

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



大昌行集團有限公司
DAH CHONG HONG HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 01828)

ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF THE LISTING RULES

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board announces that on 6 May 2010, DCH (a wholly-owned subsidiary of the Company) signed the Intention Letter, which sets out the principal terms upon which Shiseido Japan is prepared to purchase all the shares of Shiseido DCH owned by DCH.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board announces that on 6 May 2010, DCH (a wholly-owned subsidiary of the Company) signed the Intention Letter, which sets out the principal terms upon which Shiseido Japan is prepared to purchase all the shares of Shiseido DCH owned by DCH.

THE INTENTION LETTER

Pursuant to the Intention Letter, Shiseido Japan intends to purchase 50% of the share capital of Shiseido DCH from DCH, representing DCH's entire interest in Shiseido DCH's share capital, at a proposed consideration of HK\$500 million. The parties would negotiate in good faith with a target to enter into a definitive sale and purchase agreement before the end of June 2010.

The Intention Letter is not legally binding upon DCH and Shiseido Japan, in the sense that there is no obligation for either of DCH to sell or Shiseido Japan to purchase DCH's shares of Shiseido DCH until a definitive sale and purchase agreement is signed.

The Company considers that the Intention Letter provided an opportunity for the Company to consider recouping its investment in Shiseido DCH and aligning resources with the Company's existing and more established businesses in the PRC.

SHISEIDO DCH

Shiseido DCH was formed in 1998 between DCH and Shiseido Japan and is held as to 50% by each of them. Its main business is the management, operation, sales, marketing, and brand development of Shiseido Japan products in Hong Kong, Macao, and Guangdong Province, PRC. If the proposed sale and purchase materialises, the Company and its subsidiaries will no longer have any interest in the shares of Shiseido DCH.

Shiseido DCH is not a subsidiary of the Company, and therefore the Company does not consolidate the financial results of Shiseido DCH in its consolidated financial statements. The audited consolidated turnover of Shiseido DCH was less than 5% of the Company's audited consolidated turnover for the year ended 31 December 2009. As at 31 December 2009, the audited consolidated net assets and audited consolidated total assets of Shiseido DCH were approximately HK\$352.75 million and HK\$618.41 million respectively.

Shareholders of the Company and potential investors should note that the proposed sale and purchase of DCH's shares of Shiseido DCH is still at an early discussion stage, and may or may not materialise. If it materialises, it may constitute a notifiable transaction on the part of the Company. Shareholders of the Company and potential investors should therefore exercise caution when dealing in the securities of the Company. Further announcement will be made in compliance with the Listing Rules as and when appropriate.

DEFINITIONS

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

"Board"	the board of directors of the Company;
"Company"	Dah Chong Hong Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited;
"DCH"	Dah Chong Hong, Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Intention Letter"	a letter of intent signed by Shiseido Japan and DCH on 6 May 2010 in relation to the sale and purchase of DCH's interest in Shiseido DCH's share capital;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

"Macao"	the Macao Special Administrative Region of the PRC;
"PRC"	the People's Republic of China;
"Shiseido DCH"	Shiseido Dah Chong Hong Cosmetics Limited, a company incorporated in Hong Kong with limited liability and a joint venture which is held as to 50% by DCH and 50% by Shiseido Japan;
"Shiseido Japan"	Shiseido Company, Limited, a company incorporated in Japan;
"subsidiary"	has the meaning ascribed to it by the Listing Rules; and
"%"	per cent.

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

Hong Kong, 6 May 2010

As at the date of this announcement, the directors of the Company are:

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

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

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