



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 2006**

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 2006.

**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 56.6% attributable interest in Daye. On 9 March 2007, the board of directors of Daye has approved the financial statements and auditors' report for the year ended 31 December 2006. Daye's audited financial results will be posted on the Shenzhen Stock Exchange's website on 13 March 2007.

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 56.6% attributable interest in Daye. On 9 March 2007, the board of directors of Daye has approved the financial statements and auditors' report for the year ended 31 December 2006. Daye's audited financial results will be posted on the Shenzhen Stock Exchange's website on 13 March 2007. 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 2006 and the Balance Sheet as at 31 December 2006 of Daye are provided below:

**DAYE SPECIAL STEEL CO., LTD.**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006 – AUDITED**

	<b>2006</b>	<b>2005</b>
	<i>RMB</i>	<i>RMB</i>
1. Revenue from Principal Activity	4,543,900,208	4,446,239,395
Less: Cost of Sales	4,149,185,598	4,198,591,832
Business tax and surcharge	–	23,943,347
2. Profit from Principal Activity	394,714,610	223,704,216
Add: Profit from other activities	12,586,149	11,860,941
Less: Operating expenses	36,057,550	29,427,495
Administrative expenses	(12,999,035)	61,340,921
Financial expenses (net amount)	35,708,034	57,818,253
3. Operating Profit	348,534,210	86,978,488
Add: Investment Income	145,221	–
Subsidy	–	300,000
Non-operating income	1,771,177	793,146
Less: Non-operating expenses	32,791,328	7,704,127
4. Profit before Tax	317,659,280	80,367,507
Less: Income Tax	–	–
5. Net Profit	<u>317,659,280</u>	<u>80,367,507</u>

**BALANCE SHEET AS AT 31 DECEMBER 2006 – AUDITED**

	<b>31 December</b>	<b>31 December</b>
	<i>2006</i>	<i>2005</i>
	<i>RMB</i>	<i>RMB</i>
<b>ASSETS</b>		
Current Assets	1,253,220,493	1,426,010,917
Long Term Investments	–	–
Fixed Assets	1,673,986,544	1,714,965,039
Intangible Assets	31,255,094	32,155,094
Total Assets	<u>2,958,462,131</u>	<u>3,173,131,050</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities	1,256,430,166	1,804,651,822
Long Term Borrowings	380,000,000	400,000,000
Total Liabilities	<u>1,636,430,166</u>	<u>2,204,651,822</u>
Shareholders' Equity		
Share Capital	449,408,480	449,408,480
Capital Reserve	485,653,274	449,759,817
Surplus Reserve	84,196,234	52,430,306
Retained Profit	302,773,977	16,880,625
Total Shareholders' Equity	<u>1,322,031,965</u>	<u>968,479,228</u>
Total Liabilities and Total Shareholders' Equity	<u>2,958,462,131</u>	<u>3,173,131,050</u>

**GENERAL**

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

Daye's 2006 Annual Report, 2006 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, 12 March 2007

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, Carl Yung Ming Jie, Leslie Chang Li Hsien, Vernon Francis Moore, Li Shilin, Liu Jifu, Chau Chi Yin, Milton Law Ming To and Wang Ande; the non-executive directors of CITIC Pacific are Messrs Willie Chang, André Desmarais, Chang Zhenming and Peter Kruyt (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.”**