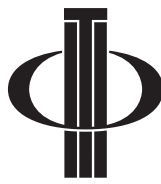


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This announcement does not constitute an offer or invitation to induce an offer by any person to acquire, subscribe for or purchase any securities nor is it calculated to invite any such offer or invitation. Any prospective investors should read the Prospectus for detailed information about the offer of securities mentioned in this announcement before deciding whether or not to invest in such securities. No application for the securities mentioned in this announcement should be made by any person nor would such application be accepted without completion of a formal application form or other application procedure that will be issued with or in respect of the Prospectus.

In particular, this announcement is not an offer of securities for sale in Hong Kong, the United States or elsewhere. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from the issuer or selling security holder and that would contain detailed information about the company and its management, as well as financial statements.

In addition, unless otherwise stated, the historical financial information in this announcement is unaudited and may differ from the audited financial information which will be included in the Prospectus. Shareholders of, and prospective investors in, the securities of CITIC Pacific should therefore exercise extreme caution in interpreting this information and when dealing in such securities.



CITIC PACIFIC

CITIC Pacific Limited

中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 267)

SEPARATE LISTING OF CITIC 1616 HOLDINGS LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED CONNECTED TRANSACTIONS

This announcement is made further to the announcements of CITIC Pacific made on 10 January 2007, 22 January 2007 and 9 March 2007 about the Proposed Spin-off.

CITIC Pacific wishes to announce that:

- The Listing Date is expected to be 3 April 2007; and
- the preliminary indicative price range per CITIC 1616 Share under the Global Offering is between HK\$2.13 and HK\$2.58 (excluding brokerage fee, SFC transaction levy and the Stock Exchange trading fee).

The Proposed Spin-off will be conditional on, among other things, the following:

- the Stock Exchange granting approval for the listing of, and permission to deal in, all the CITIC 1616 Shares in issue and to be issued pursuant to the Global Offering; and
- the obligations of the underwriters under the underwriting agreements to be entered into among CITIC Pacific, CITIC 1616 and the underwriters in respect of the Global Offering becoming unconditional and the underwriting agreements not being terminated in accordance with their respective terms, on or before the dates and times to be specified therein.

CITIC Securities is one of the underwriters in the Global Offering. CITIC Securities is an associate of CITIC Group, the holding company of CITIC HK. CITIC HK is a substantial shareholder of CITIC Pacific, and therefore CITIC Securities is an associate of a connected person of CITIC Pacific. The underwriting agreements in so far as CITIC Securities's commitment is concerned are, and will constitute, connected transactions of CITIC Pacific. As the applicable size tests are less than 2.5%, such connected transactions are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules. Details of CITIC Securities's underwriting commitment will be included in CITIC Pacific's 2007 annual report and accounts.

Shareholders and potential investors should note that the Proposed Spin-off and the Global Offering, which are subject to a number of conditions, may or may not proceed. In particular, there is no assurance that approval from the Stock Exchange will be granted or that the underwriters' obligations under the underwriting agreements will become unconditional or that the underwriting agreements will not be terminated. Accordingly, Shareholders and potential investors are urged to exercise extreme caution when dealing in the securities of CITIC Pacific.

This announcement is made further to the announcements of CITIC Pacific made on 10 January 2007, 22 January 2007 and 9 March 2007 about the Proposed Spin-off (the "Announcements"). Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the same meanings as given to them in the Announcements.

PROPOSED SPIN-OFF

Introduction

The Listing Date is expected to be 3 April 2007.

It is currently expected that the Proposed Spin-off will be conditional on, among other things, the following:

- the Stock Exchange granting approval for the listing of, and permission to deal in, all the CITIC 1616 Shares in issue and to be issued pursuant to the Global Offering; and
- the obligations of the underwriters under the underwriting agreements to be entered into among CITIC 1616, CITIC Pacific and the underwriters in respect of the Global Offering becoming unconditional and the underwriting agreements not being terminated in accordance with their respective terms, on or before the dates and times to be specified therein.

If any of these and other applicable conditions are not fulfilled or, save for condition precedent (a) above, waived prior to the dates and times to be specified, the Proposed Spin-off will lapse, and the Stock Exchange will be notified immediately and an announcement will be published by CITIC Pacific and/or CITIC 1616 as soon as practicable following such lapse.

The Stock Exchange has confirmed to CITIC Pacific that it can proceed with the Proposed Spin-off.

Timetable

Set out below is the timetable of the Proposed Spin-off:

Hong Kong Public Offer opens from Thursday, 22 March 2007
to noon Tuesday, 27 March 2007

Despatch of the blue application forms for
the Preferential Offer together with
an electronic copy of the Prospectus
on CD ROM to the Qualifying
Shareholders Thursday, 22 March 2007

Expected Offer Price determination date Wednesday, 28 March 2007

Listing Date Tuesday, 3 April 2007

All times above refer to Hong Kong local time. An announcement will be made after the Offer Price is determined.

Structure of the Proposed Spin-off

CITIC 1616 is currently a wholly-owned subsidiary of CITIC Pacific, with 1,692,000,000 CITIC 1616 Shares in issue as at the date of this announcement.

The Proposed Spin-off will be effected by way of the Global Offering of 815,920,000 CITIC 1616 Shares, comprising initially 627,920,000 existing CITIC 1616 Shares offered for sale by CITIC Pacific (acting through its wholly owned subsidiary Ease Action Investments Corp.), subject to over-allotment option, and 188,000,000 new CITIC 1616 Shares to be issued by CITIC 1616. The Global Offering will comprise the Hong Kong Public Offer and the International Placing. BNP Paribas has been appointed as the global coordinator, bookrunner and sponsor of the Global Offering.

CITIC Pacific intends to grant an over-allotment option exercisable by BNP Paribas on behalf of the International Underwriters pursuant to which CITIC Pacific may be required to sell an additional 122,388,000 CITIC 1616 Shares at the Offer Price to cover the over-allocations in the International Placing.

Assured entitlements to the Qualifying Shareholders to subscribe for CITIC 1616 Shares will be by way of preferred application under the Preferential Offer. As mentioned in CITIC Pacific's announcement dated 9 March 2007, Qualifying Shareholders shall be entitled to subscribe on an assured basis at the Offer Price for one Reserved Share for every whole multiple of 20 existing shares in CITIC Pacific held by them as at 5:00 p.m. on 16 March 2007.

The CITIC 1616 Shares to be offered pursuant to the Global Offering will rank pari passu in all respects with other CITIC 1616 Shares then in issue.

Net proceeds

The preliminary indicative price range per CITIC 1616 Share under the Global Offering is between HK\$2.13 and HK\$2.58 (excluding brokerage fee, SFC transaction levy and the Stock Exchange trading fee).

Subject to the Offer Price being agreed and assuming the over-allotment option is exercised, it is expected that:

- the net proceeds from the Global Offering will be approximately HK\$1,912 million to HK\$2,322 million;
- approximately HK\$1,529 million to HK\$1,857 million of the net proceeds will be received by CITIC Pacific from the sale of existing CITIC 1616 Shares under the Global Offering; and
- approximately HK\$383 million to HK\$465 million of the net proceeds will be received by CITIC 1616 from the issue of new CITIC 1616 Shares under the Global Offering.

CITIC Pacific intends to use the anticipated proceeds from the sale of existing CITIC 1616 Shares under the Global Offering for the investment in its core business.

How to obtain a printed copy of the Prospectus or a replacement blue application form

In order to apply for Reserved Shares under the Preferential Offer, Qualifying Shareholders will be required to complete a blue application form which will be despatched to Qualifying Shareholders together with a CD ROM which contains, among other things, an electronic format of the Prospectus in both English and Chinese. The Prospectus will also be posted on the Stock Exchange's website at www.hkex.com.hk.

If Qualifying Shareholders do not have access to a personal computer and so are unable to view the electronic format of the Prospectus or would rather have a printed copy of the Prospectus, they may obtain a printed copy of the Prospectus, or a replacement blue application form, from CITIC Pacific's Hong Kong registrar, Tengis Limited (the "Registrar") at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong between 9:00 a.m. on 22 March 2007 and 12:00 noon on 27 March 2007.

In addition, Qualifying Shareholders may obtain copies of the Prospectus in printed form from any of the receiving bank branches listed in the Prospectus and in CITIC 1616's formal notice in respect of the Hong Kong Public Offer and the Preferential Offer.

Should Qualifying Shareholders require a replacement blue application form and/or printed versions of the Prospectus, have any queries on the procedures for taking up Reserved Shares under the Preferential Offer or have any problem using the CD ROM, the Registrar should be contacted at its hotline on 2980 1333 during normal business hours from 9:00 a.m. on Thursday, 22 March 2007 to 12:00 noon on Tuesday, 27 March 2007. Please note, however, that the Registrar cannot advise on the merits of the Preferential Offer or on whether or not Qualifying Shareholders should take up any entitlement under the Preferential Offer.

UNDERWRITING ARRANGEMENTS

Underwriting Agreements

CITIC Pacific, CITIC 1616 and BNP Paribas (for itself and on behalf of other underwriters) entered into an underwriting agreement in respect of the Hong Kong Public Offer on 21 March 2007, pursuant to which the underwriters have severally agreed to subscribe or procure subscribers for, on the terms and conditions of the Prospectus and the application forms, their respective applicable proportions of CITIC 1616 Shares under the Hong Kong Public Offer. It is expected that an underwriting agreement by CITIC Pacific, CITIC 1616 and BNP Paribas (for itself and on behalf of other underwriters) on similar terms will be executed in due course prior to the listing of CITIC 1616 in respect of the International Placing.

The obligations of the underwriters are subject to: (a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the CITIC 1616 Shares concerned and such listing and permission not subsequently being revoked on or before 8:00 a.m. on the Listing Date; (b) certain other conditions set out in the underwriting agreement (including but not limited to the Offer Price being agreed between CITIC Pacific, CITIC 1616 and BNP Paribas (on behalf of the underwriters)); and (c) the underwriting agreement in respect of the International Placing having been duly executed and delivered and having become unconditional in accordance with its terms (save as regards any condition relating to the underwriting agreement in respect of the Hong Kong Public Offer having become unconditional) and not having been terminated in accordance with its terms or otherwise, prior to 8:00 a.m. on the Listing Date.

The underwriting agreement may also be terminated by notice in writing from BNP Paribas if, at any time prior to 8:00 a.m. on the Listing Date, there occur certain force majeure events as more particularly set out in the underwriting agreement.

The underwriters will receive a commission of 2.5% of the aggregate Offer Price in respect of CITIC 1616 Shares underwritten by them.

Connected Transactions

CITIC Securities is one of the underwriters in the Hong Kong Public Offer with an underwriting commitment for 9,631,440 CITIC 1616 Shares and is expected to be one of the underwriters in the International Placing with an underwriting commitment of not more than 25,000,000 CITIC 1616 Shares. CITIC Securities is an associate of CITIC Group, the holding company of CITIC HK. CITIC HK is a substantial shareholder of CITIC Pacific, and therefore CITIC Securities is an associate of a connected person of CITIC Pacific.

The underwriting agreements in so far as CITIC Securities's commitment is concerned are, and will constitute, connected transactions of CITIC Pacific. Based on the preliminary indicative price range per CITIC 1616 Share under the Global Offering of between HK\$2.13 and HK\$2.58 and subject to the terms and conditions of the underwriting agreements, CITIC Securities may receive approximately HK\$1.8 million to HK\$2.2 million in commission for the expected maximum underwriting commitment.

The Directors (including the independent non-executive Directors) consider that the underwriting agreements (including CITIC Securities's commitment) are, and will be entered into, on normal commercial terms and fair and reasonable and in the interests of the shareholders of CITIC Pacific.

LISTING RULES IMPLICATIONS

CITIC 1616 will remain a subsidiary of CITIC Pacific immediately upon completion of the Proposed Spin-off. The Proposed Spin-off will not constitute a material dilution of CITIC Pacific's interest in CITIC 1616, nor a transaction notifiable under Chapter 14 of the Listing Rules as the percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the proposed disposal of its interest in CITIC 1616 are below 5%.

The applicable size tests calculated with reference to CITIC Securities's maximum underwriting commitment as mentioned above and the expected maximum Offer Price are less than 2.5% for each of the percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, and the underwriting agreements in so far as CITIC Securities's commitment is concerned are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules. Details of CITIC Securities's underwriting commitment will be included in CITIC Pacific's 2007 annual report and accounts.

GENERAL

The Group's business includes manufacturing of special steel, property development and investment, infrastructure (such as power generation, aviation, civil infrastructure and communications), marketing and distribution.

Shareholders and potential investors should note that the Proposed Spin-off and the Global Offering, which are subject to a number of conditions, may or may not proceed. In particular, there is no assurance that approval from the Stock Exchange will be granted or that the underwriters' obligations under the underwriting agreements will become unconditional or that the underwriting agreements will not be terminated. Accordingly, Shareholders and potential investors are urged to exercise extreme caution when dealing in the securities of CITIC Pacific.

DEFINITIONS

In this announcement, the following expressions have the meanings as set out below unless the context requires otherwise:

"BNP Paribas"	BNP Paribas Capital (Asia Pacific) Limited, being the sole global coordinator, bookrunner and sponsor of the Global Offering
"CITIC 1616"	CITIC 1616 Holdings Limited, a company incorporated in Hong Kong with limited liability
"CITIC Group"	中國中信集團公司 (CITIC Group), the holding company of CITIC HK
"CITIC Securities"	CITIC Securities Corporate Finance (HK) Limited
"Global Offering"	the Hong Kong Public Offer (including the Preferential Offer) and the International Placing
"Group"	the Company and its subsidiaries
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date on which the CITIC 1616 Shares are listed on the main board of the Stock Exchange
"Qualifying Shareholders"	holders of not less than 20 Shares, whose names appeared on the register of members of CITIC Pacific on the Record Date, other than overseas shareholders subject to compliance with Rule 13.36(2) of the Listing Rules

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

Hong Kong, 21 March 2007

As at the date of this announcement, the executive directors of the Company 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 the Company are Messrs Willie Chang, André Desmarais, Chang Zhenming and Peter Krust (alternate director to Mr. André Desmarais); and the independent non-executive directors of the Company 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 South China Morning Post and Hong Kong Economic Times."