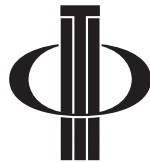


THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CITIC Pacific Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CITIC PACIFIC

CITIC Pacific Limited
中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 267)

**GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSAL FOR ADOPTION OF
CITIC 1616 HOLDINGS LIMITED SHARE OPTION PLAN
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of CITIC Pacific Limited to be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Wednesday, 16 May 2007 at 10:30 a.m. is set out on pages 22 to 25 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the registered office of CITIC Pacific Limited at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting should you so wish.

17 April 2007

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DEFINITIONS

In this circular the following expressions shall have the following meanings unless the context otherwise requires:

“Annual General Meeting”	the annual general meeting of the Company to be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Wednesday, 16 May 2007 at 10:30 a.m., the Notice of which is set out in Appendix IV to this circular or, where the context so admits, any adjournment thereof
“CITIC 1616”	CITIC 1616 Holdings Limited, a company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange (stock code: 1883)
“CITIC 1616 Share Option Plan”	the share option plan to be approved by CITIC Pacific and to be approved and adopted by CITIC 1616, the principal terms of which are summarised in Appendix III to this circular
“CITIC Pacific” or “Company”	CITIC Pacific Limited
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Directors”	directors of the Company
“HK\$”	Hong Kong dollars
“Latest Practicable Date”	11 April 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice convening the Annual General Meeting
“Share(s)”	share(s) of HK\$0.40 each in the share capital of the Company
“Shareholders”	holders of Shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Companies Ordinance (Cap.32 of the Laws of Hong Kong)

LETTER FROM THE CHAIRMAN



CITIC PACIFIC

CITIC Pacific Limited
中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 267)

Directors:

Larry Yung Chi Kin (*Chairman*)
Henry Fan Hung Ling (*Managing Director*)
Peter Lee Chung Hing (*Deputy Managing Director*)
Carl Yung Ming Jie (*Deputy Managing Director*)
Leslie Chang Li Hsien (*Deputy Managing Director*)
Vernon Francis Moore (*Executive Director*)
Li Shilin (*Executive Director*)
Liu Jifu (*Executive Director*)
Chau Chi Yin (*Executive Director*)
Milton Law Ming To (*Executive Director*)
Wang Ande (*Executive Director*)
Willie Chang*
Hamilton Ho Hau Hay**
Alexander Reid Hamilton**
Hansen Loh Chung Hon**
Norman Ho Hau Chong**
André Desmarais*
Chang Zhenming*
Peter Kruyt#

* *Non-executive Director*

** *Independent non-executive Director*

Alternate Director to André Desmarais

Registered Office:

32nd Floor
CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

17 April 2007

To the Shareholders,

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSAL FOR ADOPTION OF
CITIC 1616 SHARE OPTION PLAN
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the Notice and the information in connection with the proposals to (i) grant the general mandates to issue Shares and to repurchase Shares, (ii) re-elect the retiring Directors and (iii) adopt CITIC 1616 Share Option Plan at the Annual General Meeting.

LETTER FROM THE CHAIRMAN

2. GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 12 May 2006, ordinary resolutions were passed giving general mandates to the Directors (i) to allot, issue and dispose of additional Shares not exceeding twenty per cent of the aggregate nominal amount of the issued share capital of the Company as at 12 May 2006 and to extend the general mandate to allot Shares by adding repurchased securities to the twenty per cent general mandate; and (ii) to purchase or otherwise acquire Shares of the Company on the Stock Exchange not exceeding ten per cent of the aggregate nominal amount of the issued share capital of the Company as at 12 May 2006.

The purpose of the general mandates was to enable the Directors to issue additional Shares and to repurchase Shares should the need arise. The Directors have no present intention to exercise the general mandates to issue Shares and to repurchase Shares of the Company.

Under the terms of the Companies Ordinance and the Listing Rules, these general mandates will lapse upon the conclusion of the forthcoming Annual General Meeting of the Company to be held on 16 May 2007, unless renewed at that meeting. To keep in line with current corporate practice, resolutions will be proposed to renew these mandates and the explanatory statement and memorandum regarding the repurchase resolution as required under the Listing Rules is set out in Appendix I to this circular.

3. RE-ELECTION OF DIRECTORS

In accordance with Article 95 of the Articles of Association of the Company, Mr. Chang Zhenming is a Director appointed by the Board since the last annual general meeting who shall hold office only until the forthcoming Annual General Meeting and shall be eligible for re-election. In accordance with Article 104(A) of the Articles of Association of the Company, Messrs. Larry Yung Chi Kin, Peter Lee Chung Hing, Vernon Francis Moore, Liu Jifu, Willie Chang and Norman Ho Hau Chong shall retire by rotation in the Annual General Meeting and, all being eligible, shall offer themselves for re-election. Details of the Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

4. PROPOSAL FOR ADOPTION OF CITIC 1616 SHARE OPTION PLAN

The Directors propose to put the CITIC 1616 Share Option Plan to Shareholders for approval at the Annual General Meeting.

As CITIC 1616 is a subsidiary of CITIC Pacific, the CITIC 1616 Share Option Plan constitutes a share option scheme governed by Chapter 17 of the Listing Rules and the adoption of the CITIC 1616 Share Option Plan is subject to the approval of the Shareholders in accordance with Rule 17.01(4) of the Listing Rules.

LETTER FROM THE CHAIRMAN

Implementation of the CITIC 1616 Share Option Plan is also subject to the Stock Exchange's approval for the listing and permission to deal in CITIC 1616 Shares to be issued pursuant to the exercise of options granted under the CITIC 1616 Share Option Plan and the approval of the shareholders of CITIC 1616 at its general meeting.

A circular relating to the adoption of the CITIC 1616 Share Option Plan will be despatched by CITIC 1616 to its shareholders. As at the Latest Practicable Date, CITIC Pacific is interested in 941,692,000 shares in CITIC 1616, representing 50.1% of the issued share capital of CITIC 1616. An ordinary resolution will therefore be proposed at the Annual General Meeting for approving the CITIC 1616 Share Option Plan.

A summary of the principal terms of the CITIC 1616 Share Option Plan is set out in Appendix III to this circular. This serves as a summary of the terms of the CITIC 1616 Share Option Plan but does not constitute the full terms of the same. The full terms of the CITIC 1616 Share Option Plan may be inspected at the registered office of CITIC Pacific at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong from the date of this circular up to and including the date of the Annual General Meeting and at the Annual General Meeting.

The terms of the CITIC 1616 Share Option Plan provide that where any of the provisions of the CITIC 1616 Share Option Plan requires CITIC 1616 to seek the approval of its shareholders or independent non-executive directors, corresponding approval must also be obtained from the Shareholders or independent non-executive directors of CITIC Pacific as required by Rule 17.01(4) of the Listing Rules.

The Directors believe that CITIC 1616 Share Option Plan can provide incentive to the employees of CITIC 1616 to increase their efforts in achieving success in CITIC 1616's business. CITIC Pacific, being the controlling shareholder of CITIC 1616, is expected to benefit from the long term success of CITIC 1616.

5. ANNUAL GENERAL MEETING

The Notice is set out in Appendix IV to this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the general mandates to issue Shares and to repurchase Shares, the re-election of Directors and the adoption of CITIC 1616 Share Option Plan.

Pursuant to Article 75 of the Articles of Association of the Company, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or

LETTER FROM THE CHAIRMAN

- (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

The results of the poll will be published in the local newspapers and on the websites of the Company and the Stock Exchange on the business day following the above meeting.

A proxy form for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's registered office at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting. Completion and return of the proxy form will not preclude Shareholders from attending and voting at the Annual General Meeting if they so wish.

6. RECOMMENDATION

The Directors believe that the general mandates to issue Shares and to repurchase Shares, the re-election of Directors and the adoption of CITIC 1616 Share Option Plan to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders shall vote in favour of the resolutions in relation to the above proposals to be proposed at the Annual General Meeting.

Yours faithfully,
Larry Yung Chi Kin
Chairman

APPENDIX I EXPLANATORY STATEMENT AND MEMORANDUM IN RELATION TO THE BUYBACK MANDATE
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This is an explanatory statement and memorandum of the terms of the proposed repurchases given to the Shareholders relating to a resolution to approve the Company repurchasing its own Shares (“Buyback Mandate”) to be proposed at the Annual General Meeting.

This explanatory statement contains the information required under rule 10.06(1)(b) of the Listing Rules. Its purpose is to provide Shareholders with all the information reasonably necessary for them to make an informed decision as to whether or not to vote in favour of the resolution approving the Buyback Mandate and it also forms the memorandum of the terms of the proposed repurchases given under Section 49BA(3)(b) of the Companies Ordinance.

i. SHARE CAPITAL

As at 11 April 2007, the Latest Practicable Date, the issued share capital of the Company was 2,203,003,160 Shares.

Subject to the passing of the resolution approving the Buyback Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Buyback Mandate to repurchase a maximum of 220,300,316 Shares, representing 10% of the issued share capital of the Company.

ii. SHAREHOLDER APPROVAL/TRADING RESTRICTIONS

The Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction.

iii. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from Shareholders to enable the Directors to repurchase the Shares of the Company on the market.

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the net assets and/or earnings and/or dividend per share.

iv. FUNDING OF REPURCHASES

Repurchases must be funded out of the funds legally available for the purpose in accordance with the Company’s constitutive documents, including memorandum and articles of association, and Hong Kong laws, being profits available for distribution and the proceeds of a fresh issue of shares made for the purpose of the repurchases. It is envisaged that the funds required for any repurchase would be derived from profits available for distribution.

APPENDIX I	EXPLANATORY STATEMENT AND MEMORANDUM IN RELATION TO THE BUYBACK MANDATE
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The Directors do not propose to exercise the Buyback Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. However, there might be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements as at 31 December 2006) in the event that the Buyback Mandate was exercised in full.

v. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date, from 1 April 2006 to 31 March 2007, were as follows:

		Shares	
		<i>Highest \$</i>	<i>Lowest \$</i>
2006	April	28.70	23.60
	May	27.65	21.95
	June	23.80	21.30
	July	23.75	21.90
	August	25.10	22.15
	September	25.60	23.35
	October	24.80	23.30
	November	26.90	23.30
	December	27.45	25.05
2007	January	29.50	26.65
	February	28.35	25.85
	March	29.15	24.15

vi. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention if the Buyback Mandate is exercised to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Buyback Mandate in accordance with the Listing Rules and the laws of Hong Kong.

APPENDIX I	EXPLANATORY STATEMENT AND MEMORANDUM IN RELATION TO THE BUYBACK MANDATE
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If as the result of a repurchase of Shares a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for purposes of the Hong Kong Code on Takeovers and Mergers and Share Repurchases ("Takeover Code"). As a result, a shareholder, or group of shareholders acting in concert depending on the level of increase of shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code. As at 11 April 2007, the Latest Practicable Date, CITIC Hong Kong (Holdings) Limited ("CITIC HK") together with its directors as parties acting in concert held approximately 49.6% of the issued share capital of the Company. In the event of full exercise of the Buyback Mandate and the maintenance by CITIC HK and its concert parties of their present shareholding, the percentage of the issued share capital of the Company held by CITIC HK and parties acting in concert would increase by more than 5.5%. An obligation to make a general offer to Shareholders under Rules 26 and 32 of the Takeover Code may accordingly arise. The Directors have no present intention to exercise the Buyback Mandate to such an extent as would result in such takeover obligation arising. CITIC HK is a wholly owned subsidiary of CITIC Group and thus both CITIC HK and CITIC Group are substantial shareholders of the Company. Save as disclosed, the Directors are not aware of any shareholder or group of shareholders acting in concert who will become obliged to make a mandatory offer as a result of a repurchase of Shares.

There have been no repurchases of any securities of the Company made in the previous six months (whether on the Stock Exchange or otherwise).

The Listing Rules prohibit the Company from knowingly repurchasing Shares of the Company on the Stock Exchange from a "connected person" (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her Shares to the Company.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorised to make repurchases of Shares.

The following Directors are subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. The interests in the securities of the Company of the retiring Directors are provided in the section "Directors' Report" in the 2006 Annual Report and the 2006 Summary Financial Report. The emoluments of the retiring Directors are set out in Note 11 to the accounts contained in the 2006 Annual Report and Note 3 to the summary financial statements contained in the 2006 Summary Financial Report. In general, the emoluments paid to the Directors are determined with reference to the market terms and their duties and responsibilities within the Group. In relation to the re-election of the following Directors, there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

* **Larry Yung Chi Kin**, aged 65, the Chairman since 1990, is the Vice Chairman and Managing Director of CITIC Hong Kong (Holdings) Limited ("CITIC HK") and an Executive Director of CITIC Group. He also holds directorship in certain subsidiaries of CITIC HK. Mr. Yung worked for 14 years with the Ministry of Electric Power in the People's Republic of China before coming to Hong Kong in 1978, and had extensive management experience before establishing CITIC HK in 1987. CITIC HK is a wholly owned subsidiary of CITIC Group, a substantial shareholder of the Company. Mr. Yung is the father of Mr. Carl Yung Ming Jie who is a Deputy Managing Director of the Company and Miss Frances Yung Ming Fong who is the director of Group Finance of the Company. Save as disclosed herein, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

* **Peter Lee Chung Hing**, aged 53, is a Deputy Managing Director of the Company. Mr. Lee is the Chairman of Jiangyin Xingcheng Special Steel and Hubei Xin Yegang Co., Ltd., the Vice Chairman of CITIC Guoan Co., Ltd. and Air China Cargo Co., Ltd. and a director of Daye Special Steel Co., Ltd., CITIC 1616 Holdings Limited, CP Mining Management Pty Limited ("CP Mining") and other Group companies concerned with trading businesses. He also holds directorship in certain subsidiaries of CITIC HK. Before joining CITIC HK in 1988, Mr. Lee was with major banking and shipping groups in Hong Kong. He joined the Company in 1990. Save as disclosed herein, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

* **Vernon Francis Moore**, aged 60, a Director since 1990 and Deputy Managing Director until 2005, is a director of Cathay Pacific Airways Limited, CLP Holdings Limited, Hong Kong Air Cargo Terminals Limited, CP Mining, the Chairman of New Hong Kong Tunnel Company Limited and Western Harbour Tunnel Company Limited, the Deputy Chairman of CITIC Capital Holdings Limited and the representative of the Company on the Board of Companhia de Telecomunicacoes de Macau S.A.R.L. He is also an Executive Director of CITIC HK and holds directorship in certain of its subsidiaries. Mr. Moore joined CITIC HK in 1987 after holding senior management positions with a number of financial institutions. Save as disclosed herein, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

* **Liu Jifu**, aged 63, a Director since 2001, is a director of CITIC HK and CITIC International Financial Holdings Limited. Before joining CITIC HK in 2000, Mr. Liu worked with the Financial and Economics Research Institute in the China Academy of Social Sciences for 5 years. Formerly, he was an Executive Director of China Everbright Group Limited, the Chairman of China Everbright Travel Inc and China PINGHE Import & Export Co., Ltd. Save as disclosed herein, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

^{Δ+} **Willie Chang, aged 63, a Director since 1987, is the sole proprietor of Willie Chang & Co., Solicitors, with over 37 years' experience in legal practice, including as a partner of Johnson, Stokes and Master. He has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

^{Δ#} **Norman Ho Hau Chong**, aged 51, a Director since 1994, is an Executive Director of Honorway Investments Limited and Tak Hung (Holding) Company Limited, and a director of Hong Kong Ferry (Holdings) Company Limited, Lee Hing Development Limited, Miramar Hotel and Investment Company, Limited, Shun Tak Holdings Limited, Starlight International Holdings Limited, Taifook Securities Group Limited, New World Mobile Holdings Limited and Macau Prime Properties Holdings Limited. He is the brother of Mr. Hamilton Ho Hau Hay who is a director of the Company. Save as disclosed herein, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

** **Chang Zhenming**, aged 50, a Director with effect from 21 August 2006, is the Vice Chairman and President of CITIC Group and the Vice Chairman of CITIC International Financial Holdings Limited. From March 2000 to June 2005, Mr. Chang was also an executive director of CITIC Pacific. Mr. Chang has over 20 years' broad range of experience in banking, finance and securities business. He was formerly the Vice Chairman and President of China Construction Bank Corporation and a director of Plus Holdings Limited. Save as disclosed herein, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

* *Executive Director*

** *Non-Executive Director*

Independent Non-Executive Director

+ *Member of the Audit Committee*

Δ *Member of the Remuneration Committee*

The following is a summary of the principal terms of CITIC 1616 Share Option Plan. In this Appendix, the following expressions have the following meanings:

“Articles of Association”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors of the Company or a duly authorised committee thereof
“CITIC 1616” or the “Company”	CITIC 1616 Holdings Limited, a company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange
“CITIC Pacific”	CITIC Pacific Limited, a company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange and currently the holding company of the Company
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“control”	the power to exercise a controlling influence over the management of a company and any person who is entitled, either directly or through one or more controlled companies, to exercise or control the exercise of 30 per cent. (or such lower amount as may from time to time be specified in the Codes on Takeovers and Mergers approved by the Securities and Futures Commission (as amended from time to time) as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the company or who is or are in a position to control the composition of a majority of the board of directors of the company shall be deemed to control such company and “is controlled by” and “controlling” shall have the corresponding meanings
“Directors”	directors of CITIC 1616
“Employee”	any person employed by the Company or any subsidiary and any person who is an officer or director (whether executive or non-executive) of the Company or any subsidiary

“Grantee”	any Employee who accepts an offer of the grant of an Option in accordance with the terms of the Share Option Plan or (where the context so requires) the legal personal representatives of such Employee. A Grantee shall not cease to be an Employee in case of (a) any leave of absence approved by the Company or the relevant subsidiary; or (b) transfer of employment between the Company and any subsidiary or any successor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“holding company”	has the same meaning as in section 2 of the Companies Ordinance
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Mandate Limit”	has the meaning set out in sub-paragraph (t)(ii) of the Appendix
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the main board of the Stock Exchange
“Mandate Limit”	the Initial Mandate Limit or the Refreshed Mandate Limit (as the case may be)
“Option(s)”	an option to subscribe for a Share granted pursuant to the Share Option Plan
“Refreshed Mandate Limit”	has the meaning set out in sub-paragraph (t)(iii) of the Appendix
“Share Option Plan”	the share option plan to be approved and conditionally adopted by the Company, the principal terms of which are summarised in this Appendix
“Shareholders”	holder(s) of Shares in the Company

“Shares”	share(s) of HK\$0.1 each in the share capital of CITIC 1616, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Companies Ordinance (Cap.32 of the Laws of Hong Kong)
“substantial shareholders”	has the meaning ascribed thereto in the Listing Rules

(a) Purpose

The purpose of the Share Option Plan is to attract and retain the best quality personnel for the development of the Company’s businesses; to provide additional incentives to the Employee and to promote the long term financial success of the Company by aligning the interests of Grantees to shareholders.

(b) Who may join

On and subject to the terms of the Share Option Plan and the requirements of the Listing Rules, the Board may offer to grant an Option to any Employee as the Board may in its absolute discretion select.

(c) Approval of the shareholders or independent non-executive directors of CITIC Pacific

Insofar and for so long as (i) the Listing Rules so require; (ii) CITIC Pacific is the holding company of the Company; and (iii) the shares of CITIC Pacific are listed on the Stock Exchange, any provision in the Share Option Plan requiring the approval of the Shareholders or independent non-executive directors (as the case may be) of the Company shall be construed as also requiring the approval of the shareholders or independent non-executive directors (as the case may be) of CITIC Pacific. Where such provisions require the Company to issue a circular to its Shareholders prior to seeking their approval, CITIC Pacific shall also issue a circular to its shareholders prior to seeking their approval.

(d) Administration

The Share Option Plan shall be subject to the administration of the Board. The Board's administrative powers include the authority, in its discretion:-

- (i) to select Employees to whom Options may be granted under the Share Option Plan;
- (ii) to determine, subject to the requirements of the Listing Rules and the law, the time of the grant of Options;
- (iii) to determine the number of Options;
- (iv) to approve forms of option agreements;
- (v) to determine the terms and conditions, not inconsistent with the terms of the Share Option Plan and provided that such terms and conditions do not relax any limits imposed by the Listing Rules, of any Option based in each case on such factors as the Board, in its sole discretion, shall determine to be stated in the letter controlling the offer of the grant of the Option. Such terms and conditions may include, but are not limited to:
 - (i) conditions, restrictions or limitations relating to the achievement of operating or financial targets;
 - (ii) satisfactory performance by the Grantee;
 - (iii) the time or period when the right to exercise the Option in respect of all or some of the Shares the subject of the Option will vest; and/or
 - (iv) that the Shares to be allotted and issued upon exercise of the Option may only be sold after the Company has been given 24 hours' previous written notice.

Without prejudice to the quality of the foregoing and subject to paragraph (g), the Board may grant Options in respect of which the subscription price is fixed at different prices for certain periods during the option period provided that the subscription price shall not be less than that determined in accordance with paragraph (g).

- (vi) to construe and interpret the terms of the Share Option Plan and Options granted pursuant to the Share Option Plan;

- (vii) to prescribe, amend and rescind rules and regulations relating to the Share Option Plan, including rules and regulations relating to sub-schemes established for the purpose of qualifying for preferred treatment under foreign laws and for benefits intended solely for any particular type of Employees provided that administration of any such sub-schemes shall follow the requirements of the Listing Rules (including Chapter 17 of the Listing Rules);
- (viii) subject to paragraph (x) to vary the terms and conditions of any option agreement (provided that such variation is not inconsistent with the terms of the Listing Rules and the Share Option Plan).

(e) Grant of Option

On and subject to the terms of the Share Option Plan and the requirements of the Listing Rules (in particular as to grant of options to directors, chief executives and substantial shareholders of the Company or their respective associates), the Board shall be entitled at any time within 10 years commencing on the date of adoption of the Share Option Plan to make an offer for the grant of an Option to any Employee as the Board may in its absolute discretion select.

(f) Payment on acceptance of Option offer

An offer shall remain open for acceptance by the Employee concerned for a period of 28 days from the date of the offer (or such longer period as the Board may specify in writing). HK\$1.00 is payable by the Grantee to the Company on acceptance of the offer of the Option. If such remittance is not made upon acceptance, acceptance of an offer shall create a promise by the relevant Grantee to pay to the Company HK\$1.00 on demand.

(g) Subscription price

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option but the subscription price shall not be less than whichever is the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

(h) Option period

The period within which the Shares must be taken up under an Option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 10 years from the date of grant of the relevant Option.

(i) Rights are personal to grantee

An Option shall be personal to the Grantee and shall not be assignable or transferable.

(j) Rights attaching to Shares allotted

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank pari passu with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

(k) Rights on retirement, death or total permanent physical or mental disability

In the event of the Grantee ceasing to be an Employee by reason of his death; retirement under normal retirement conditions then prevailing in the Company; or total permanent physical or mental disablement, his Option will immediately vest and he or his legal personal representatives (as the case may be) shall be entitled to exercise the Option (to the extent not already exercised) up to the end of the option period, following which the Option shall lapse.

(l) Termination for being guilty of serious misconduct etc.

If a Grantee ceases to be an Employee for reason of being guilty of serious misconduct, or having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with his creditors generally, or having been convicted of any criminal offence involving his integrity or honesty, the Option shall immediately lapse.

(m) Rights on termination other than for retirement, death, permanent disability or misconduct

If a Grantee ceases to be an Employee other than for reasons provided under paragraphs (k) or (l) (and including resignation for any reason), the Grantee may exercise his option (to the extent already vested as at the date of cessation of employment and not already exercised) within 3 months of such cessation, following which the Option shall lapse.

(n) Rights on termination due to separate listing or sale

If the Board considers that a Grantee has ceased to be an Employee due to the sale, or separate listing, of the company he is serving, or if the Company is merged, reorganised or consolidated with another entity (and sub-paragraph (iv) below does not apply), the Board may at its sole discretion

- (i) arrange for substitute options or share purchase rights of no less than equivalent fair value, in the purchasing, surviving or newly-listed company;

- (ii) provide cash compensation equivalent to their fair value;
- (iii) waive any conditions as to vesting; or
- (iv) permit the continuation of the Option according to its original terms.

If the Board does not permit the continuation of the Option in accordance with its original terms or make any of the arrangements specified in (i) to (iv) above, the Option shall lapse.

(o) Right on general offer

If a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), and the offer becomes or is declared unconditional (or, in the case of a scheme of arrangement, or other similar transaction, becomes or is declared effective), the Option will immediately vest and the Grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time within one month (or for such longer period as the Board may determine as may be necessary to permit the Grantee to participate in the offer on a similar basis with the holder of Shares) after the date on which the offer becomes or is declared unconditional or such longer period as the Board may determine following which the Option shall lapse.

(p) Rights on compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of the amalgamation of the Company with any other company(ies), the Company shall give notice to the Grantee on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representatives) may until the expiry of the period commencing with such date and ending with the earlier of the date 2 calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his Options (to the extent not already exercised) whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. The Company may require the Grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement.

If the Option is not exercised within the time specified, the Option shall lapse.

(q) Rights on voluntary winding-up of the Company

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of the Share Option Plan relating to this paragraph (q)) and thereupon, each Grantee (or his or her personal representatives) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

If the Option is not exercised within the time specified, the Option shall lapse.

(r) Lapse of Option

Subject to the discretion of the Board to extend the option period as referred to in paragraphs (d), (k), (m), (n) and (v) and without prejudice to the authority of the Board to provide for additional situations where an Option shall lapse in any option agreement, an Option shall lapse and not be exercisable (to the extent not already exercised) on the earliest of (i) the expiry of the option period; (ii) the expiry of any of the periods referred to in paragraphs (k), (l), (m), (n), (o), (p) and (q); and (iii) the date on which the Board certifies that there has been a breach of paragraph (i).

(s) Cancellation of Option

Options granted but not exercised or lapsed in accordance with the terms of the Share Option Plan may be cancelled by the Company. Where the Company cancels Options and offers to issue new ones to the same Grantee, the issue of such new Options may only be made under the Share Option Plan with available unissued Options (excluding the cancelled Options) within the limits set out in paragraph (t) below.

(t) Maximum number of Shares available under the Share Option Plan*(i) Overriding Limit*

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Plan and any other schemes must not exceed 10% of the Shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded.

(ii) *Mandate Limit*

In addition to the limit set out in sub-paragraph (t)(i) above and prior to the approval of a refreshed mandate limit as referred to in sub-paragraph (t)(iii) below, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Plan and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Plan, being 188,000,000 Shares (“Initial Mandate Limit”). Options lapsed in accordance with the terms of the Share Option Plan or any other schemes will not be counted for the purpose of calculating the 10% limit.

(iii) *Refreshing of Mandate Limit*

The Company may by ordinary resolutions of the Shareholders refresh the Mandate Limit. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company under the limit as refreshed (“Refreshed Mandate Limit”) must not exceed 10% of the Shares in issue as at the date of approval of the limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the schemes of the Company or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

(iv) *Limit for each Grantee*

The total number of Shares issued and to be issued upon exercise of Options (whether exercised or outstanding) in any 12-month period granted to each Grantee must not exceed 1% of the Shares in issue. Where any further grant of Options to a Grantee would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be subject to separate approval by the Shareholders of the Company in general meeting with the relevant Grantee and his associates abstaining from voting. The date of the offer (which is made subject to such approvals set out in this sub-paragraph) in respect of such grant should be taken as the date of grant for such grants.

(u) Effects of reorganisation of capital structure

In the event of any alteration in the capital structure of the Company whilst any Option may become remains exercisable, whether by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation, subdivision, reduction or similar reorganisation of the share capital of the Company, such corresponding alterations (if any) shall be made to the number or nominal amount of Shares subject to the Option so far as unexercised; and/or the subscription price; and/or

the method of exercise of the Option; and/or the maximum number of Shares referred to in paragraph (t) above, as the auditors shall certify in writing to the Board either generally or as regards any particular Grantee to be in their opinion fair and reasonable (except in the case of a capitalisation issue where no such certification shall be required), provided that: (i) any such alterations shall be made on the basis that the aggregate subscription price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) it was before such event; (ii) no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (iii) no such alterations shall be made the effect of which would be to increase the proportion of the issued share capital of the Company for which any Grantee is entitled to subscribe pursuant to the Options held by him.

For the avoidance of doubt only, the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such alterations.

(v) Alteration to the Plan

The Share Option Plan may be altered in any respect by resolution of the Board except that the provisions of the Share Option Plan relating to matters contained in Rule 17.03 of the Listing Rules (including the provisions under paragraphs (e), (g), (i), (j), (r), (s), (t), (u), (v) and (x)) shall not be altered to the advantage of Grantees or prospective Grantees except with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Articles of Association for the time being of the Company for a variation of the rights attached to the Shares. Any alterations to the terms and conditions of the Share Option Plan, which are of a material nature and any change to the terms of the Options granted, shall be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the Share Option Plan. The amended terms of the Share Option Plan shall comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the Board in relation to any alteration to the terms of the Share Option Plan shall be approved by the Shareholders. Subject to the Listing Rules and the terms of the Share Option Plan the Board may, at any time and in its absolute discretion, remove, waive or vary the conditions, restrictions or limitations imposed in an option agreement on compassionate or any other grounds.

(w) Termination of Share Option Plan

The Company by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Plan and in such event no further Options will be offered after the Share Option Plan is terminated but in all other respects the provisions of the Share Option Plan shall remain in full force and effect. All Options granted prior to such termination and not then exercised shall remain valid.

(x) Offers made to a director, chief executive or employee who is also substantial shareholder of the Company or any of their respective associates

Subject to sub-paragraph (t)(iv) above, but only insofar as and for so long as the Listing Rules require, where any offer of an option is proposed to be made to an Employee who is a director, chief executive or substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive directors of the Company. As regards grant to an employee (who may be a director or chief executive of the Company) who is also a substantial shareholder or an independent non-executive director of the Company, please refer to the note below.

For the avoidance of doubt, a substantial shareholder who is not an Employee is not eligible under the Share Option Plan for Options.

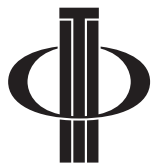
Note: Insofar and for so long as the Listing Rules so require, no Option may be granted to any substantial shareholder or an independent non-executive director of the Company, or any of their respective associates or any person whose associate is a substantial shareholder or an independent non-executive director of the Company, which would result in the Shares issued and to be issued upon exercise of all Options already granted or to be granted (including options exercised, cancelled and outstanding) to such person under the Share Option Plan and any other scheme(s) of the Company in the 12-month period up to and including the date of the offer (which is made subject to such approvals set out in this sub-paragraph) in respect of such further grant:

- (a) representing in aggregate over 0.1% of the issued share capital of the Company in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of the offer (which is made subject to such approvals set out in this sub-paragraph) in respect of such further grant, in excess of HK\$5,000,000

unless such further grant is approved by the Shareholders in general meeting. In such general meeting, the grant of Options to the substantial shareholder or independent non-executive director of the Company or any of their respective associates or any person whose associate is a substantial shareholder or an independent non-executive director of the Company shall, for so long and insofar as the Listing Rules so require, be approved by the Shareholders by way of poll with all connected persons (which has the meaning as set out in the Listing Rules) of the Company abstaining from voting, except that any connected person may vote against such resolution provided that he has informed the Company of his intention to do so and such intention has been stated in the relevant circular to shareholders (which circular shall contain all details and information as required under the Listing Rules). For so long and insofar as the Listing Rules so require, any variation in the terms of Option granted to a Grantee who is a substantial shareholder or an independent non-executive director of the Company, or any of their associates, must be approved by the Shareholders in general meeting with all connected persons of the Company interested in the relevant Option abstaining from voting.

(y) Conditions of Share Option Plan

The Share Option Plan is conditional on (a) the passing of an ordinary resolution at the annual general meeting of CITIC Pacific to be held on 16 May 2007 (or at other general meetings of CITIC Pacific held for the purpose of approving the Share Option Plan) to approve the Share Option Plan, and (b) the Stock Exchange granting approval of the listing of and permission to deal in the Shares falling to be issued pursuant to the exercise of any Option. If such conditions are not satisfied within 6 months after the date of adoption of the Share Option Plan by the Company the Share Option Plan shall forthwith determine.



CITIC PACIFIC

CITIC Pacific Limited
中信泰富有限公司*(Incorporated in Hong Kong with limited liability)***(Stock Code: 267)**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Wednesday, 16 May 2007 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited accounts and the Reports of the Directors and the Auditors for the year ended 31 December 2006.
2. To declare a final dividend and a special dividend for the year ended 31 December 2006.
3. To re-elect retiring Directors.
4. To re-appoint Auditors and authorise the Board of Directors to fix their remuneration.
5. To consider as Special Business the following resolution as an Ordinary Resolution:

“THAT:

- A. subject to paragraph (C), a general mandate be and is hereby unconditionally granted to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to allot, issue and dispose of additional shares in the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers;
- B. the mandate in paragraph (A) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

- C. the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the mandate in paragraph (A), otherwise than pursuant to (i) Rights Issue or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the Articles of Association of the Company from time to time, shall not exceed twenty per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution and the said mandate shall be limited accordingly;
- D. for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- i. the conclusion of the next Annual General Meeting of the Company; or
- ii. the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- iii. the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. To consider as Special Business the following resolution as an Ordinary Resolution:

“THAT:

- A. a general mandate be and is hereby unconditionally given to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to purchase or otherwise acquire shares of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate nominal amount of shares so purchased or otherwise acquired shall not exceed ten per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution;

- B. for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- i. the conclusion of the next Annual General Meeting of the Company; or
- ii. the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- iii. the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

7. To consider as Special Business the following resolution as an Ordinary Resolution:

“THAT conditional upon the passing of Resolutions (5) and (6) set out in the Notice convening this Meeting, the aggregate nominal amount of the shares which are purchased or otherwise acquired by the Company pursuant to Resolution (6) shall be added to the aggregate nominal amount of the shares which may be issued pursuant to Resolution (5).”

8. To consider as Special Business and, if thought fit, pass the following resolution as an Ordinary Resolution:

“**THAT** the CITIC 1616 Share Option Plan referred to in the circular despatched to the shareholders on the same day as this Notice, the terms of which are set out in the printed document marked “A” now produced to the Meeting and for the purpose of identification signed by the Chairman hereof, be approved and adopted and that the Directors of the Company be authorised to take such steps as may be necessary or desirable in connection with the Company’s approval of the CITIC 1616 Share Option Plan.”

By Order of the Board
Stella Chan Chui Sheung
Company Secretary

Hong Kong, 17 April 2007

Registered Office:
32nd Floor, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Notes:

- (i) The Register of Members will be closed from Thursday, 10 May 2007 to Wednesday, 16 May 2007, both days inclusive, during which period no transfer of shares will be effected.
- (ii) Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (iii) To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote.
- (iv) Concerning item 3 above, Mr. Chang Zhenming is a Director appointed by the Board since last annual general meeting who shall hold office only until the forthcoming Annual General Meeting and shall then be eligible for re-election pursuant to Article 95 of the Articles of Association of the Company. Messrs. Larry Yung Chi Kin, Peter Lee Chung Hing, Vernon Francis Moore, Liu Jifu, Willie Chang and Norman Ho Hau Chong shall retire by rotation in the Annual General Meeting pursuant to Article 104(A) of the Articles of Association of the Company and they, all being eligible, shall offer themselves for re-election. Details of the above Directors are set out in Appendix II to this circular.
- (v) Concerning item 5 above, the approval is being sought from members for a general mandate to authorise allotment of shares under Section 57B of the Companies Ordinance and the Listing Rules, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any shares of the Company up to twenty per cent of the issued share capital of the Company. The Directors wish to state that they have no immediate plans to issue shares in the Company.
- (vi) Concerning item 6 above, the approval is being sought from members for a general mandate to repurchase shares in the Company, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any shares in the Company up to ten per cent of the issued share capital of the Company.
- (vii) Concerning item 7 above, the approval is being sought from members to extend the general mandate to allot shares by adding repurchased securities to the twenty per cent general mandate.
- (viii) Concerning item 8 above, the approval is being sought from members to adopt the CITIC 1616 Share Option Plan.