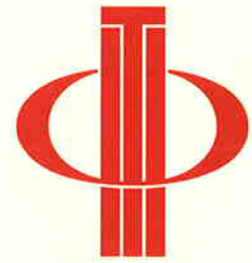


May 25, 2009



CITIC PACIFIC

Dear Shareholder,

CITIC Pacific has a proud history, and it is my great honor to lead the Company as your Chairman.

I have spent the past few weeks in this role looking closely at our businesses. I met many of our business partners and banks, who have been supportive of us. I have also been talking with many of our managers and staff who work so hard and effectively within our businesses. The message from our staff – and from me – is clear: we will move beyond the issues of recent months, and return CITIC Pacific to strong and prosperous growth.

The disappointment and distractions of the past seven months do not change what CITIC Pacific has achieved over twenty years. In addition to the support of our shareholders, I believe there were three factors central to our success: first, the quality of businesses and assets; second, the consistent international standard of our management and people; and third, a commitment to leading in our approach to governance. We will be investing to maintain all three in the future.

However, with a change in Chairman and Managing Director, and a change in majority shareholder, this is a logical time to step back, and to take a fresh look at our strategy and approach.

Firstly, I am pleased to inform you that all of the Australian dollar leveraged foreign exchange contracts CITIC Pacific kept have been restructured into genuine hedges to match the needs of our iron ore business for Australian dollars.

The businesses that CITIC Pacific has today are strong and effective leaders in their fields. From special steel, iron ore mining, property, tunnels, to aviation, power, Dah Chong Hong and CITIC 1616, our businesses have, to quote the cover of this year's annual report, "fundamental strengths".

It is my view that having multiple businesses in diversified industries, is beneficial to CITIC Pacific, in particular in a difficult economic environment. The development strategies of each business will be based upon an assessment of its market position, future prospects, and the extent of our involvement in its management.

Businesses that do not generate satisfactory returns, or where we cannot actively participate in management, we intend to either sell or restructure. However, the divestments will not be undertaken to any timeframe. Rather, we will sell when suits us best and to maximize shareholder return.

We are also exploring synergies between CITIC Pacific and CITIC Group. The company is doing the important strategic planning now. So please give me some time to reach a conclusion.

To achieve our objective of a logically and efficiently run group of businesses, we clearly recognize the need to strengthen our controls and central management functions. For instance we have established an Asset and Liability Management Committee to control and monitor risk exposures of the company, as well as an Investment Committee to further strengthen project approval procedures.

I feel deeply that the running of a company depends on a team. I will, in the months ahead, look for a new Managing Director. Together, we will take the company forward.

Taken together, a dynamic management, clear business strategies, and a renewed commitment to governance, will help us ensure that we create value for all our shareholders. That is our main responsibility.

My thanks to you for your loyalty and patience in recent months. With your support I am confident that the greatest days for CITIC Pacific lie ahead of us.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Chang Zhenming', written in a cursive style.

Chang Zhenming
Chairman of the Board
CITIC Pacific Limited