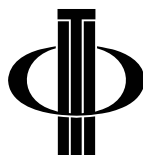


The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents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

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities in CITIC Pacific.



CITIC PACIFIC

CITIC Pacific Limited
中信泰富有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 267)

**Completion of the
Connected Transactions
involving
Subscription For Convertible Bond By CITIC Group
Very Substantial Disposal Involving Certain Leveraged Foreign
Exchange Contracts To Be Assumed by CITIC Group
Increase of Authorised Share Capital**

Financial adviser to CITIC Group
CITIC Securities Corporate Finance (HK) Limited



This announcement is made pursuant to Rule 13.09(1) of the Listing Rules and Schedule VI 6(c)(ii) of the Takeovers Code.

Further to the announcement of CITIC Pacific dated 12 November 2008, the circular dated 3 December 2008 and the EGM results announcement dated 19 December 2008, the Board is pleased to announce that the transactions contemplated in the Agreement in relation to the subscription (and conversion) of the Convertible Bond and the Novation have been completed.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules and Schedule VI 6(c)(ii) of the Takeovers Code. Reference is made to the announcement of CITIC Pacific dated 12 November 2008 (the “Announcement”), the circular dated 3 December 2008 (the “Circular”) and the EGM results announcement dated 19 December 2008. Terms used herein shall have the same meanings as those defined in the Circular.

THE AGREEMENT

The Convertible Bond and Issue of Shares

Pursuant to the resolutions passed at the EGM, the Agreement and the transactions contemplated therein have been approved by Independent Shareholders of CITIC Pacific. The Whitewash Waiver was granted by the Executive on 10 December 2008 and, following the approval of the Independent Shareholders at the EGM, the Whitewash Waiver became unconditional.

As disclosed in the Announcement and the Circular, if Independent Shareholders approved the Agreement and all other conditions were fulfilled or waived (as the case may be), the Convertible Bond would be converted automatically into Shares on Completion. Completion took place on 24 December 2008 and following the automatic conversion of the Convertible Bond on Completion, an aggregate of 1,453,125,000 Shares were allotted and issued to subsidiaries of CITIC Group and CITIC Group became the majority shareholder of CITIC Pacific with an approximately 57.56% interest in the issued share capital of CITIC Pacific. CITIC Group Concert Parties also became interested in approximately 70.46% of the issued share capital of CITIC Pacific immediately after Completion. Permission to list and deal in these Shares was granted by the Stock Exchange on 19 December 2008.

Novation

On Completion, CITIC Pacific and CITIC Group entered into a deed of novation dated 24 December 2008 whereby with effect from the same day, CITIC Group has agreed to assume, economically, or through transfer by novation, the liabilities and benefits of the Novation Contracts. Based on the AUD : USD exchange rate of 0.6835 as of 23 December 2008 (being the Business Day prior to the date of Completion), the target AUD : USD exchange rate was 0.7000. Applying such target AUD : USD exchange rate, the deemed mark-to-market loss under the Novation Contracts was determined to be approximately HKD9.155 billion. CITIC Group paid approximately HKD2.470 billion to CITIC Pacific, being the net amount payable by way of setting off the monies due from CITIC Group under the subscription of the 1,453,125,000 Shares (being HKD11.625 billion) against the amount payable by CITIC Pacific to CITIC Group in respect of the Novation (being approximately HKD9.155 billion).

Increase in Authorised Share Capital

Upon the passing of the relevant resolution at the EGM, the authorised share capital of CITIC Pacific was increased from HKD1,200,000,000 divided into 3,000,000,000 Shares, to HKD2,400,000,000 divided into 6,000,000,000 Shares.

THE STANDBY FACILITY

The drawdown period under the Standby Facility ended on Completion. During the period from 12 November 2008 to Completion on 24 December 2008, there were no draw downs made by CITIC Pacific. The Standby Facility ceased to be available to CITIC Pacific after Completion.

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

Hong Kong, 24 December 2008

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, Vernon Francis Moore, Li Shilin, Liu Jifu, Milton Law Ming To, Wang Ande and Kwok Man Leung; 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.

The directors of CITIC Pacific jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any such statement in this announcement misleading.