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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)

CONTINUING CONNECTED TRANSACTIONS COAL TRANSPORTATION MASTER AGREEMENTS

On 30 April 2007, each of the Power Companies entered into the Coal Transportation Master Agreements, pursuant to which CITIC Shipping agreed to provide each of them with coal transportation services.

CITIC Shipping is a subsidiary of CITIC Hong Kong (Holdings) Ltd., a substantial shareholder of the Company, and therefore is a connected person of the Company. The transactions contemplated under the Coal Transportation Master Agreements constitute continuing connected transactions for the Company.

It is expected that the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the aggregate service fees payable by the Power Companies to CITIC Shipping under the Coal Transportation Master Agreements for 2007 will exceed 0.1% but will be less than 2.5%, and are subject to the reporting and announcement requirements under the Listing Rules. It is expected that the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the aggregate early despatch fees payable by CITIC Shipping to the Power Companies under the Coal Transportation Master Agreements for 2007 will not exceed 0.1%.

COAL TRANSPORTATION MASTER AGREEMENTS

Date and Parties:

On 30 April 2007, the Coal Transportation Master Agreements were entered into between CITIC Shipping and each of the following parties:-

1. Jiangsu Ligang Co (with a projected amount of 3.04 million tonnes of coal to be transported in 2007);
2. Jiangyin Ligang Co (with a projected amount of 2.6 million tonnes of coal to be transported in 2007); and
3. Jiangyin Lidian Co (with a projected amount of 0.36 million tonnes of coal to be transported in 2007).

Services to be provided by CITIC Shipping to the Power Companies:

Coal transportation services from the northern ports of the PRC to the ports in or near to Jiangsu Ligang.

Service fee payable to CITIC Shipping:

(i) Transportation fee:

- RMB52 (approximately HK\$51.8) per tonne for coal transported by vessel Taihu No. 1, Taihu No. 2 or Taihu No. 3 (Note)
- RMB63 (approximately HK\$62.8) per tonne for coal transported by vessel Taihu No. 5, Taihu No. 6 or Taihu No. 7 (Note)

Note: There is transportation fee difference for coal transported by different vessels as Taihu No.1, Taihu No. 2 and Taihu No. 3 are relatively older compared to Taihu No. 5, Taihu No. 6 and Taihu No. 7.

(ii) Demurrage fee if the loading or unloading time exceeds the agreed time for reasons other than the fault of CITIC Shipping or force majeure event:

- RMB50,000 (approximately HK\$49,850) per day for vessels of less than 30,000 tonnage
- RMB90,000 (approximately HK\$89,731) per day for vessels of or exceeding 30,000 tonnage

Early despatch fee payable to the Power Companies:

Early despatch fee for loading and unloading completed earlier than the agreed time:

- RMB25,000 (approximately HK\$24,925) per day for vessels of less than 30,000 tonnage
- RMB45,000 (approximately HK\$44,865) per day for vessels of or exceeding 30,000 tonnage

Term:

1 January 2007 to 31 December 2007

REASONS AND ANNUAL LIMITS

Coal is an important element in the generation of electricity. The transactions contemplated under the Coal Transportation Master Agreements will enable the Power Companies to procure transportation of coal on terms no less favourable than terms available from Independent Third Parties.

In 2006, 2.3 million tonnes of coal was transported by CITIC Shipping for the Power Companies at RMB45 per tonne for long distance route and RMB38 per tonne for short distance route, and the aggregate service fee paid to CITIC Shipping by the Power Companies in 2006 was RMB98.44 million (approximately HK\$98.15 million). For 2007, all the routes involved will be long distance ones.

The annual limit on the aggregate service fees payable by the Power Companies to CITIC Shipping under the Coal Transportation Master Agreements for the year ending 31 December 2007 is estimated at RMB349 million (approximately HK\$348 million), comprising estimated transportation fee of approximately RMB345 million and estimated demurrage fee of RMB4 million.

The above annual limit is determined based on (i) the historical amount of coal transported by CITIC Shipping for the Power Companies; and (ii) the additional amount of coal that the Power Companies need due to the commissioning of Ligang Power Station Phase III (2 x 600 MW) in December 2006 and the expected operation of Ligang Power Station Phase IV (2 x 600 MW) in the second half of 2007.

The Directors (including the independent non-executive Directors) consider that the terms of the Coal Transportation Master Agreements and the annual limit on the service fees payable by the Power Companies to CITIC Shipping under the Coal Transportation Master Agreements are fair and reasonable so far as the Shareholders are concerned and are in the interest of the Shareholders as a whole. The Coal Transportation Master Agreements were negotiated on an arm's length basis and were arrived at on commercial terms no less favourable to the Power Companies than terms available from Independent Third Parties.

LISTING RULES IMPLICATIONS

CITIC Shipping is a subsidiary of CITIC Hong Kong (Holdings) Ltd., a substantial shareholder of the Company, and thus a connected person of the Company. The transactions contemplated under the Coal Transportation Master Agreements constitute continuing connected transactions for the Company.

The Power Companies are accounted for as jointly controlled entities of the Company but are treated as subsidiaries of the Company for the purposes of the Listing Rules.

It is expected that the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the aggregate annual service fees payable by the Power Companies to CITIC Shipping under the Coal Transportation Master Agreements for 2007 will exceed 0.1% but will be less than 2.5%, and are subject to the reporting and announcement requirements under the Listing Rules. It is expected that the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the early despatch fees payable by CITIC Shipping to the Power Companies under the Coal Transportation Master Agreements for 2007 will not exceed 0.1%.

PRINCIPAL BUSINESS ACTIVITIES OF THE PARTIES

The Group is engaged in a diversified range of businesses, including manufacturing of special steel, iron ore mining, property development and investment, basic infrastructure (such as power generation, aviation, tunnels and communications) and distribution of motor vehicles and consumer products.

Jiangsu Ligang Co and Jiangyin Ligang Co are principally engaged in the construction and operation of Ligang Power Station whereas Jiangyin Lidian Co is principally engaged in provision of maintenance and technical services.

CITIC Shipping is principally engaged in providing transportation services by carriers.

DEFINITIONS

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

"associates", "connected person(s)", "substantial shareholder(s)"	each of which has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"CITIC Shipping"	Shanghai CITIC Shipping Corporation Limited (上海中信輪船有限公司), a subsidiary of CITIC Hong Kong (Holdings) Limited which is a substantial shareholder of the Company
"Coal Transportation Master Agreements"	collectively the three master agreements with identical terms entered into on 30 April 2007 by each of the Power Companies with CITIC Shipping pursuant to which CITIC Shipping agreed to provide each of them with coal transportation services
"Company"	CITIC Pacific Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Independent Third Parties"	parties who are independent from the Company and the connected persons of the Company
"Jiangsu Ligang Co"	Jiangsu Ligang Electric Power Company Limited (江蘇利港電力有限公司), a joint venture company in which the Company has an attributable interest of approximately 65% and a subsidiary of the Company for the purposes of the Listing Rules but accounted for as a jointly controlled entity of the Company
"Jiangyin Lidian Co"	Jiangyin Lidian Energy Material Co. Ltd. (江陰利電能源材料有限公司), a joint venture company in which the Company has an attributable interest of approximately 71% and a subsidiary of the Company for the purposes of the Listing Rules but accounted for as a jointly controlled entity of the Company
"Jiangyin Ligang Co"	Jiangyin Ligang Electric Power Generation Company Limited (江陰利港發電股份有限公司), a company in which the Company has an attributable interest of approximately 71% and a subsidiary of the Company for the purposes of the Listing Rules but accounted for as a jointly controlled entity of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Power Companies"	collectively Jiangsu Ligang Co, Jiangyin Lidian Co and Jiangyin Ligang Co
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

(For the purpose of illustration only, the exchange rate of HK\$100 to RMB100.3 is adopted.)

By Order of the Board
CITIC Pacific Limited
Stella Chan Chui Sheung
Company Secretary

Hong Kong, 30 April 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 Kruyt (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 The Standard and Hong Kong Economic Times."