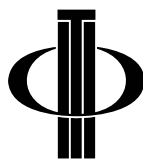


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CITIC PACIFIC

CITIC Pacific Limited

中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 267)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

In the ordinary and usual course of business, CITIC Pacific and its subsidiaries maintain bank balances with CITIC Bank and its subsidiary, CITIC Ka Wah Bank on normal commercial terms. As each of CITIC Bank and CITIC Ka Wah Bank is a connected person of CITIC Pacific and its subsidiaries as defined under Rule 14A.11 of the Listing Rules, the Group's deposits with each of the banks constitute continuing connected transactions of CITIC Pacific which are subject to reporting and announcement requirements set out under Rules 14A.45 to 14A.47 of the Listing Rules.

On 6 May 2010, CITIC Pacific entered into the Master Agreement in respect of the Continuing Connected Transactions as set out in this announcement, setting out the relevant annual caps for each of the three years ending 31 December 2010, 2011 and 2012.

INTRODUCTION

In the ordinary and usual course of business, CITIC Pacific and its subsidiaries, maintain bank balances with CITIC Bank and its subsidiary, CITIC Ka Wah Bank on normal commercial terms. As each of CITIC Bank and CITIC Ka Wah Bank is a connected person of CITIC Pacific and its subsidiaries as defined under Rule 14A.11 of the Listing Rules, the Group's deposits with each of the banks constitute continuing connected transactions of CITIC Pacific which are subject to reporting and announcement requirements set out under Rules 14A.45 to 14A.47 of the Listing Rules.

On 6 May 2010, CITIC Pacific entered into the Master Agreement in respect of the Continuing Connected Transactions as set out in this announcement, setting out the relevant annual caps for each of the three years ending 31 December 2010, 2011 and 2012.

BANK DEPOSIT ARRANGEMENTS WITH CITIC BANK AND CITIC KA WAH BANK

Details and reasons for the Continuing Connected Transactions:

The Group maintains bank balances with CITIC Bank and CITIC Ka Wah Bank on normal commercial terms in the ordinary course of business. Whilst the Master Agreement serves to set out the relevant annual caps for the Continuing Connected Transactions and provide certain other terms required under the Listing Rules, the relevant banking documents executed by the Group with CITIC Bank and CITIC Ka Wah Bank do not provide for the bank accounts with CITIC Bank and CITIC Ka Wah Bank to be maintained for any fixed period of time. Interest is accrued on such bank balances at prevailing market rates and standard bank charges relevant to the accounts and transactions with CITIC Bank and CITIC Ka Wah Bank would apply. The Directors (including the independent non-executive directors of CITIC Pacific) consider that it is in the interests of the Group to continue the bank deposits arrangements with CITIC Bank and CITIC Ka Wah Bank.

Historical amounts and proposed caps:

As at 31 December 2007, 31 December 2008 and 31 December 2009, the aggregate bank balances maintained by the Group with CITIC Bank and CITIC Ka Wah Bank totalled approximately HK\$391 million, HK\$1,754 million and HK\$58 million respectively.

It is expected that for the three years ending 31 December 2010, 31 December 2011 and 31 December 2012, the aggregate maximum bank balance maintained by the Group with CITIC Bank and CITIC Ka Wah Bank on any given day will not exceed HK\$1,400 million.

Having taken into consideration the historical figures mentioned above and its counterparty limits for banks with which the Group places deposits in determining the above cap, the Directors (including the independent non-executive directors of CITIC Pacific) are of the view that the Continuing Connected Transactions will be entered into on normal commercial terms and in the ordinary and usual course of the Group's business and that the relevant annual caps are fair and reasonable and in the interests of the shareholders of CITIC Pacific as a whole. A significant amount of the bank balance in the sum of HK\$700 million as at 31 December 2008 largely reflects the additional investment in CITIC Pacific by CITIC Group whereby CITIC Group subscribed for a convertible bond in the principal amount of HK\$11.625 billion in connection with providing support for certain CITIC Pacific's foreign exchange transactions outstanding at that time.

LISTING RULES IMPLICATIONS FOR THE MASTER AGREEMENT

CITIC Bank and CITIC Ka Wah Bank are subsidiaries of CITIC Group. As CITIC Pacific is also an indirect subsidiary of CITIC Group, CITIC Bank and CITIC Ka Wah Bank are fellow subsidiaries of CITIC Pacific and its subsidiaries and are therefore connected persons of CITIC Pacific under Rule 14A.11 of the Listing Rules.

The Continuing Connected Transactions fall under Rule 14A.35 of the Listing Rules and are subject to reporting and announcement requirements set out under Rules 14A.45 to 14A.47 of the Listing Rules.

Due to the nature of general bank deposits arrangements and normal banking business practice, the bank account documentation does not provide for the bank accounts to be maintained for a fixed period of time not exceeding three years. Nevertheless, the bank accounts documentation does provide that the bank accounts can be terminated by giving a certain number of days' notice, meaning that the period of the bank deposits arrangements is not indefinite and can be terminated with notice. Other than the Master Agreement which sets out the relevant annual caps for the Continuing Connected Transactions for the financial years ending 31 December 2012, CITIC Pacific and its subsidiaries would only continue to maintain bank balances with CITIC Bank and CITIC Ka Wah Bank for the period after 31 December 2012 subject to the provisions and requirements of the Listing Rules.

INFORMATION RELATING TO THE PARTIES

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 energy and civil infrastructure. It also holds controlling interests in Dah Chong Hong Holdings Limited and CITIC 1616 Holdings Limited.

CITIC Bank is a national commercial bank in China providing a full range of financial products and services to customers nationwide, with corporate banking, personal banking and treasury capital market operations being its principal business activities.

CITIC Ka Wah Bank is a Hong Kong-based full-service commercial bank that offers a spectrum of financial services spanning wealth management, personal banking, wholesale banking as well as global markets and treasury solutions.

DEFINITIONS

“Board”	the board of directors of CITIC Pacific
“CITIC Bank”	China CITIC Bank Corporation Limited (中信銀行股份有限公司), a joint stock limited company incorporated in the People's Republic of China with limited liability, the shares of which are listed on the Stock Exchange
“CITIC Ka Wah Bank”	CITIC Ka Wah Bank Limited (中信嘉華銀行有限公司), a company incorporated in Hong Kong with limited liability and is indirectly owned by CITIC Bank as to 70%
“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
“Continuing Connected Transactions”	the bank deposit arrangements with either or both of CITIC Bank and CITIC Ka Wah Bank

“Group”	CITIC Pacific and its subsidiaries or, where the context so requires, any of them
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Master Agreement”	an agreement dated 6 May 2010 between CITIC Pacific and each of CITIC Bank and CITIC Ka Wah Bank
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
CITIC Pacific Limited
Ricky Choy Wing Kay
Company Secretary

Hong Kong, 6 May 2010

As at the date hereof, the executive directors of CITIC Pacific are Messrs Chang Zhenming (Chairman), Zhang Jijing, 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, Ju Weimin, Yin Ke and Peter Kruyt (alternate director to Mr André Desmarais); and the independent non-executive directors of CITIC Pacific are Messrs Alexander Reid Hamilton, Hansen Loh Chung Hon and Norman Ho Hau Chong.