parties may adversely affect the Group's business

- The Group may not be able to sustain its existing sales margins

- The Group is subject to PRC laws and regulations governing social security funds and housing accumulation funds and the failure to comply with the relevant laws and regulations may adversely affect the Group's business

- The Group requires various approvals, licences and permits to operate its business and the loss of or failure to obtain or renew any or all of these approvals, licences and permits could materially and adversely affect its business

- Failure by the Group's principals or suppliers to introduce products that are accepted by the market may cause it to lose market share and fail to gain the anticipated economic benefits of such new products

- The Company's ability to pay dividends and utilise cash resources in its subsidiaries is dependent upon the earnings of, and distributions by, the Company's subsidiaries, associates and jointly-controlled enterprises

- The Group faces inventory obsolescence risk

- Unexpected business interruptions could adversely affect the Group's business

- The Group's business and results of operations may be affected by its chances of securing contracts awarded by tenders

- Product defects of the principals or suppliers and the failure of the principals or suppliers to settle product liability claims may adversely affect the business and results of operations of the Group

- Certain lands or buildings where the Group operates its business in the PRC and overseas do not have proper title or the head lessor's consent for sub-lease or the Group may fail to, or need to incur further expenses or time to, secure legal ownership over certain lands or buildings which it owns in the PRC

- A certain portion of the Group's profits attributable to equity shareholders of the Group during the three financial years ended 31 December 2006 and the six months ended 30 June 2007 was contributed by revaluation gains on investment properties

Risks relating to the industries in which the Group operates

A. Risks relating to the motor vehicle industry

- Increasing competition, particularly in the PRC motor vehicle market, may have an adverse effect on the Group's business growth and results of operations

- Contractual arrangements in respect of certain companies in the PRC may be subject to challenge by the relevant governmental authorities and may affect the Group's investment and control over these companies and their operations

- Overcapacity in the PRC automobile market could have a material adverse effect on PRC automotive importers, dealers and distributors, including the Group

- Imposition of fuel economy standards on PRC automotive manufacturers and the proposed imposition of higher automobile consumption taxes may have a negative effect on the revenues and profits of PRC automobile importers, dealers and distributors, including the Group

- Automobile importers, dealers and distributors in the PRC, including the Group, may expend considerable resources in order to comply with the Regulations on Recall of Defective Automotive Products, which took effect in October 2004

- Imposition of restrictions on road use and traffic control legislation and regulations in Hong Kong, Macao and the PRC may have an adverse effect on importers, dealers and distributors of vehicles, including the Group

- The proposed introduction of the "three guarantees" policy on vehicles sold in the PRC may have a negative effect on the revenues and profits of the Group

- Any trade or other political disputes between countries may affect the Group's selection of motor vehicles to be imported and sales turnover

- Fuel shortages and increases in fuel prices may adversely affect the demand for automobiles

B. Risks relating to the food and consumer products industry

- The outbreak of animal diseases, including the recent outbreak affecting those in contact with streptococcus suis-infected pigs in Sichuan, the PRC, or other epidemics could adversely affect the Group's operations

- The food and consumer products markets in Hong Kong and Macao are highly competitive and any finding or rumour of tainted food may lead to a halt in the demand of a particular product offered by the Group

- The processed meat and other food processing industries in the PRC may face increasing competition from both domestic and foreign companies, as well as increasing industry consolidation, which may affect the Group's market share and profit margin

- The Group's business and results of operations are dependent on its suppliers' ability to supply and continue to supply food and consumer products as well as the suppliers' compliance with labeling or other regulations

- The Group's business and results of operations are dependent on the advertising and promotion strategies which are partially subsidised by its suppliers

- The Group's profitability may be affected by the cost transfer strategies adopted by its customers

- The Group may face legal consequences and financial losses for using its principals' intellectual property rights which its principals have no rights to grant to the Group

C. Risks relating to the logistics industry

- The Group's logistics business and operations may be affected by the availability of its warehousing and storage capacity

- Ability of the Group's competitors in Macao to secure more space or land to expand its logistics business could affect the Group's business and operations

- Any delay by the Group in completing its land use development plans in Xinhui, the PRC may affect the Group's business and operations

- The Group's business and results of operations are dependent on the growing global outsourcing trends

- Any error in recording stocks kept at the private bonded warehouse in the Xinhui logistics hub may affect the Group's business and operations

- Accidental losses suffered by the Group may not be fully indemnified by its insurers which may affect its business and results of operations

Risks relating to economy and politics

- Adverse changes in the PRC's economic, political, social conditions and government policies could have a material adverse effect on the overall economic growth of the PRC, which could adversely affect the results of operations and financial condition of the Group
- The state of Hong Kong's economy and politics may adversely affect the Group's performance and financial condition
- The PRC legal system is continuously evolving and has inherent uncertainties and the legal protections available to the Company, as shareholder of many subsidiaries in the PRC, may be limited
- Changes in foreign exchange regulations and future movements in the exchange rate of Renminbi may adversely affect the results of operations and financial condition of the Group and the Group's ability to pay dividends
- Fluctuation of the US dollar, Japanese Yen, Renminbi, GBP or Euro relative to the Hong Kong dollar could adversely affect the Group's financial condition and results of operations
- An outbreak of the H5N1 strain of bird flu (Avian Flu), SARS or any other similar epidemics may, directly or indirectly, adversely affect the Group's operating results

Risks relating to the Global Offering

- There has been no prior public market for the Shares and liquidity and the trading price of the Shares may be volatile
- Unpredictability of the Group's periodic results may adversely affect the trading price of its Shares
- Purchasers of the Shares may experience dilution if the Company issues additional Shares in the future
- Potential dilution effect on shareholdings in the event of exercising of share options
- Sales of substantial amounts of Shares in the public market may materially and adversely affect the prevailing market price of the Shares
- Forward-looking information included in this Prospectus may not be accurate
- The Group's controlling shareholder may take actions that conflict with the Group's public shareholders' best interests
- No guarantee of the accuracy of facts, forecasts and other statistics derived from the official government publication with respect to the PRC's economy contained in this Prospectus
- Prospective investors should not place any reliance on any information contained in the press coverage regarding the Group and the Global Offering

SUMMARY FINANCIAL INFORMATION

The following summary of the combined income statements of the Group for the three years ended 31 December 2006 and the six months ended 30 June 2006 and 2007 are extracted from the audited financial statements included in the Accountants' Report set out in Appendix I to this Prospectus, and you should read the entire Accountants' Report including the notes thereto for more details.

	For the year ended 31 December						For the six months ended 30 June			
	2004		2005		2006		2006		2007	
	HK$ 'm	%	*HK$ 'm*	%	*HK$ 'm*	%	*HK$ 'm* (unaudited)	%	*HK$ 'm*	%
Turnover	11,494.1	100.0	10,520.0	100.0	12,926.4	100.0	5,842.3	100.0	6,989.0	100.0
Cost of goods sold/services	(9,872.0)	(85.9)	(8,844.5)	(84.1)	(11,022.7)	(85.3)	(4,971.2)	(85.1)	(5,934.0)	(84.9)
Gross profit	1,622.1	14.1	1,675.5	15.9	1,903.7	14.7	871.1	14.9	1,055.0	15.1
Net valuation gains on investment properties	57.1	0.5	77.2	0.7	111.7	0.9	62.6	1.1	60.8	0.9
Other revenue	101.6	0.9	107.1	1.0	123.7	1.0	55.4	0.9	61.6	0.9
Other net gain/(loss)	4.4	0.0	(4.6)	(0.0)	37.2	0.3	23.9	0.4	9.6	0.1
Selling and distribution expenses	(725.9)	(6.3)	(749.5)	(7.1)	(902.2)	(7.0)	(408.0)	(7.0)	(479.5)	(6.9)
Administrative expenses	(723.0)	(6.3)	(740.8)	(7.0)	(797.3)	(6.2)	(385.1)	(6.6)	(410.0)	(5.9)
Profit from operations	336.3	2.9	364.9	3.5	476.8	3.7	219.9	3.7	297.5	4.2
Finance costs	(20.9)		(26.4)		(42.9)		(21.8)		(23.3)	
Share of profits less losses of associates	4.5		(7.4)		(1.3)		(0.0)		1.8	
Share of profits less losses of jointly controlled entities	23.7		28.5		35.5		19.8		22.5	
Profit before taxation	343.6		359.6		468.1		217.9		298.5	
Income tax	(64.5)		(83.7)		(92.8)		(49.3)		(65.1)	
Profit for the year/period from continuing operations	279.1		275.9		375.3		168.6		233.4	
Discontinued Operations										
Profit/(loss) for the year/period from discontinued operations	6.5		(24.1)		(40.2)		(11.5)		(18.3)	
Profit for the year/period	285.6	2.5	251.8	2.4	335.1	2.6	157.1	2.7	215.1	3.1
Attributable to:										
Equity shareholders of the Company	283.0		243.5		323.7		148.6		209.7	
Minority interests	2.6		8.3		11.4		8.5		5.4	
	285.6		251.8		335.1		157.1		215.1	

Net combined profit attributable to equity shareholders of the Company excluding net valuation gains on investment properties (net of deferred taxation effect), profit/loss from discontinued operations (net of taxation effect) and share options expense

Financial performance indicator, namely, net combined profit attributable to equity shareholders of the Company excluding net valuation gains on investment properties (net of deferred taxation effect), profit/loss from discontinued operations (net of taxation effect) and share options expense, presented in this Prospectus, is not a measure of financial performance under HKFRSs but is a useful tool for the Group to measure operating performance of the continuing operations. However, this financial performance indicator should not be considered in isolation or constructed as an alternative to net income or income from continuing operations or as an indicator of operating performance prepared in accordance with HKFRSs.

During the three years ended 31 December 2006 and for the six months ended 30 June 2006 and 2007, the net combined profit attributable to equity shareholders of the Company excluding net valuation gains on investment properties (net of deferred taxation effect), profit/loss on discontinued operations (net of taxation effect) and share options expense, were HK$234.2 million[note 1], HK$208.7 million[note 2], HK$292.1 million[note 3], HK$119.5 million[note 4] and HK$184.8 million[note 5], respectively.

Notes:

1. For the financial year ended 31 December 2004, the net profit attributable to equity shareholders of the Company, net valuation gains on investment properties (net of deferred taxation effect), profit on discontinued operations (net of taxation effect) and share options expense, were HK$283.0 million, HK$44.1 million, HK$6.5 million and HK$1.8 million, respectively.

2. For the financial year ended 31 December 2005, the net profit attributable to equity shareholders of the Company, net valuation gains on investment properties (net of deferred taxation effect), loss on discontinued operations (net of taxation effect) and share options expense, were HK$243.5 million, HK$58.9 million, HK$24.1 million and nil, respectively.

3. For the financial year ended 31 December 2006, the net profit attributable to equity shareholders of the Company, net valuation gains on investment properties (net of deferred taxation effect), loss on discontinued operations (net of taxation effect) and share options expense, were HK$323.7 million, HK$73.8 million, HK$40.2 million and HK$2.0 million, respectively.

4. For the financial period ended 30 June 2006, the net profit attributable to equity shareholders of the Company, net valuation gains on investment properties (net of deferred taxation effect), loss on discontinued operations (net of taxation effect) and share options expense, were HK$148.6 million, HK$42.6 million, HK$11.5 million and HK$2.0 million, respectively.

5. For the financial period ended 30 June 2007, the net profit attributable to equity shareholders of the Company, net valuation gains on investment properties (net of deferred taxation effect), loss on discontinued operations (net of taxation effect) and share options expense, were HK$209.7 million, HK$43.2 million, HK$18.3 million and nil, respectively.

DIVIDEND POLICY

Dividends in the amounts of HK$138.8 million, HK$138.8 million and HK$138.8 million were declared by the Company during the years ended 31 December 2004, 2005 and 2006, respectively. Such dividends were paid in cash and out of the distributable profits of the Company. An interim dividend of about HK$900 million was declared and paid before the Listing Date. In determining the amount of the above interim dividend, the Directors have taken into account the level of the Group's retained earnings, the expected cash flow and the Group's assets and liabilities and consider that the amount of the above interim dividend represents a fair and reasonable return to its controlling shareholders. HK$800 million of such interim dividend was financed by new bank borrowings comprising two 3-year unsecured term loans and four 3-year unsecured revolving credit facilities. The Company does not expect that it needs to utilise any proceeds from the Global Offering to repay the new bank borrowings. The Directors confirmed that during the three years ended 31 December 2006 and the six months ended 30 June 2007 all dividends were paid during periods when the Company was able to pay its debts as they became due.

Subject to the availability of the Company's cash and distributable reserves, the Group's investment requirements, and the Group's cashflow and working capital requirements, the Directors currently intend to declare and recommend dividends which would amount to not less than 30% of the net profit, if any, from ordinary activities for the first financial year subsequent to the Global Offering. The Group's general dividend policy is to determine the dividend on any given year with reference to the net profit generated and dividends are funded by a combination of the Group's operating cash flow and internal financial resources. Going forward, the Company currently expects to maintain a general policy that not less than 30% of its profits available for distribution in each year commencing from the Listing Date will be distributed to its shareholders. However, final dividends, if any, on the outstanding shares must be recommended by the Company's Board and approved at the Company's annual general meeting of shareholders. In addition, the Board may declare such interim dividends as appear to the Board to be justified by the Company's profits. The payment and the amount of any dividends declared will be subject to the articles of association and the Companies Ordinance. No dividends are payable if doing so would render the Company unable to pay its liabilities as they become due or the realisable assets would be less than the aggregate of its liabilities and its issued share capital. The declaration or recommendation of, payment and amount of dividends will be subject to the discretion of the Board and will be dependent upon the Group's future operations, earnings, financial condition, business needs, prospects, cash requirements and availability and other factors as the Board may deem relevant at such time.

The timing, amount and form of future dividends, if any, will depend, among other things, on:

- the Group's results of operations and cash flows;
- the Group's future prospects;
- general business conditions;
- the Group's capital requirements and surplus;
- contractual restrictions on the payment of dividends by the Company to its shareholders or by subsidiaries to the Company;
- taxation considerations;
- possible effects on the Company's creditworthiness;
- statutory and regulatory restrictions; and
- any other factors as the Board may deem relevant.

The recent declaration of a dividend and the above stated intention does not amount to any guarantee or representation or indication that the Company must or will declare and pay a dividend in such manner or declare and pay any dividend at all either in the first financial year subsequent to the Global Offering or thereafter. Particulars of the dividend policy to be adopted by the Group following the Listing are set out in the sub-section headed "Dividend policy, working capital and distributable reserves" under the section headed "Financial information" of this Prospectus. The dividend policy is subject to review by the Directors at any time and the Company may determine not to pay any dividends as a result of such review.

PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2007

	HK$ *(in million)*
Forecast combined profit attributable to equity shareholders of the Company (1)	not less than 415.6
Before:	
(i) Net valuation gains on investment properties (net of deferred taxation effect) (2)	(49.6)
(ii) Losses from discontinued operations (3)	18.3
(iii) Pre-IPO Share Option Scheme (4)	22.3
Net forecast combined profit attributable to equity shareholders of the Company before (i) net valuation gains on investment properties, (ii) losses from discontinued operations and (iii) Pre-IPO Share Option Scheme	not less than 406.6

	After (i) net valuation gains on investment properties, (ii) losses from discontinued operations and (iii) Pre-IPO Share Option Scheme *HK$*	**Before (i) net valuation gains on investment properties, (ii) losses from discontinued operations and (iii) Pre-IPO Share Option Scheme** *HK$*
Pro forma forecast earnings per share		
— Fully diluted (5)	0.229	0.224
— Weighted average (6)	0.231	0.226

Notes:

(1) The forecast combined profit attributable to equity shareholders of the Company for the year ending 31 December 2007 is extracted from the section headed ''Financial information — Profit forecast for the year ending 31 December 2007" in this Prospectus. The bases and assumptions on which the above profit forecast for the year ending 31 December 2007 has been prepared and summarized in Appendix III to this Prospectus. The Directors have prepared the forecast combined profit attributable to equity shareholders of the Company for the year ending 31 December 2007 based on the audited combined results of the Group for the six months ended 30 June 2007, the unaudited combined management accounts of the Group for the month ended 31 July 2007 and a forecast of the combined results of the Group for the remaining five months of the financial year ending 31 December 2007. The forecast has been prepared on a basis consistent in all material respects with the accounting policies presently adopted by the Group as set out in note 1 of Section C of the Accountants' Report, the text of which is set out in Appendix I to this Prospectus.

(2) Under HKFRSs, gains or losses arising from changes in fair values of investment properties are recognised in the income statement in the period in which they arise. Assumptions are set out in the sub-section headed "Assumptions with respect to valuation gains on investment properties" in Appendix III to this Prospectus.

(3) Under HKFRSs, gains or losses arising from the discontinued operations are included in the period in which they arise.

(4) Under HKFRSs, the fair value of the share options granted under the Pre-IPO Share Option Scheme is recognised in the combined income statement with a corresponding increase in amount due to the ultimate controlling party as the expense will be settled in cash by the Group. The fair value is measured at the grant date using binomial model (an applicable option-pricing model) based on the Offer Price of HK$5.22. Assumptions are set out in the sub-section headed "Assumptions with respect to Pre-IPO Share Option Scheme" in Appendix III to this Prospectus.

(5) The calculation of the pro forma forecast earnings per share on a fully diluted basis is based on the forecast combined profit attributable to equity shareholders of the Company for the year ending 31 December 2007, assuming that the Company had been listed on the Stock Exchange since 1 January 2007 and that a total of 1,818,000,000 Shares had been in issue during the entire year. The calculation is based on the assumption of 1,800,000,000 Shares expected to be in issue and 18,000,000 Shares expected to be exercised under the Pre-IPO Share Option Scheme following the Global Offering.

(6) The calculation of the pro forma forecast earnings per share on a weighted average basis is based on the forecast combined profit attributable to equity shareholders of the Company for the year ending 31 December 2007 and a weighted average number of approximately 1,800,000,000 Shares assumed to be in issue during the year. This calculation assumes no exercise of the options that may be granted under the Pre-IPO Share Option Scheme.

GLOBAL OFFERING STATISTICS

	Based on the Offer Price of HK$4.55	Based on the Offer Price of HK$5.22	Based on the Offer Price of HK$5.88
Market capitalization of the Shares (1)	HK$8,190 million	HK$9,396 million	HK$10,584 million
Prospective price/earnings multiple			
Pro forma fully diluted (2)			
(a) After (i) revaluation gains on investment properties (net of deferred taxation effect), (ii) losses on discontinued operations and (iii) Pre-IPO Share Option Scheme	19.8 times	22.8 times	25.9 times
(b) Before (i) revaluation gains on investment properties (net of deferred taxation effect), (ii) losses on discontinued operations and (iii) Pre-IPO Share Option Scheme	20.3 times	23.3 times	26.3 times
Weighted average (3)			
(a) After (i) revaluation gains on investment properties (net of deferred taxation effect), (ii) losses on discontinued operations and (iii) Pre-IPO Share Option Scheme	19.6 times	22.6 times	25.6 times
(b) Before (i) revaluation gains on investment properties (net of deferred taxation effect), (ii) losses on discontinued operations and (iii) Pre-IPO Share Option Scheme	20.1 times	23.1 times	26.0 times
Pro forma net tangible assets value per Share (4)	HK$1.98	HK$2.05	HK$2.11

Notes:

(1) The calculation of market capitalisation is based on 1,800,000,000 Shares expected to be in issue following the Global Offering and the Capitalisation Issue. No account has been taken of the Shares which may fall to be issued upon exercise of the options that may be granted under the Pre-IPO Share Option Scheme.

(2) The calculation of the prospective price/earnings multiple on a pro forma fully diluted basis is based on 1,818,000,000 Shares expected to be in issue following the Global Offering and the Capitalization Issue and the forecast earnings per Share on a pro forma fully diluted basis at the respective Offer Prices of HK$4.55, HK$5.22 and HK$5.88.

(3) The calculation of the prospective price/earnings multiple on a weighted average basis is based on 1,800,000,000 Shares expected to be in issue following the Global Offering and the Capitalisation Issue and the above forecast earnings per Share on a weighted average basis at the respective Offer Prices of HK$4.55, HK$5.22 and HK$5.88, but takes no account of any shares which may be allotted and issued upon the exercise of the options that may be granted under the Pre-IPO Share Option Scheme.

(4) The pro forma net tangible asset value per Share is based on 1,800,000,000 Shares expected to be in issue following the Global Offering and the Capitalisation Issue and the respective Offer Prices of HK$4.55, HK$5.22 and HK$5.88 per Share, assuming that the Pre-IPO Share Option Scheme is not exercised. An interim dividend of approximately HK$900 million was declared and paid before the Listing Date to its controlling shareholders but is taken into account in the calculation as if it had taken place on 30 June 2007.

USE OF PROCEEDS

The net proceeds of the Global Offering to be received by the Company after deduction of underwriting commission and estimated expenses payable by the Group, and assuming an Offer Price of HK$5.22 (being the mid-point of the Offer Price between HK$4.55 and HK$5.88 per Offer Share), are estimated to be approximately HK$893.9 million. The Directors currently plan to use such net proceeds as follows:

- approximately 45% or HK$400 million will be spent over the next three years for expansion of the Group's motor vehicle business, including approximately HK$300 million for future expansion of city dealerships in the PRC, including acquisition of quality city dealerships with a target to add on average of 6 city dealerships annually in the next 3 years through merger and acquisition exercises and strategic partnership; and approximately HK$100 million for the development of motor vehicle related business in Hong Kong and the PRC. While the Group has yet to identify any specific potential targets as at the Latest Practicable Date, the Group is constantly looking out for potential target companies in the PRC, Hong Kong, Macao and South East Asia, with the right automobile dealerships which can complement the Group's existing automobile product portfolio, create synergy with the Group's existing business and have successful trading histories with proven track records. A substantial part of the budgeted sum of HK$300 million allocated for merger and acquisition exercises will be spent as acquisition costs mainly comprising the purchase price of the target companies. As the Group is only interested in acquiring potential targets which are profitable and are able to generate profits immediately, the Group expects no or minimal additional investment or start up costs required to run these newly acquired companies, if any, would have been capable of being funded through the operating cash flow of these newly acquired companies. The Group will spend approximately HK$80 million in developing motor related business in Hong Kong and the PRC, including for fleet replacement of its Hong Kong motor leasing business. It will continue to work with its existing third party sub-contractors manufacturers or other third party sub-contractors manufacturers on other types of parts with self-owned brands and source good quality and price competitive vehicle spare parts and accessories from the PRC and other countries for the overseas markets over the next 3 years. In aggregate, HK$10 million is planned for other motor related business development. The Group will spend approximately HK$10 million as capital injection to further work together with 中遠實業有限公司 (COSCO) and 北京中遠豐田汽車銷售服務有限公司 (Beijing Zhongyuan Toyota Motors Sale and Service Limited), to expand and set up an extensive leasing network in the PRC by increasing the number of fleet size as well as by extending such motor leasing business to other major cities in the PRC.

- approximately 22% or HK$200 million will be spent over the next three years for the expansion of the Group's food and consumer products trading business, including approximately HK$160 million for acquisition of and investment in food commodities or FMCG businesses especially in companies which have strong foothold in this segment as well as companies with the right FMCG distributorship to synergise with the existing operations and further enlarge market penetration in the PRC, Hong Kong, Macao, and South East Asia. While the Group has yet to identify any specific potential targets as at the Latest Practicable Date, the Group is constantly looking out for potential targets in the PRC, Hong Kong, Macao and South East Asia to acquire. These potential targets include food trading, distribution, processing and manufacturing companies as well as food related FMCG marketing and distribution companies which have successful trading histories with proven track records, are willing to sell a majority stake, have good potentials for future business expansion especially those with a business focus in the PRC, and can create synergy with the Group's existing business. Approximately HK$40 million for expansion of the Group's retail business by opening 10 DCH Food Mart outlets and 8 DCH Food Mart Deluxe outlets in Hong Kong. Among other plans, the Group is pursuing the opportunity to set up a peanut oil manufacturing plant in the PRC through joint venture for the manufacturing, sales, and export of peanut oil as well as to develop other house brand food products. In this regard, the Group has not, as at the Latest Practicable Date, identified any specific investment targets nor entered into any legally binding agreement or arrangement with respect to the aforementioned investments and manufacturing opportunities and there is no such acquisition in progress. For details of the future plans of the Group, please refer to the paragraph headed "Future plans" in the section headed "Future plans and use of proceeds".

- approximately 29% or HK$260 million will be spent over the next three years for expansion of the Group's logistics and food supply chain business, including approximately HK$110 million for the establishment of sizable warehouse and food processing facilities to provide value added services, and a food safety inspection center in Hong Kong.

  The Company plans to establish an integrated food processing and repackaging complex for fresh produce, frozen food, oil and rice, and FMCG with a laboratory for quality assurance and food safety in Hong Kong. The total investment is estimated to be HK$320 million for a period of 7 years. It is intended that approximately HK$110 million will be funded from proceeds of the Global Offering. Balance will be from the Company's internal resources and bank borrowing.

  The purpose-built complex will be situated on a site measuring approximately 34,186 square metres. The initial stage of the 2-storey complex will have a total floor area of over 20,000 square metres planned to be used for food processing and over 7,000 square metres to be used for covered storage and will have 40 car parks. Completion of the development of the first stage complex is expected to be within 24 months from the completion of the lease assignment.

  The second phase of the complex will have a total floor area of over 9,000 square metres. A total floor area of over 8,000 square metres in the second stage complex will be used for food processing with part of the area air-conditioned for temperature-controlled food processing.

  The integrated food processing complex is planned to repackage retail pack of food, fruit and vegetables from bulk for delivery to retail customers, including Food Mart, re-process portion control packs of food, fruit and vegetables for delivery to hotels and other food service outlets, and provide cold chain management services.

The Company has entered into an agreement with an Independent Third Party for the assignment of a lease in the Hong Kong Science & Technology Parks in favour of the Company. Such assignment has been approved by the Hong Kong Science & Technology Parks. It is expected that completion of the lease assignment will take place on or before 28 November 2007.

In addition, approximately HK$150 million will be spent in the next 3 years to develop facilities such as cold chain, an additional import bonded warehouse, logistics and distribution centres, and a re-packaging material manufacturing plant in Xinhui to provide comprehensive food supply chain logistics and management services, and value added services. The Group plans to spend approximately HK$25 million, HK$20 million, and HK$25 million on the cold chain facilities, additional import bonded warehouse, and logistics and distribution centres respectively, which were the three major projects planned by the Group as at the Latest Practicable Date. The construction works to develop these facilities have yet to commence as at the Latest Practicable Date. While the Group has yet to identify any specific potential targets as at the Latest Practicable Date, the Group is constantly looking out for acquisition opportunities in the logistics businesses in Hong Kong, Macao, the PRC and South East Asia with a sizeable customer base, have successful trading histories with proven track records, are willing to sell a majority stake, have good potential for future business expansion, and can create synergy with the Group's existing logistics business in order to have faster access and penetration of the logistics market; and

- the balance in an amount of not more than 10% of the aggregate proceeds as funding for general working capital and general corporate uses.

As at the Latest Practicable Date, the Group has not identified any specific investment targets, nor entered into any legally binding agreement or arrangement with respect to the future acquisition opportunities mentioned above. For details of the future plans of the Group, please refer to the paragraph headed "Future plans" in the section headed "Future plans and use of proceeds".

Assuming an Offer Price of HK$5.88 per Offer Share (being the high-end of the stated range of the Offer Price between HK$4.55 and HK$5.88 per Offer Share), the amount of additional net proceeds to be received by the Company are estimated to be approximately HK$115.8 million, which the Directors intend to apply as additional funding for the Group's investments in automobile, food and consumer products and logistics businesses in the same proportion in the use of proceeds as shown above.

Assuming an Offer Price of HK$4.55 per Offer Share (being the low-end of the stated range of the Offer Price between HK$4.55 and HK$5.88 per Offer Share), the Directors intend that the respective amounts to be applied for each of the above purposes will be proportionately reduced.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes, the Group may hold such funds in short-term deposits with banks and/or financial institutions in Hong Kong for so long as it deems to be in the best interests of the Group.

The net proceeds from the sale of the Sale Shares by the Selling Shareholder in the Global Offering after deducting the related expenses, and assuming an Offer Price of HK$5.22 per Offer Share (being the mid-point of the stated range of the Offer Price of between HK$4.55 and HK$5.88 per Offer Share) and that the Over-allotment Option is not exercised in whole or in part, are estimated to amount to approximately HK$2,985.5 million. If the Over-allotment Option is exercised in full, and assuming an Offer Price of HK$5.88 per Offer Share (being the high-end of the stated range of the Offer Price of between HK$4.55 and HK$5.88 per Offer Share), the Selling Shareholder will receive additional net proceeds of approximately HK$1,054.6 million. The Company will not receive any proceeds from the sale of the Sale Shares by the Selling Shareholder in the Global Offering. All of the net proceeds from the sale of the Sale Shares by the Selling Shareholder in the Global Offering will be for the account of the Selling Shareholder.

PRE-IPO SHARE OPTION SCHEME

The principal terms of the Pre-IPO Share Option Scheme approved and adopted by (i) written resolutions of all the shareholders of the Company on 28 September 2007; and (ii) ordinary resolutions of the shareholders of CITIC Pacific on 3 October 2007 are substantially the same as the terms of the Post-IPO Share Option Scheme (where applicable) except for the following principal terms:

(a) the subscription price per Share shall be the Offer Price;

(b) no options will be offered or granted upon the commencement of dealings in the Shares on the Stock Exchange;

(c) the grantee shall not, within 6 months from the Listing Date, exercise any of the options granted under the Pre-IPO Share Option Scheme;

(d) any exercise of option shall only become effective upon (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to Pre-IPO Share Option Scheme; and (ii) the commencement of dealings in the Shares on the Stock Exchange;

(e) the maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Scheme shall not exceed 18,000,000 Shares, being 1% of the total number of issued Shares immediately following the commencement of dealings in the Shares on the Stock Exchange; and

(f) the conditions precedent to the adoption of the Post-IPO Share Option Scheme shall not apply and any options granted or to be granted under the Pre-IPO Share Option Scheme shall lapse automatically should listing not take place on or before 31 December 2008.

Application has been made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the options granted under the Pre- IPO Share Option Scheme.

Options have been granted under the Pre-IPO Share Option Scheme to recognise the contributions of certain directors and employees of the Group to the growth of the Group and to incentivise them going forward. As at the date of this Prospectus, in consideration of HK$1.00 from each grantee, options to subscribe for an aggregate of 18,000,000 Shares at a subscription price equal to the Offer Price had been granted to 64 grantees under the Pre-IPO Share Option Scheme.

Each option has a 5-year exercise period from the date of the offer of the option. Save for the number of Shares which may be subscribed for pursuant to the exercise of options, each option so granted under the Pre-IPO Share Option Scheme has the same terms and conditions. Assuming that all of the options granted under the Pre-IPO Share Option Scheme are exercised in full, the forecast earnings per Share will be HK$0.229 based on the Offer Price of HK$5.22. The potential dilution effect on the shareholdings of the Company upon the Listing and the impact on the earnings per Share arising from the exercise of the options granted under the Pre-IPO Share Option Scheme have been taken into account in the calculation of the forecast earnings per Share, as disclosed in the paragraph headed "Profit Forecast for the year ending 31 December 2007" in the "Summary" and "Financial information" sections, respectively of this Prospectus.

Assuming the Over-allotment Option is not exercised, the shareholding structure of the Company before and after the full exercise of all options granted under the Pre-IPO Share Option Scheme is as follows:

Name of Shareholders	**Shareholding structure immediately after completion of the Global Offering but before exercise of the options granted under the Pre-IPO Share Option Scheme**		**Shareholding structure immediately after completion of the Global Offering and after full exercise of the options granted under the Pre-IPO Share Option Scheme**	
	Number of Shares	*%*	*Number of Shares*	*%*
1. CITIC Pacific	1,018,800,000	56.60	1,018,800,000	56.04
2. Grantees under the Pre-IPO Share Option Scheme	—	—	18,000,000	0.99
3. Shareholders taking up Shares under the Global Offering	781,200,000	43.40	781,200,000	42.97
Total	1,800,000,000	100.00	1,818,000,000	100.00

For details of the options that have been granted to directors and employees of the Group under the Pre-IPO Share Option Scheme, please refer to the paragraph headed "9. Pre-IPO Share Option Scheme" in Appendix VI to this Prospectus.

Save as disclosed above and in Appendix VI to this Prospectus, no options have been granted or agreed to be granted by the Company under the Pre-IPO Share Option Scheme as at the date of this Prospectus. No options will be granted under the Pre-IPO Share Option Scheme on or after the Listing Date.