



NEWS RELEASE

CITIC Pacific has entered into agreement with PSINet North America to acquire PSINet Hong Kong Limited

(Hong Kong, July 9, 2001) – CITIC Pacific Limited [“CITIC Pacific”] today announced that its wholly owned subsidiary, Silver Linkage Investments Inc, has signed a Share Purchase Agreement with PSINet North America to acquire PSINet Hong Kong Limited and certain of PSINet Hong Kong Limited’s subsidiaries.

At closing of the purchase transaction, commercial arrangements will fall into place which are designed to ensure the continuity of the seamless services of the Hong Kong operation. Also, in conjunction with the acquisition, CITIC Pacific will enter into a Strategic Global Marketing Agreement with PSINet Inc. to offer global IP solutions. This agreement will strengthen CITIC Pacific’s competitive position in offering “End-to-end” IP solutions and world class hosting capabilities to the business communities in Hong Kong and Mainland China.

The acquisition of PSINet Hong Kong Limited will immediately provide CITIC Pacific with a series of IP solutions, ranging from Internet connectivity, Internet security solution to IP VPN services together with a solid base of business customers

Completion of the transaction is subject to the satisfaction of certain conditions, which currently include the approval of a court in connection with Chapter 11 filing of PSINet Inc. and associated companies. However, PSINet Hong Kong Ltd is not a part of the Chapter 11 filings.

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About CITIC Pacific Ltd.**www.citicpacific.com**

CITIC Pacific Ltd. is incorporated in Hong Kong and listed on the Hong Kong Stock Exchange as one of the constituent stock of the Hang Seng Index. The business activities of CITIC Pacific Ltd. are concentrated in Hong Kong and Mainland China. It is principally engaged in infrastructure investment (aviation, bridges, tunnels, environmental businesses and telecommunications), trading and distribution, property in Hong Kong and Mainland China.

About PSINet Inc.**www.psi.net**

Headquartered in Ashburn, Va., USA, PSINet Inc. is a leading provider of Internet and IT solutions offering flex hosting solutions, global eCommerce infrastructure, end-to-end IT solutions and a full suite of retail and wholesale Internet services through wholly owned PSINet subsidiaries. Services are provided on PSINet-owned and operated fiber, web hosting and switching facilities, currently providing direct access in more than 900 metropolitan areas in 27 countries on five continents.

About PSINet Hong Kong Ltd.**www.hk.psi.net**

PSINet Hong Kong, the Internet Solution Center, is recognized as one of Hong Kong's first commercial ISP and a leading supplier of total Internet solutions to businesses, professionals, government agencies, schools and other ISPs. Being a leading provider of corporate dedicated Internet (leased line) connections, it also provides integrated business Internet solutions, including Collocation, Dedicated and Shared hosting, Intranet and Extranet solutions, Managed Solutions including Virtual ISP, IntraNet and Security solutions, as well as eCommerce solutions, for companies wanting to develop or grow their online presence.

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