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

CONTINUING CONNECTED TRANSACTION
PRE-EXISTING TENANCY AGREEMENT

CITIC Pacific as tenant has been leasing its Hong Kong headquarters pursuant to the Lease Agreement with Goldon Investment, the landlord for CITIC Tower. Goldon Investment is owned as to 40% by CITIC Pacific and 25% by CITIC Group. The transaction contemplated under the Lease Agreement becomes a continuing connection transaction of CITIC Pacific under the Listing Rules after CITIC Group has become the controlling shareholder of CITIC Pacific. Set out in this announcement is further details in respect of the Lease Agreement.

1. LEASE AGREEMENT

CITIC Pacific as tenant has been leasing its Hong Kong headquarters since 1997 and the current Lease Agreement dated 30 April 2008 was entered into with Goldon Investment. Goldon Investment is owned as to 40% by CITIC Pacific, 25% by CITIC Group, 25% by Kerry Trading Co. Limited and 10% by DBS Bank Ltd. The term of the Lease Agreement is three years from 1 May 2008 to 30 April 2011 (both days inclusive). The transaction contemplated under the Lease Agreement becomes a continuing connected transaction of CITIC Pacific after CITIC Group has become the controlling shareholder of CITIC Pacific in late December 2008.

Further particulars of the Lease Agreement are summarised below:

Premises: the premises at 29th to 33rd Floors, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong

Rental: HK\$5,072,203.80 per month (exclusive of rates, service charge and government rent). The rental is payable by CITIC Pacific in cash in advance on a monthly basis. The rental was arrived at after arm's length negotiation between the parties with reference to the then prevailing market rates. There is also a service charge of HK\$359,383.20 per month. The service charge is

subject to increase during the term by Goldon Investment giving a one month's prior written notice to CITIC Pacific. A deposit of HK\$17,151,081 has been paid.

The aggregate rentals and service charge to be paid by CITIC Pacific to Goldon Investment for each of the two years ending 31 December 2010 and the four months ending 30 April 2011 are expected not to exceed HK\$66,000,000.00, HK\$66,000,000.00 and HK\$22,000,000.00 respectively.

2. REASONS FOR AND BENEFITS OF THE LEASE AGREEMENT

CITIC Pacific has been leasing its Hong Kong headquarters from Goldon Investment since 1997. The rental of the Premises was arrived at after arm's length negotiation with reference to the then prevailing market rate. The Directors (including the independent non-executive directors of CITIC Pacific) consider that the terms of the Lease Agreement (including the rentals and the service charge) are on normal commercial terms, fair and reasonable and in the interests of the shareholders of CITIC Pacific as a whole.

3. GENERAL

CITIC Pacific's operational focus is on China, both the mainland and Hong Kong. Its major businesses are special steel manufacturing, iron ore mining and property development in mainland China. Other businesses include power, aviation and civil infrastructure. It also holds controlling interests in Dah Chong Hong Holdings Limited and CITIC 1616 Holdings Limited.

Goldon Investment is engaged in property investment.

4. LISTING RULES IMPLICATIONS

Goldon Investment is owned as to 40% by CITIC Pacific and 25% by CITIC Group. Goldon Investment became an associate of CITIC Group when CITIC Pacific itself became an associate of CITIC Group in late December 2008.

The applicable percentage ratios as calculated with reference to the amount paid and/or payable on an annual basis under the Lease Agreement by CITIC Pacific are expected to exceed 0.1% but remain below 2.5%. Therefore, the Lease Agreement constitutes a continuing connected transaction of CITIC Pacific under Rule 14A.34 of the Listing Rules and is exempt from the independent shareholders' approval requirement under the Listing Rules. This announcement is made pursuant to the reporting and disclosure requirements under Rule 14A.41 of the Listing Rules.

5. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“associate” has the meaning ascribed to it by the Listing Rules;

“ CITIC Group ”	CITIC Group 中國中信集團公司, a state-owned enterprise established under the laws of the PRC and a controlling shareholder of CITIC Pacific;
“ CITIC Pacific ”	CITIC Pacific Limited 中信泰富有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange;
“ Directors ” or “ Board ”	the directors of CITIC Pacific;
“ Goldon Investment ”	Goldon Investment Limited, a company incorporated in Hong Kong with limited liability;
“ HK\$ ”	Hong Kong dollars, the lawful currency of Hong Kong;
“ Hong Kong ”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“ Lease Agreement ”	the lease agreement entered into between Goldon Investment and CITIC Pacific dated 30 April 2008 in respect of the leasing of the Premises by CITIC Pacific;
“ Listing Rules ”	the Rules Governing the Listing of Securities on the Stock Exchange;
“ Premises ”	the premises at 29th to 33rd Floors, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong; and
“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 4 September 2009

As at the date of this announcement, the executive directors of CITIC Pacific are Messrs Chang Zhenming (Chairman), 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, Zhang Jijing, Ju Weimin 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.