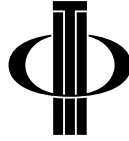


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CITIC PACIFIC

CITIC Pacific Limited
中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

PROFIT WARNING

The Directors of CITIC Pacific Limited ("CITIC Pacific") announce that the Group's results for the half year ending 30 June 2003 may be materially adversely affected as a result of the outbreak of Severe Acute Respiratory Syndrome ("SARS virus") in Hong Kong and Mainland China.

This announcement is made pursuant to paragraph 2 of the Listing Agreement.

The Directors of CITIC Pacific announce that the outbreak of the SARS virus in Hong Kong and Mainland China has materially adversely affected the operations of several of the businesses of CITIC Pacific, its subsidiaries and associates.

The businesses of Cathay Pacific Airways Limited ("Cathay") and Hong Kong Dragon Airlines Limited ("Dragonair") are experiencing sharp fall in demand for passenger air travel. After making satisfactory profits in the first quarter of 2003, Cathay is currently suffering substantial losses as the average number of passengers currently being carried per day is around 25% of the level for the comparable period last year. Forward bookings are weak and it is not known how long the reduction in passenger traffic will last. Similarly Dragonair has experienced a significant drop in both passengers carried and flight frequencies as compared to the same period last year.

The SARS virus has had a negative impact on the retail market. In March the motor business was first affected by the increase in the new vehicle registration tax and then by the SARS virus. General motor sales in Hong Kong have dropped 36% compared with the same month last year (i.e. March 2002). Our marketing and distribution businesses in Hong Kong have declined reflecting a drop in consumption. The retail business in China is expected to be weak. The unaudited net profits after tax for Dah Chong Hong Group in April dropped by approximately 10% compared with the same month last year (i.e. April 2002) and by approximately 40% against Dah Chong Hong Group's budget.

In view of the negative outlook of the property market in Hong Kong, the sale of the Group's development projects has been delayed. The Group's rental income is also expected to be under pressure as the average market rentals remain soft.

The Directors emphasize that the Group has a strong balance sheet with significant liquidity in reserve to meet both long and short term financial requirements. The Group will take all necessary action to minimise expenditure, control costs, raise efficiency and create synergies among our businesses.

At this stage, it is difficult to quantify the potential impact of the SARS virus on the Group as it will depend on the development of the epidemic.

Public investors and shareholders of the Company should exercise caution when dealing in the securities of the Company due to the uncertainties described above.

Note: CITIC Pacific holds 25.8% in Cathay, 28.5% in Dragonair and 100% in Dah Chong Hong Group.

By Order of the Board
Alice Tso Mun Wai
Secretary

Hong Kong, 6 May 2003

"Please also refer to the published version of this announcement in The Standard and Hong Kong Economic Times".