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CITIC PACIFIC

CITIC Pacific Limited 中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 267)

DAYE SPECIAL STEEL CO., LTD. A SUBSIDIARY OF CITIC PACIFIC LIMITED ANNOUNCEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2005

This Announcement is made by CITIC Pacific Limited ("CITIC Pacific" or "the Company") pursuant to the requirements of Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited to provide shareholders of CITIC Pacific and the public with the audited financial results of Daye Special Steel Co., Ltd. ("Daye"), a subsidiary of the Company, for the year ended 31 December 2005.

SUMMARY

Daye, a subsidiary of CITIC Pacific, is a company incorporated in the People's Republic of China ("PRC") whose shares are listed on the Shenzhen Stock Exchange. CITIC Pacific has a 56.63% attributable interest in Daye. On 19 March 2006, the board of directors of Daye has approved the financial statements and auditors' report for the year ended 31 December 2005. Daye's audited financial results will be posted on the Shenzhen Stock Exchange's website on 21 March 2006.

Daye, a subsidiary of CITIC Pacific, is a company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange. CITIC Pacific has a 56.63% attributable interest in Daye. On 19 March 2006, the board of directors of Daye has approved the financial statements and auditors' report for the year ended 31 December 2005. Daye's audited financial results will be posted on the Shenzhen Stock Exchange's website on 21 March 2006. The audited financial statements have been prepared in conformity with "Accounting Standards for Business Enterprises" and "Accounting Systems for Business Enterprises" of the PRC. The Profit and Loss Account for the year ended 31 December 2005 and the Balance Sheet as at 31 December 2005 of Daye are provided below:—

DAYE SPECIAL STEEL CO., LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005 – AUDITED

	2005 RMB	2004 RMB
1. Revenue from Principal Activity	4,446,239,395	3,810,099,149
Less: Cost of Sales	4,198,591,832	3,562,669,846
Business tax and surcharge	23,943,347	13,815,733
2. Profit from Principal Activity	223,704,216	233,613,570
Add: Profit from other activities	11,860,941	15,003,445
Less: Operating expenses	29,427,495	27,602,847
Administrative expenses	61,340,921	80,710,214
Financial expenses (net amount)	57,818,253	82,230,190
3. Operating Profit	86,978,488	58,073,764
Add: Subsidy	300,000	–
Non-operating income	793,146	2,215,024
Less: Non-operating expenses	7,704,127	33,274,233
4. Profit before Tax	80,367,507	27,014,555
Less: Income Tax	–	–
5. Net Profit	80,367,507	27,014,555

BALANCE SHEET AS AT 31 DECEMBER 2005 – AUDITED

	31 December 2005 RMB	31 December 2004 RMB
ASSETS		
Current Assets	1,426,010,917	2,331,916,886
Long Term Investments	–	–
Fixed Assets	1,714,965,039	1,697,797,949
Intangible Assets	32,155,094	33,055,094
Total Assets	3,173,131,050	4,062,769,929
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities	1,804,651,822	2,775,280,882
Long Term Borrowings	400,000,000	409,991,250
Total Liabilities	2,204,651,822	3,185,272,132
Shareholders' Equity		
Share Capital	449,408,480	449,408,480
Capital Reserve	449,759,817	1,047,874,832
Surplus Reserve	52,430,306	103,061,134
Retained Profit/(Accumulated Loss)	16,880,625	(722,846,649)
Total Shareholders' Equity	968,479,228	877,497,797
Total Liabilities and Total Shareholders' Equity	3,173,131,050	4,062,769,929

GENERAL

Shareholders should note that the above audited financial results pertain only to Daye and not to CITIC Pacific itself.

Daye's 2005 Annual Report, 2005 Summary Financial Report and other relevant information can be found on the Shenzhen Stock Exchange's website (<http://www.szse.cn>).

By Order of the Board
CITIC Pacific Limited
Alice Tso Mun Wai
Company Secretary

Hong Kong, 20 March 2006

As at the date of this announcement, the executive directors of CITIC Pacific are Messrs Larry Yung Chi Kin (Chairman), Henry Fan Hung Ling, Peter Lee Chung Hing, Norman Yuen Kee Tong, Vernon Francis Moore, Yao Jinrong, Li Shilin, Carl Yung Ming Jie, Liu Jifu and Leslie Chang Li Hsien; the non-executive directors of CITIC Pacific are Messrs Willie Chang, André Desmarais and Peter Krusty (alternate director to Mr André Desmarais); and the independent non-executive directors of CITIC Pacific are Messrs Hamilton Ho Hau Hay, Alexander Reid Hamilton, Hansen Loh Chung Hon and Norman Ho Hau Chong.

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