

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CITIC Pacific Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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: 00267)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
DISPOSAL OF EQUITY INTERESTS IN CITIC GUOAN CO., LTD.**

AMENDMENTS TO ARTICLES OF ASSOCIATION

**REMUNERATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR
SERVING ON THE SPECIAL COMMITTEE**

**RE-ELECTION OF DIRECTORS
AND
NOTICE OF EGM**

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



KBC Bank N.V. Hong Kong Branch

A letter from the Board is set out on pages 4 to 11 of this circular. A letter of advice from the Independent Financial Adviser (as defined herein) to the Independent Board Committee (as defined herein) and the Independent Shareholders (as defined herein) is set out on pages 14 to 20 of this circular. A letter of the Independent Board Committee is set out on pages 12 to 13 of this circular.

A notice convening the EGM of CITIC Pacific to be held at Granville and Nathan Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 29 September 2011 at 11:00 a.m. is set out on pages 44 to 50 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the registered office of CITIC Pacific at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

2 September 2011

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Articles”	the articles of association of CITIC Pacific;
“associate”	has the meaning ascribed to it by the Listing Rules;
“Board”	the board of Directors;
“CITIC Group”	中國中信集團公司 (CITIC Group), a state-owned enterprise established under the laws of the PRC and which owns approximately 57.51% shareholding interest in CITIC Pacific as at the Latest Practicable Date;
“CITIC Guoan”	中信國安有限公司 (CITIC Guoan Co., Ltd.), a limited liability sino-foreign equity joint venture established in the PRC;
“CITIC Pacific” or “Company”	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;
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“Completion”	completion of the Disposal pursuant to the Sale and Purchase Agreement;
“connected person”	has the meaning ascribed to it by the Listing Rules;
“Directors”	the directors of CITIC Pacific;
“Disposal”	the sale of the Sale Interest pursuant to the Sale and Purchase Agreement;
“EGM”	the extraordinary general meeting of CITIC Pacific to be convened and held on Thursday, 29 September 2011, including any adjournment thereof;
“Guoan Information”	中信國安信息產業股份有限公司 (CITIC Guoan Information Industry Co., Ltd.), a joint stock limited company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange;

DEFINITIONS

“Group”	CITIC Pacific and its subsidiaries or, where the context so requires, any of them;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board advising the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated therein, comprising Messrs. Alexander Reid Hamilton, Gregory Lynn Curl and Francis Siu Wai Keung, being all the independent non-executive Directors;
“Independent Financial Adviser”	KBC Bank N.V., acting through its Hong Kong branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution registered for Type 6 (advising on corporate finance) regulated activity under the SFO, which is appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated therein;
“Independent Shareholders”	Shareholders other than CITIC Group and its associates;
“Latest Practicable Date”	29 August 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Property”	CITIC Building, situated at 19 Jianguomenwai Dajie, Beijing, China;

DEFINITIONS

“Purchaser”	中信國安集團公司 (CITIC Guoan Group ^{##}), a company with limited liability incorporated in the PRC and a wholly-owned subsidiary of CITIC Group;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Interest”	the registered capital of RMB723,395,000 in CITIC Guoan (equivalent to approximately HK\$868,074,000), representing 50% of the equity interest in CITIC Guoan;
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Vendor and the Purchaser on 15 July 2011 in relation to the Disposal;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	the shareholders of CITIC Pacific;
“Special Committee”	the special committee of the Board to deal with matters relating to the investigations by the Securities and Futures Commission and the Commercial Crime Bureau of the Hong Kong Police Force;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning given to it by the Listing Rules;
“subsidiary(ies)”	has the meaning given to it by the Listing Rules;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“Vendor”	Way Trend Investments Limited (全揚投資有限公司), a company with limited liability incorporated in Hong Kong and an indirect wholly-owned subsidiary of CITIC Pacific.

In this circular, the conversions of RMB into HK\$ have been made at a rate of RMB1.00 to HK\$1.20. Such conversions are for reference only and should not be construed as representations that the RMB amount could be converted into HK\$ at that or any other rates.

^{##} For identification purpose only

LETTER FROM THE BOARD



CITIC PACIFIC

CITIC Pacific Limited
中信泰富有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00267)

Directors:

Chang Zhenming (*Chairman*)
Zhang Jijing (*Managing Director*)
Carl Yung Ming Jie (*Deputy Managing Director*)
Vernon Francis Moore (*Group Finance Director*)
Liu Jifu (*Executive Director*)
Milton Law Ming To (*Executive Director*)
Kwok Man Leung (*Executive Director*)
Alexander Reid Hamilton**
André Desmarais*
Ju Weimin*
Yin Ke*
Gregory Lynn Curl**
Francis Siu Wai Keung**
Peter Kruyt#

* *Non-executive Director*

** *Independent Non-executive Director*

Alternate Director to André Desmarais

Registered Office:

32nd Floor
CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

2 September 2011

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
DISPOSAL OF EQUITY INTERESTS IN CITIC GUOAN CO., LTD.**

AMENDMENTS TO ARTICLES OF ASSOCIATION

**REMUNERATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR
SERVING ON THE SPECIAL COMMITTEE**

**RE-ELECTION OF DIRECTORS
AND
NOTICE OF EGM**

LETTER FROM THE BOARD

INTRODUCTION

CITIC Pacific announced on 15 July 2011 that the Vendor, an indirect wholly-owned subsidiary of CITIC Pacific, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Interest at the consideration of RMB3.511 billion (equivalent to approximately HK\$4.213 billion).

CITIC Pacific also announced on 5 August 2011 that Mr. Francis Siu Wai Keung, an independent non-executive Director, has been appointed as a member of the Special Committee with effect from 8 August 2011 and that shareholders' approval will be sought for the grant of an additional remuneration for any independent non-executive Director who serves on the Special Committee. In the same announcement, it was proposed to amend the Articles to align them with certain changes to the Companies Ordinance and the Listing Rules relating to corporate communication, voting at general meetings and notice to shareholders for general meetings.

The purpose of this circular is to provide Shareholders with, among other things, (i) further details of the Sale and Purchase Agreement and transactions contemplated therein; (ii) recommendations from the Independent Board Committee on the Sale and Purchase Agreement and the transactions contemplated therein; (iii) the advice from the Independent Financial Adviser on the Sale and Purchase Agreement and the transactions contemplated therein; (iv) further details of the proposed additional remuneration for any independent non-executive Director who serves on the Special Committee in the sum of HK\$100,000 per annum (or, if he serves for less than a year, on a pro rata basis); (v) further details of the proposed amendments to the Articles; (vi) further details of retiring Directors proposed to be re-elected; and (vii) the enclosed notice of the EGM.

THE DISPOSAL

The Sale and Purchase Agreement

Date

15 July 2011

Parties

- (a) Way Trend Investments Limited (全揚投資有限公司) (as the Vendor)
- (b) 中信國安集團公司 (CITIC Guoan Group^{##}) (as the Purchaser)

The Purchaser is a wholly-owned subsidiary of CITIC Group, and therefore an associate of the controlling shareholder of CITIC Pacific. Accordingly, the Purchaser is a connected person of CITIC Pacific.

LETTER FROM THE BOARD

Subject of the Disposal

The Sale Interest represents 50% of the equity interest of CITIC Guoan. The remaining 50% interest of CITIC Guoan is owned by the Purchaser. CITIC Guoan is accounted for as a jointly-controlled entity of the Group.

Consideration

The total consideration for the Disposal is RMB3.511 billion (equivalent to approximately HK\$4.213 billion) which shall be settled in one lump-sum in immediately available funds in US\$ equivalent (or in RMB upon agreement by both parties). The US\$ and RMB conversion rate shall be the mid-point rate published by the State Administration of Foreign Exchange on its website (www.safe.gov.cn) on the second business day immediately before the date of completion of the Disposal.

The consideration for the Disposal was arrived at after arm's length negotiation between the Vendor and the Purchaser, having taken into account the benefit of the Disposal to CITIC Pacific as a whole. In considering the commercially agreed consideration, the value of CITIC Guoan and its assets were evaluated as one whole package, with main considerations included CITIC Guoan's interest in Guoan Information, the trend of the closing price of the shares of Guoan Information and the illiquidity of the shares which represent a non-controlling block. A customary discount by reference to those adopted in connected transactions of similar nature was therefore factored in the consideration. Reference was also made to the estimated market range of the value of the Property. Other considerations included price earnings multiples of comparable companies and the net profit of CITIC Guoan for the year ended 31 December 2010 attributable to its shareholders were also taken into account.

Conditions Precedent

Completion of the Disposal is conditional upon the following conditions being fulfilled:

- (a) the grant of approval in respect of the Disposal by the Ministry of Finance of the PRC and registration of the assets evaluation report on CITIC Guoan with the relevant PRC authorities;
- (b) the grant of approval in respect of the Sale and Purchase Agreement by the relevant PRC governmental authorities in charge of commerce and foreign investments;
- (c) compliance with the relevant provisions of the Listing Rules, including the grant of approval by the Independent Shareholders of the Disposal in accordance with the Listing Rules at an extraordinary general meeting of CITIC Pacific; and
- (d) the obtaining of all other governmental, relevant approval authority or (where applicable) third party approvals, consents and/or waivers in respect of the transactions in connection with the Disposal.

LETTER FROM THE BOARD

Completion

Not later than the third business day immediately following the day on which all of the conditions set out in the Sale and Purchase Agreement are fulfilled, the relevant party shall notify the other in writing that the Sale and Purchase Agreement has become unconditional and completion shall take place on the fifth business day (or such other date the parties may agree in writing) immediately after the date of receipt of the aforesaid notification. The longest date for fulfillment of the conditions set out in the Sale and Purchase Agreement shall be no later than six months from the date of the Sale and Purchase Agreement or such later date as the parties may agree.

INFORMATION ON CITIC PACIFIC

CITIC Pacific's 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 Telecom International Holdings Limited.

INFORMATION ON THE VENDOR

The Vendor is an investment holding company incorporated in Hong Kong and an indirect wholly-owned subsidiary of CITIC Pacific.

INFORMATION ON THE PURCHASER

The principal business activity of the Purchaser is investment holding. The Purchaser, through its subsidiaries, is principally engaged in information industry businesses (which include investment in and operation of cable television projects, telecommunication value-added services, satellite communications, integrated network systems, software development and advertising), resource extraction, advanced and new technology projects and tourism real estate development.

INFORMATION ON CITIC GUOAN

CITIC Guoan is an investment holding company, primarily holding a 41.42% interest in Guoan Information (a Shenzhen Stock Exchange listed company) and the Property. As at the end of 2010, Guoan Information operated 17 cable television projects in 7 provinces in China. It also engaged in businesses which include resource extraction, high technology and new materials, real estate development and property management.

Set out below is a summary of the unaudited consolidated financial information of CITIC Guoan for the two years ended 31 December 2009 and 2010 (prepared in accordance with Hong Kong accounting standards):

	For the year ended 31 December	
	2010	2009
	<i>RMB' million</i>	<i>RMB' million</i>
Net profit before taxation	427	818
Net profit after taxation	393	664
Net profit after taxation attributable to the shareholders of CITIC Guoan	169	287

LETTER FROM THE BOARD

The unaudited consolidated net asset value of CITIC Guoan as at 31 December 2010 attributable to the shareholders of CITIC Guoan, prepared in accordance with Hong Kong accounting standards, was RMB3,648 million (equivalent to approximately HK\$4,378 million).

REASONS FOR AND BENEFITS OF THE DISPOSAL

It is CITIC Pacific's strategy to focus on the development of its three major businesses of special steel manufacturing, iron ore mining and property development in mainland China. CITIC Pacific's 50% non-controlling interest in CITIC Guoan represents CITIC Pacific's non-core investment in cable television projects, system integration and software development in the PRC. The Disposal is in line with the Group's strategy. It is expected that with reference to CITIC Pacific's carrying value of its 50% equity interest in CITIC Guoan as at 31 December 2010, an estimated profit of approximately HK\$2.35 billion would arise from the Disposal. CITIC Pacific intends to use the net proceeds (after deducting relevant costs and expenses in connection with the Disposal) for general working capital purpose of the Group.

None of the Directors has a material interest in the Disposal.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for CITIC Pacific under Chapter 14 of the Listing Rules.

The Purchaser is a wholly-owned subsidiary of CITIC Group, and therefore an associate of the controlling shareholder of CITIC Pacific. Accordingly, the Purchaser is a connected person of CITIC Pacific and the Disposal constitutes a connected transaction on the part of CITIC Pacific under Chapter 14A of the Listing Rules. The Disposal is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As of the Latest Practicable Date, CITIC Group through its associates, details of which are set out in Appendix II to this circular, owned approximately 57.51% shareholding interest in CITIC Pacific. Such associates are required to abstain from voting on the resolution approving the transactions contemplated under the Sale and Purchase Agreement.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Messrs. Alexander Reid Hamilton, Gregory Lynn Curl and Francis Siu Wai Keung, has been formed to advise the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated therein. KBC Bank N.V. Hong Kong Branch has been appointed as the Independent Financial Adviser for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the same.

LETTER FROM THE BOARD

AMENDMENTS TO ARTICLES OF ASSOCIATION

Recent changes have been made to the Companies Ordinance and the Listing Rules relating to corporate communication with Shareholders, voting at general meetings and notice to Shareholders for general meetings. In view of such changes and taking the opportunity to also streamline certain procedural housekeeping matters, the Directors proposed a special resolution no. 5 as set out in the notice of the EGM to amend the Articles to give effect to the following:

- (a) align the definition of “newspaper” with that set out in the Listing Rules;
- (b) include information stored in any electronic form in the definition of “writing” or “printing”;
- (c) in the event the Board makes a call on shares, notice of the person appointed to receive payment and of the times and places appointed for payment may be given to Shareholders in any manner as the Articles permit in addition to advertising in specified publications;
- (d) notice to Shareholders shall be sent, (i) in the case of annual general meeting, at least 21 days or 20 business days (whichever is longer) (ii) in the case of a meeting called for passing of a special resolution, at least 21 days or 10 business days (whichever is longer) and (iii) for all other general meeting, at least 14 days or 10 business days (whichever is longer) before the meeting, in accordance with the Code on Corporate Governance Practices;
- (e) the chair of general meetings shall be taken in the following order: (i) Chairman; (ii) Deputy Chairman (if any); (iii) any Director nominated by the Chairman; (iv) any Director elected by a majority of the Directors present at the commencement of the meeting; (v) a member chosen by the members present at the meeting;
- (f) provide voting at general meeting to be decided by poll if required by the Listing Rules or other applicable laws, rules and regulations and ancillary changes thereto;
- (g) require any Director appointed to fill a casual vacancy to hold office only until the next general meeting in accordance with the Code on Corporate Governance Practices instead of until the next annual general meeting;
- (h) align provisions under the Companies Ordinance and the Listing Rules relating to despatch of corporate communication by CITIC Pacific to its Shareholders in electronic form and by means of website.

The full text of the proposed amendments is set out in Appendix III to this circular.

LETTER FROM THE BOARD

REMUNERATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR SERVING ON THE SPECIAL COMMITTEE

As announced by CITIC Pacific on 5 August 2011, Mr. Francis Siu Wai Keung, an independent non-executive Director, has been appointed with effect from 8 August 2011 as a member of the Special Committee. Taking into account the complexity of the work of the Special Committee, the Board proposed, subject to Shareholders' approval, to grant an additional remuneration for any independent non-executive Director who serves on the Special Committee in the sum of HK\$100,000 per annum (or, if he serves for less than a year, on a pro rata basis). Accordingly, resolution no. 4 will be put forward to the Shareholders at the EGM for such approval. Subject to receiving Shareholders' approval at the EGM, Mr. Francis Siu Wai Keung will receive an additional remuneration of HK\$100,000 per annum (or, if he serves for less than a year, on a pro rata basis) for serving on the Special Committee.

RE-ELECTION OF DIRECTORS

Mr. Gregory Lynn Curl and Mr. Francis Siu Wai Keung will retire at the EGM and, being eligible, will offer themselves for re-election as Directors. Information on the retiring Directors is set out in Appendix IV to this circular.

EGM

A notice convening the EGM of CITIC Pacific to be held at Granville and Nathan Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 29 September 2011 at 11:00 a.m. is set out on pages 44 to 50 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the registered office of CITIC Pacific at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

RECOMMENDATION

Having noted and considered the reasons stated under the section headed "Reasons for and Benefits of the Disposal", the Directors (including the independent non-executive Directors whose views have been set out in this circular after taken into consideration the advice of the Independent Financial Adviser) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of CITIC Pacific and the Shareholders as a whole. The Directors also consider that the proposed amendments to the Articles, the grant of additional remuneration to any independent non-executive Directors serving on the Special Committee and the re-election of the Directors are in the best interests of CITIC Pacific and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of resolution no. 3 set out in the notice of the EGM, and the Shareholders to vote in favour of resolutions nos. 1, 2, 4 and 5 set out in the notice of the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and the information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
CITIC Pacific Limited
Chang Zhenming
Chairman

For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee, which has been prepared for the purpose of incorporation into this circular, setting out its recommendation to the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated therein.



CITIC PACIFIC

CITIC Pacific Limited 中信泰富有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00267)

2 September 2011

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF EQUITY INTERESTS IN CITIC GUOAN CO., LTD.

We refer to the circular issued by CITIC Pacific to the Shareholders dated 2 September 2011 (the "Circular") of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed as the Independent Board Committee to consider and to advise you on the terms of the Sale and Purchase Agreement and the transactions contemplated therein as set out in the Circular as to the fairness and reasonableness and to recommend whether or not the Independent Shareholders should approve the Sale and Purchase Agreement and the transactions contemplated therein as set out in the Circular. KBC Bank N.V. Hong Kong Branch has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of the independent advice of the Independent Financial Adviser, together with the principal factors and reasons the Independent Financial Adviser has taken into consideration, are set out on pages 14 to 20 of the Circular.

RECOMMENDATION

We wish to draw your attention to the letter from the Board and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in relation to the Sale and Purchase Agreement and the transactions contemplated therein.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account principal factors and reasons considered by and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider the terms of the Sale and Purchase Agreement and the transactions contemplated therein as set out in the Circular to be fair and reasonable so far as the interests of the Independent Shareholders are concerned and to be in the interests of CITIC Pacific and the Shareholders as a whole. We therefore recommend the Independent Shareholders to support and to vote in favour of the ordinary resolution to approve the Sale and Purchase Agreement and the transactions contemplated therein.

Yours faithfully,
For and on behalf of
Independent Board Committee of
CITIC Pacific Limited
Alexander Reid Hamilton
Gregory Lynn Curl
Francis Siu Wai Keung
Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser in respect of the Disposal prepared for the purpose of inclusion in this circular.



39th Floor
Central Plaza
18 Harbour Road
Hong Kong

2 September 2011

The Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF EQUITY INTERESTS IN CITIC GUOAN CO., LTD.

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal, details of which are set out in the section headed "Letter from the Board" of the circular dated 2 September 2011 (the "Circular") of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 15 July 2011, the Vendor, an indirect wholly-owned subsidiary of CITIC Pacific, entered into the Sale and Purchase Agreement with the Purchaser, a wholly-owned subsidiary of CITIC Group, pursuant to which the Vendor has conditionally agreed to dispose of and the Purchaser has conditionally agreed to acquire the Sale Interest (representing 50% equity interest in CITIC Guoan) for a cash consideration (the "Consideration") of RMB3.511 billion (equivalent to approximately HK\$4.213 billion). Since the Purchaser is a wholly-owned subsidiary of CITIC Group, the controlling Shareholder, the Purchaser is a connected person of CITIC Pacific and therefore the Disposal constitutes a connected transaction of CITIC Pacific under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable and connected transaction of CITIC Pacific under Chapters 14 and 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Messrs. Alexander Reid Hamilton, Gregory Lynn Curl and Francis Siu Wai Keung, has been established to advise the Independent Shareholders in respect of the Disposal. We, KBC Bank N.V. Hong Kong Branch, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Disposal is conducted in the ordinary and usual course of business of CITIC Pacific and on normal commercial terms and the terms of the Sale and Purchase Agreement are fair and reasonable in so far as the interest of CITIC Pacific and the Independent Shareholders as a whole are concerned.

In formulating our recommendation, we have relied on the information and facts supplied to us by CITIC Pacific. We have reviewed, among other things, (i) the Circular; (ii) the Sale and Purchase Agreement; and (iii) the annual reports of CITIC Pacific for the two years ended 31 December 2009 and 2010 (the "Financial Reports"). We have assumed that all information, opinions and representations contained or referred to in the Circular are true, complete and accurate in all material respects and we have relied on the same. Also, we have relied on the representations made by the directors and the management of CITIC Pacific that having made all reasonable enquiries and careful decisions, and to the best of their information, knowledge and belief, there is no other fact or representation or the omission of which would make any statement contained in the Circular, including this letter, misleading. In addition, we have also assumed that all information, statements and representations made or referred to in the Circular, which have been provided to us by CITIC Pacific, and for which it is wholly responsible, are true, complete and accurate in all material respects at the time they were made and continue to be so at the date of dispatch of the Circular.

We consider that we have reviewed sufficient information to enable us to reach an informed view regarding the Disposal to provide us with a reasonable basis for our recommendation. We have no reason to suspect that any material facts have been omitted or withheld, nor are we aware of any facts or circumstances, which would render the information and the representations made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by CITIC Pacific; nor have we conducted any independent in-depth investigation into the business and affairs of CITIC Pacific and its respective associates.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in relation to the Disposal and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors:

1. Reasons for and benefits of the Disposal

(i) *Background of CITIC Guoan*

CITIC Guoan is an investment holding company and is indirectly owned as to 50% by each of the Group and CITIC Group. The principal assets of CITIC Guoan comprise its holding of 41.42% equity interest in Guoan Information and the Property. Guoan Information, which is accounted for as a subsidiary of CITIC Guoan, is a company listed on the Shenzhen Stock Exchange. As disclosed in the Circular, Guoan Information operated 17 cable television projects in 7 provinces in the PRC as at the end of 2010 and is also engaged in other businesses including resource extraction, high technology and new materials, real estate development and property management. The Property, located in Chaoyang District of Beijing, the PRC, is a commercial building comprising a 28-storey main office building and other auxiliary buildings with an aggregate gross floor area of approximately 62,248 square metres. For each of the year ended 31 December 2009 and 2010, the unaudited consolidated net profit after taxation of CITIC Guoan attributable to its shareholders prepared in accordance with Hong Kong accounting standards amounted to approximately RMB287 million and RMB169 million, respectively, and as at 31 December 2010, the unaudited consolidated net asset value of CITIC Guoan attributable to its shareholders prepared in accordance with Hong Kong accounting standards amounted to approximately RMB3,648 million. In addition, according to the Financial Reports, CITIC Guoan is accounted for as a jointly controlled entity of CITIC Pacific and CITIC Pacific shares 50% interest in CITIC Guoan using the equity method. As disclosed in the Circular, CITIC Pacific's 50% non-controlling interest in CITIC Guoan represents a non-core investment of the Group.

(ii) *The Group's development strategy to focus on its core businesses*

CITIC Pacific is a conglomerate which invests and operates in a number of businesses, comprising (i) special steel manufacturing; (ii) iron ore mining; (iii) property development; and (iv) other businesses include energy and civil infrastructure. CITIC Pacific also holds controlling interests in Dah Chong Hong Holdings Limited and CITIC Telecom International Holdings Limited, the shares of both of which are listed on the Stock Exchange. As described in the Financial Reports, it is the Group's development strategy to focus its resources to further develop its three core businesses of special steel manufacturing, iron ore mining and property development in the PRC with a view to becoming a leader in each of these industries. As such, substantial expenditure has been incurred by the Group to enhance the operating

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performance and advance the development progress of its core businesses, including (i) improving the production capacities and the technology contents of the Group's special steel manufacturing business (as at the end of 2010, the aggregate annual production capacities of the Group's special steel production plants reached 8 million tonnes and is expected to increase further to 9 million tonnes by the end of 2011) and (ii) the continuous investment in the Group's magnetite iron ore mining project in Western Australia, the largest magnetite iron ore project under development in the world which produces magnetite concentrates with high iron content with low impurities (thus enabling the Group to become a major suppliers of quality iron concentrate in the PRC). For the year ended 31 December 2010, the Group's capital expenditure for its three core businesses increased substantially by over 30% to approximately HK\$27.8 billion from 2009 (accounted for approximately 96% of the Group's capital expenditure incurred during the year) and the total assets attributable to these three core businesses of the Group accounted for approximately 72% of the Group's consolidated total assets.

Having considered (i) the Group's strong commitment (in terms of financial and management resources) to the development of its core businesses; and (ii) the Disposal will provide an opportunity to the Group to free up its management and financial resources for further developing its core businesses, we are of the view that the Disposal is in line with the development strategy of the Group.

(iii) The Group's strategy to divest of its non-core assets

As a conglomerate, the Group has from time to time invested in and divested of some of its businesses/assets with a view to maximising the returns to the Shareholders. The Group has been adopting a prudent development strategy for each of its business segments based on, amongst others, their prospects, competitiveness and the extent to which the Group is able to exercise its management control. As described in the Financial Reports, it is the Group's strategy to dispose of businesses/assets which (i) it has limited management control; and (ii) are strategically not significant to the Group's future development. During the past two years, the Group has divested of (i) its 10% equity interest in Hong Kong Air Cargo Terminals Limited and all equity interest in Cathay Pacific Airways Limited; (ii) two power stations and its entire 20% equity interest in North United Power Corporation; and (iii) its entire 20% equity interest in Companhia de Telecomunicacoes de Macau, S.A.R.L..

In view of the fact that (i) CITIC Guoan is only accounted for as a jointly controlled entity by CITIC Pacific and the Group's 50% equity interest in CITIC Guoan will not entitle it to exercise any controlling influence over the business or financial management over CITIC Guoan; and (ii) CITIC Pacific's investment in CITIC Guoan represents one of its non-core investments, which

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does not have any synergy to the Group's core businesses, we consider that the Disposal, which represents a natural step in the Group's implementation of its strategy to divest of its non-core investments, is consistent with the Group's development strategy and is conducted in the ordinary and usual course of the business of the Group.

2. The Consideration

As stated in the Circular, the Consideration of RMB3.511 billion (equivalent to approximately HK\$4.213 billion), which is payable upon completion of the Disposal, was arrived at after arm's length negotiation between the Vendor and the Purchaser and having taken into account, among other things, the benefits of the Disposal to CITIC Pacific, CITIC Guoan's interest in Guoan Information, the trend of the closing price of the shares of Guoan Information, the financial performance of CITIC Guoan and the estimated market value of the Property. Given that the principal assets of CITIC Guoan mainly comprise its shareholdings in Guoan Information and the Property, we consider it reasonable to take into account the above factors as the bases in determining the Consideration.

According to the articles of association of CITIC Guoan, each of the Group and CITIC Group shall nominate the same number of directors to the board of directors of CITIC Guoan, and the passing of board resolutions for major financial/management decisions shall be approved by more than two-thirds of the directors of CITIC Guoan. The management of CITIC Pacific has confirmed that given the Group's lack of management control over the assets and businesses of CITIC Guoan and the restriction imposed by 外商投資產業指導目錄(2007年修訂) (the Catalogue for the Guidance of Foreign Investment Industries (Revised 2007)) promulgated by the National Development and Reform Commission of the PRC whereby foreign investors are prohibited from acquiring businesses/assets relating to cable television in the PRC including CITIC Guoan, it would be difficult for CITIC Pacific to identify any third party with serious interest in acquiring such non-controlling stake in CITIC Guoan to partner with CITIC Group at a price which is comparable to the Consideration (which represents a substantial premium of approximately 92% over the Group's 50% proportional share of the unaudited consolidated net asset value of CITIC Guoan attributable to its shareholders prepared in accordance with Hong Kong accounting standards as at 31 December 2010 of approximately RMB3,648 million, i.e. approximately RMB1,824 million).

In assessing the fairness and reasonableness of the Consideration, Ample Appraisal Limited, an independent valuer (the "Valuer"), has been engaged by us to evaluate the fair value of the Sale Interest as at 15 July 2011 (the "Valuation"). The Valuation amounts to approximately RMB3.5 billion and approximates the Consideration. We have discussed with the Valuer regarding the methodology of, and bases and assumptions adopted for the Valuation and understand from the Valuer that the adoption of market-based approach, which involves making comparison of CITIC Guoan with companies listed in the PRC and engaged in businesses with similar market focus, in valuing the Sale Interest is a method

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acceptable under the International Valuation Standards and is commonly used in valuing established and profitable companies with continuous operation like CITIC Guoan, which we consider appropriate.

Having considered the above, we are of the view that the terms of the Sale and Purchase Agreement (including the Consideration) are fair and reasonable in so far as the Independent Shareholders are concerned.

3. Financial impacts of the Disposal

(i) *Earnings and net asset value*

As mentioned above, CITIC Guoan has been accounted for as a jointly controlled entity using the equity method. During each of the two years ended 31 December 2009 and 2010, CITIC Pacific's share of the unaudited consolidated net profit after taxation of CITIC Guoan amounted to approximately RMB144 million and RMB85 million (according to Hong Kong accounting standards), which merely represents approximately 2.9% and 1.1% of the Group's consolidated net profit attributable to the Shareholders during the corresponding periods, respectively. Upon signing of the Sale and Purchase Agreement, CITIC Pacific classified its equity interest in CITIC Guoan as assets held for sale. As disclosed in the Circular, it is estimated that, with reference to CITIC Pacific's carrying value of its equity interest in CITIC Guoan as at 31 December 2010, the Group would record a one-off gain of approximately HK\$2.35 billion as a result of the Disposal and the consolidated net asset value of the Group will be increased.

(ii) *Gearing and working capital*

According to CITIC Pacific's announcement of results for the six months ended 30 June 2011, the Group had net debt of approximately HK\$59.2 billion and total capital of approximately HK\$138.7 billion (representing the aggregate of net debt and equity attributable to the Shareholders and perpetual capital securities) as at 30 June 2011. As such, the gearing ratio of the Group (expressed as a percentage of the Group's net debt over its total capital) was approximately 43% as at 30 June 2011. Based on the gross cash proceeds of approximately HK\$4.213 billion to be received by the Group upon completion of the Disposal, the Group's working capital will be increased and its gearing ratio will be decreased to approximately 40% based on its unaudited consolidated financial statements as at 30 June 2011. Furthermore, since the Group has only received minimal cash flow from CITIC Guoan since its initial investment in CITIC Guoan, the Disposal is not expected to significantly affect the Group's future cash flow.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

CONCLUSION AND RECOMMENDATION

Having considered the principal factors referred to above, we are of the view that the Disposal is conducted in the ordinary and usual course of business of CITIC Pacific and on normal commercial terms and the terms of the Sale and Purchase Agreement are fair and reasonable in so far as the interest of CITIC Pacific and the Independent Shareholders as a whole are concerned. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Disposal.

Yours faithfully,
For and on behalf of
KBC Bank N.V. Hong Kong Branch

Kenneth Chan
Head of Corporate Finance, Greater China

Gaston Lam
Corporate Finance

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular, received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 30 June 2011 of the property interest.



Jones Lang LaSalle Sallmanns Limited
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Licence No: C-030171

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牌照號碼: C-030171

2 September 2011

The Board of Directors
CITIC Pacific Limited
32nd Floor
CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property in the People's Republic of China (the "PRC") held indirectly by CITIC Guoan Co., Ltd., in which CITIC Pacific Ltd. (the "Company") holds and intends to dispose of 50% equity interest, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of the property interest as at 30 June 2011 (the "date of valuation").

Our valuation of the property interest represents the market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

We have valued the property interest by direct comparison approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificate and Building Ownership Certificate relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal adviser – Zhonglun Law Firm, concerning the validity of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,
for and on behalf of

Jones Lang LaSalle Sallmanns Limited

Paul L. Brown

Sam B. Q. Zhu

B.Sc. FRICS FHKIS

MRICS

Chief Valuation Adviser

Director

Notes:

1. Paul L. Brown is a Chartered Surveyor who has 28 years' experience in the valuation of properties in the PRC and 31 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.
2. Sam B. Q. Zhu is a Chartered Surveyor who has 13 years' experience in the valuation of properties in the PRC.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2011 RMB
CITIC Building No. 19 Jianguomen Wai Avenue Chaoyang District Beijing The PRC	<p>The property named CITIC Building comprises a 28-storey building with a 2-storey basement named Block A, an 8-storey building with a 3-storey basement named Block B, a 5-storey building with a single-storey basement named Block C, and a 3-storey building named Block D.</p> <p>The property has a total gross floor area of approximately 62,247.84 sq.m.</p> <p>The property completed in 1985 is erected on a parcel of land with an apportioned site area of approximately 7,743.3 sq.m.</p> <p>The land use rights of the property have been allocated to CITIC Group.</p>	The property is currently rented to various parties except a portion of the property which is occupied by CITIC Building Management for office purpose.	No Commercial Value (Reference value: refer to note 8)

Notes:

1. CITIC Group (中國中信集團公司) is a controlling shareholder of the Company.
2. CITIC Guoan Co., Ltd., (中信國安有限公司, "CITIC Guoan") is owned as to 50% by the Company.
3. CITIC Building Management Co., Ltd. (北京中信國際大廈物業管理有限公司, "CITIC Building Management") is a wholly owned subsidiary of CITIC Guoan.
4. Pursuant to a Land Use Rights Certificate – Chao Quan Guo Yong (97) Zi Di No. 01050, the land use rights of the property with an apportioned site area of approximately 7,743.3 sq.m. have been allocated to China International Trust and Investment Corporation (中國國際信託投資公司), the predecessor of CITIC Group, for tourism use.
5. Pursuant to a Building Ownership Certificate – Jing Fang Quan Zheng Chao Guo (04) Zi Di No. 001587, the property with a gross floor area of approximately 62,247.84 sq.m. is owned by CITIC Group.
6. As advised by the Company, the property is held and operated by CITIC Building Management as at the date of valuation.
7. Pursuant to 218 Tenancy Agreements, 218 units of the property with a total lettable area of approximately 30,730 sq.m. are leased to various parties from CITIC Building Management for various terms with the expiry dates between 14 July 2011 and 7 February 2020 at a total annual rent of RMB85,414,354.9. As advised by CITIC Building Management, for the properties with expired tenancy agreements but without renewal or confirming a definite term, CITIC Building Management will negotiate with the Lessors on the renewal of the tenancy agreements on the terms to ensure normal operation on the properties.
8. Due to the nature of the allocated land use rights, we have attributed no commercial value to the property. However, for reference purpose, we are of the opinion that the capital value of the property as at the date of valuation would be RMB1,425,000,000, assuming land premium has been paid and all relevant proper title certificates have been obtained by CITIC Guoan and CITIC Guoan is entitled to freely transfer, lease, mortgage or otherwise dispose of the property.

9. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. CITIC Group obtained the land use rights of the property with a total site area of 7,743.30 sq.m. by administrative allocation for an unspecified land use term. CITIC Group obtained the building ownership rights of the property with a total gross floor area of 62,247.84 sq.m.;
 - b. CITIC Group has guaranteed to complete the land grant procedures and transfer the land use rights together with the building ownership rights of the property to CITIC Guoan. Upon completion of the transfer procedures, the relevant real estate administration authorities shall grant the land use rights and issue the relevant title document of the property to CITIC Guoan for a specified land use term for commercial use; and
 - c. After CITIC Guoan legally obtains the granted land use rights and building ownership rights of the property, CITIC Guoan will be entitled to use, lease, mortgage or otherwise transfer the property in accordance with the PRC laws at no extra land premium. There is no legal impediment under the PRC laws that will hinder the above-mentioned arrangement.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and/or short positions of the Directors and chief executives

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and the chief executive of CITIC Pacific had any interest or short position in the shares, underlying shares or debentures of CITIC Pacific or its associated corporations (within the meaning of the SFO) which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or were required to be notified to CITIC Pacific and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short position which he was taken or deemed to have under such provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Companies set out in the Listing Rules:

(i) Shares in CITIC Pacific:

Name of director	Number of shares	
	Personal interests unless otherwise stated	Percentage to the issued share capital (%)
Carl Yung Ming Jie	300,000	0.008
Vernon Francis Moore	4,200,000 (Note 1)	0.115
Liu Jifu	840,000	0.023
Milton Law Ming To	167,000	0.005
André Desmarais	8,145,000 (Note 2)	0.223
Peter Kruyt (alternate director to Mr André Desmarais)	34,100	0.001

Note:

- Trust interest
- Corporate interest in respect of 8,000,000 shares and family interest in respect of 145,000 shares

(ii) Share options in CITIC Pacific (*Note*):

Name of director	Date of grant	Exercise price per share (HKD)	Exercisable Period	Number of share options outstanding as at the Latest Practicable Date	Percentage to the issued share capital (%)
Chang Zhenming	16 Oct 07	47.32	16 Oct 07 – 15 Oct 12	500,000	0.030
	19 Nov 09	22.00	19 Nov 09 – 18 Nov 14	600,000	
				1,100,000	
Zhang Jijing	19 Nov 09	22.00	19 Nov 09 – 18 Nov 14	500,000	0.014
Carl Yung Ming Jie	16 Oct 07	47.32	16 Oct 07 – 15 Oct 12	800,000	0.036
	19 Nov 09	22.00	19 Nov 09 – 18 Nov 14	500,000	
				1,300,000	
Vernon Francis Moore	16 Oct 07	47.32	16 Oct 07 – 15 Oct 12	600,000	0.030
	19 Nov 09	22.00	19 Nov 09 – 18 Nov 14	500,000	
				1,100,000	
Liu Jifu	16 Oct 07	47.32	16 Oct 07 – 15 Oct 12	700,000	0.033
	19 Nov 09	22.00	19 Nov 09 – 18 Nov 14	500,000	
				1,200,000	
Milton Law Ming To	16 Oct 07	47.32	16 Oct 07 – 15 Oct 12	800,000	0.036
	19 Nov 09	22.00	19 Nov 09 – 18 Nov 14	500,000	
				1,300,000	
Kwok Man Leung	16 Oct 07	47.32	16 Oct 07 – 15 Oct 12	600,000	0.030
	19 Nov 09	22.00	19 Nov 09 – 18 Nov 14	500,000	
				1,100,000	

Note: The consideration paid by the grantee on each grant of the share option was HK\$1.

(iii) Shares in the associated corporations:

Name of director	Number of shares in CITIC Telecom International Holdings Limited	Percentage to the issued share capital (%)
	Personal interests unless otherwise stated	
Vernon Francis Moore	200,000 <i>(Note 1)</i>	0.008
Kwok Man Leung	150,000	0.006

Note:

- Trust interest

(iv) Share options in the associated corporations:

Share options in CITIC Resources Holdings Limited (*Note*)

Name of director	Date of grant	Exercise price per share <i>(HKD)</i>	Exercisable Period	Number of share options outstanding as at the Latest Practicable Date	Percentage to the issued share capital (%)

Note: No consideration was payable by the grantee on each grant of the share option.

(b) Substantial shareholders of CITIC Pacific

As at the Latest Practicable Date, save as disclosed herein, so far as was known to any Director or chief executive of CITIC Pacific, no person (other than a Director or chief executive of CITIC Pacific or their respective associates) had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to CITIC Pacific under the provisions of Divisions 2 and 3 of Part XV of the SFO or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of CITIC Pacific:

Name	Number of shares of CITIC Pacific	Percentage to the issued share capital (%)
CITIC Group	2,098,736,285	57.508
CITIC Hong Kong (Holdings) Limited ("CITIC HK")	747,486,203	20.482
Heedon Corporation	598,261,203	16.393
Full Chance Investments Limited	450,416,694	12.342
Newease Investments Limited	450,416,694	12.342
Skyprofit Holdings Limited	450,416,694	12.342
Honpville Corporation	310,988,221	8.522
Larry Yung Chi Kin	301,844,000	8.271
Earnplex Corporation	238,363,000	6.531

CITIC Group is a substantial shareholder of CITIC Pacific holding its indirect interest through its wholly-owned subsidiary companies as follows:

Name of subsidiary companies of CITIC Group	Number of shares of CITIC Pacific	Percentage to the issued share capital (%)
CITIC HK	747,486,203	20.482
Full Chance Investments Limited	450,416,694	12.342
Newease Investments Limited	450,416,694	12.342
Skyprofit Holdings Limited	450,416,694	12.342

CITIC HK is a substantial shareholder of CITIC Pacific (within the meaning of the Listing Rules) indirectly through the following wholly-owned subsidiary companies:

Name of subsidiary companies of CITIC HK	Number of shares of CITIC Pacific	Percentage to the issued share capital (%)
Affluence Limited	46,089,000 <i>(Note)</i>	1.263
Winton Corp.	30,718,000	0.842
Westminster Investment Inc.	101,960,000	2.794
Jetway Corp.	122,336,918	3.352
Cordia Corporation	32,258,064	0.884
Honpville Corporation	310,988,221	8.522
Hainsworth Limited	93,136,000	2.552
Southpoint Enterprises Inc.	10,000,000	0.274
Raymondford Company Limited	2,823,000	0.077

Note: These shares include those held by Raymondford Company Limited as Affluence Limited is an indirect holding company of Raymondford Company Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of CITIC Pacific were not aware of any other persons (not being a Director or chief executive of CITIC Pacific) who had an interest or short position in the Shares or underlying shares of CITIC Pacific which would fall to be disclosed to CITIC Pacific under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, Mr. Zhang Jijing was a non-executive director of CITIC Resources Holdings Limited, a company listed on the main board of the Stock Exchange. CITIC Resources Holdings Limited is a diversified energy and natural resources investment holding company and through its subsidiaries has interests in aluminium smelting, coal, import and export of commodities, manganese mining and processing and oil exploration, development and production. Further details of its nature, scope and size of its business as well as its management can be found in the latest annual report of CITIC Resources Holdings Limited. In the event that there are transactions between CITIC Resources Holdings Limited and CITIC Pacific, Mr. Zhang will abstain from voting. Save as disclosed above, Mr. Zhang is not directly or indirectly interested in any business that constitutes or may constitute a competing business of CITIC Pacific.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors or expert described in paragraph 7 of Appendix II to this circular had any direct or indirect interest in any assets which had been, since 31 December 2010, being the date to which the latest published audited accounts of CITIC Pacific were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Group.

6. MATERIAL ADVERSE CHANGES

The Directors are of the opinion that as at the Latest Practicable Date, with reference to all announcements and circulars issued by CITIC Pacific, there has not been any material adverse change in the financial or trading position of the Group since 31 December 2010, being the date to which the latest published audited accounts of the Group were made up.

7. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinions or advice which are contained in this circular:

Name	Qualification
KBC Bank N.V. Hong Kong Branch	KBC Bank N.V., acting through its Hong Kong branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution registered for Type 6 (advising on corporate finance) regulated activity under the SFO
Jones Lang LaSalle Sallmanns Limited	Property valuer

The above experts have given and have not withdrawn their written consents to the issue of this circular, with the inclusion of their letters and reports as set out in this circular and references to their names in the form and context in which they appear respectively.

As at the Latest Practicable Date, the above experts were not beneficially interested in the share capital of any member of the Group, nor did any of them have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

8. INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SUBSTANTIAL SHAREHOLDERS OF CITIC PACIFIC

As at the Latest Practicable Date, save as disclosed below, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to CITIC Pacific under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of company which had such discloseable interest or short position	Position within such company
Chang Zhenming	CITIC Group	Chairman
	CITIC HK	Chairman
Zhang Jijing	CITIC Group	Vice President and Executive Director
	CITIC HK	Director
	Heedon Corporation	Director
	Honpville Corporation	Director
Vernon Francis Moore	Heedon Corporation	Director
	Honpville Corporation	Director
Liu Jifu	CITIC HK	Director
Ju Weimin	CITIC Group	Vice President, Executive Director and Chief Financial Officer
	CITIC HK	Director

9. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturdays, Sundays and public holidays) at the registered office of CITIC Pacific in Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the letter from KBC Bank N.V. Hong Kong Branch, the text of which is set out on pages 14 to 20 of this circular;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 12 to 13 of this circular;
- (c) the full valuation report prepared by Jones Lang LaSalle Sallmanns Limited in respect of the Property;
- (d) the Sale and Purchase Agreement; and
- (e) a copy of this circular.

Details of the proposed amendments to the Articles are set out as follows:

1. The original definition of “newspaper” in Article 2, which reads:

““newspaper” shall mean a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued and published in the Gazette for the purposes of Section 71A of the Companies Ordinance by the Chief Secretary for Administration;”

is to be revised as:

““newspaper” shall mean a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued and published in the Gazette for the purposes of Section 71A of the Companies Ordinance ~~by the Chief Secretary for Administration;~~”

2. The original “writing” or “printing” in Article 2, which reads:

““writing” or “printing” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form (including an electronic communication);”

is to be revised as:

““writing” or “printing” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form **or stored in any electronic form** (including an electronic communication);”

3. The original Article 28, which reads:

“In addition to the giving of notice in accordance with Article 27, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members by notice to be inserted once in The Hongkong Government Gazette and once at least in an English language newspaper and in a Chinese language newspaper.”

is to be revised as:

“In addition to the giving of notice in accordance with Article 27, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members by notice to be inserted once in The Hongkong Government Gazette and once at least in an English language newspaper and in a Chinese language newspaper **and/or in the manner in which notices may be sent to members by the Company as herein provided.**”

4. The original Article 40, which reads:

“The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully up share) on which the Company has a lien.”

is to be revised as:

“The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully **paid** up share) on which the Company has a lien.”

5. The original Article 68, which reads:

“An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days’ notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by at least fourteen days’ notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Ordinance, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it so agreed:-

- (i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.”

is to be revised as:

“An annual general meeting **shall be called by notice in writing of at least twenty-one days or twenty business days (whichever is longer)**. ~~A and a meeting called for the passing of a special resolution shall be called by notice in writing of at least twenty-one days’ or ten business days (whichever is longer). A notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by notice in writing of at least fourteen days’ or ten business days (whichever is longer) notice in writing.~~ The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Ordinance, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it so agreed:-

- (i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.”

6. The original Article 73, which reads:

“The Chairman (if any) of the Board or, if he is absent or declines to take the chair at such meeting, the Deputy Chairman (if any) shall take the chair at every general meeting, or, if there be no such Chairman or Deputy Chairman, or if at any general meeting neither of such Chairman or Deputy Chairman is present within fifteen minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair or if the Chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be Chairman.”

is to be revised as:

“The Chairman (if any) of the Board or, if he is absent or declines to take the chair at such meeting, the Deputy Chairman (if any) shall take the chair at every general meeting, or, if there be no such Chairman or Deputy Chairman, or if at any general meeting neither of such Chairman or Deputy Chairman is present within fifteen minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, **any Director nominated by the Chairman shall take the chair at such meeting, or, if such Director is absent or**

declines to take the chair at such meeting, any Director so elected by a majority of the Directors present at the commencement of the meeting shall take the chair at such meeting, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair or if the Chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be Chairman."

7. The original Article 75, which reads:

"At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:-

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution."

is to be revised as:

"At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless:-

- (A) voting by poll is required by the Listing Rules or other applicable laws, rules and regulations; or**
- (B) a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:-**
 - (i) by the Chairman of the meeting; or

- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and not withdrawn **or a poll is required as aforesaid**, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution. **If voting by poll is required, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required.**"

8. The original Article 107, which reads:

"The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed to fill a casual vacancy shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting."

is to be revised as:

"The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed to fill a casual vacancy shall hold office only until the next following ~~annual~~ general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting."

9. The original Article 168(C), which reads:

"(C) The requirement to send to a person referred to in Article 168(B) the relevant financial documents or the summary financial report (each as defined in the Companies Ordinance), whether under that Article or under the Companies Ordinance, shall be deemed satisfied where, in accordance with the Companies Ordinance and all other applicable

legislation and the Listing Rules, the Company publishes the relevant financial documents and if applicable, the summary financial report (each as defined in the Companies Ordinance), on the Company's computer network or in any other permitted manner (including sending by any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

is to be revised as:

"(C) The requirement to send to a person referred to in Article 168(B) the relevant financial documents or the summary financial report (each as defined in the Companies Ordinance), whether under that Article or under the Companies Ordinance, shall be deemed satisfied where, in accordance with the Companies Ordinance and all other applicable legislation and the Listing Rules, the Company publishes the relevant financial documents and if applicable, the summary financial report (each as defined in the Companies Ordinance), on the Company's ~~computer network~~ website or in any other permitted manner (including sending by any form of electronic communication), and that person has, **in accordance with the Companies Ordinance and all other applicable legislation and the Listing Rules**, agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

10. The original Article 172, which reads:

"Any notice or document to be given or issued under these Articles shall be in writing, and may be served by the Company on any member either personally or by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register or by delivering or leaving it at such registered address as aforesaid or (in the case of a notice) by advertisement in an English language newspaper and a Chinese language newspaper or by sending it in accordance with applicable legislation and the Listing Rules as an electronic communication to the member at his electronic address or by publishing it in accordance with applicable legislation and the Listing Rules on the Company's computer network. In the case of joint holders of a share, all notices or documents shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all joint holders. Any notice or document to be given or issued under these Articles may be either in English language or Chinese language only or in both English language and Chinese language, subject to due compliance with the Ordinance and other applicable laws, rules and regulations."

is to be revised as:

“Any notice or document to be given or issued under these Articles shall be in writing, and may be served by the Company on any member either personally or by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register or by delivering or leaving it at such registered address as aforesaid or (in the case of a notice) by advertisement in an English language newspaper and a Chinese language newspaper or by sending it in accordance with applicable legislation and the Listing Rules as an electronic communication to the member at his electronic address or by publishing it in accordance with applicable legislation and the Listing Rules on the Company’s ~~computer network~~ **website or by such other means as may be permitted under the Ordinance, the Listing Rules and other applicable laws, rules and regulations.** In the case of joint holders of a share, all notices or documents shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all joint holders. Any notice or document to be given or issued under these Articles may be either in English language or Chinese language only or in both English language and Chinese language, subject to due compliance with the Ordinance and other applicable laws, rules and regulations.”

11. The original Article 174, which reads:

“Any notice or document sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid (and in the case of an address outside Hong Kong where airmail service can be extended thereto airmail postage prepaid), addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice was so addressed and put into such post office shall be conclusive evidence thereof. Any notice or document sent as an electronic communication shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. Any notice or document published on the Company’s computer network shall be deemed to have been served or delivered on the day on which a notification is sent to the member that the notice or document is available on the Company’s computer network. Any notice or document served by advertisement in newspapers in accordance with Article 172 shall be deemed to have been served on the day on which the notice or document is first published in newspapers.”

is to be revised as:

“Any notice or document sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid (and in the case of an address outside Hong Kong where airmail service can

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

be extended thereto airmail postage prepaid), addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice was so addressed and put into such post office shall be conclusive evidence thereof. Any notice or document sent as an electronic communication shall be deemed to ~~be given~~ **have been served or delivered at the time as prescribed by the Ordinance and other applicable laws, rules and regulations** ~~on the day on which it is transmitted from the server of the Company or its agent.~~ Any notice or document published on the Company's ~~computer network~~ **website** shall be deemed to have been served or delivered **at the time as prescribed by the Ordinance and other applicable laws, rules and regulations** ~~on the day on which a notification is sent to the member that the notice or document is available on the Company's computer network.~~ Any notice or document served by advertisement in newspapers in accordance with Article 172 shall be deemed to have been served on the day on which the notice or document is first published in newspapers."

APPENDIX IV DETAILS OF THE DIRECTORS TO BE RE-ELECTED

The biographies of the Directors offering for re-election at the EGM are set out as follows:

Gregory Lynn Curl, aged 62, an independent non-executive director with effect from 12 May 2011. He has been appointed as a member of the remuneration committee of the Company with effect from 12 May 2011.

Mr. Curl joined Temasek Holdings (Private) Limited as President on 1 September 2010, following his retirement from Bank of America (“BAC”) in March 2010. He brings with him a banking career of over 30 years. During his time with BAC, Mr. Curl served in a number of senior executive capacities including vice chairman of corporate development, and last held the position of chief risk officer. He was a director of the University of Virginia’s Jefferson Scholars Foundation, The Enstar Group, Inc., Grupo Financiero Santander Serfin, and a non-executive director of China Construction Bank Corporation (listed on the Stock Exchange) until 24 June 2010. Mr. Curl received a Bachelor degree in Political Science from Southwest Missouri State University and a Master degree in Government from the University of Virginia. He was named a Woodrow Wilson Fellow in 1970 and was a Philip Dupont Scholar and a McIntire Fellow at the University of Virginia.

There is no service contract between the Company and Mr. Curl. Mr. Curl is entitled to receive from the Company a director’s fee of HK\$350,000 per annum and a fee of HK\$50,000 per annum as a member of the remuneration committee (all on a pro rata basis), which are determined by the Shareholders, at the same rate as that payable by the Company to the other independent non-executive directors and other remuneration committee members of the Company respectively. Mr. Curl will hold office until the next general meeting of the Company and is eligible for re-election by the Shareholders at the EGM. Thereafter, he will be subject to retirement by rotation and re-election in accordance with the Articles.

As at the Latest Practicable Date, Mr. Curl was not interested in any shares of the Company within the meaning of Part XV of the SFO. He has no relationships with any Directors, senior management or substantial or controlling shareholders of the Company. Save as disclosed herein, he does not hold or has not in the last three years held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

In relation to the re-election of Mr. Curl as an independent non-executive director of the Company, there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

APPENDIX IV DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Francis Siu Wai Keung, aged 57, an independent non-executive director with effect from 12 May 2011. He has been appointed as the chairman of the remuneration committee and a member of the audit committee of the Company with effect from 12 May 2011. He has also been appointed as a member of the Special Committee with effect from 8 August 2011.

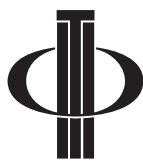
Mr. Siu is an independent non-executive director of GuocoLand Limited (listed on the Singapore Exchange) and Hua Xia Bank Co., Limited (listed on the Shanghai Stock Exchange). He joined KPMG Manchester, UK in 1979 and returned to Hong Kong in 1986 and became a partner of KPMG Hong Kong in 1993. From 2000 to 2002, he was a senior partner of KPMG Shanghai Office. From 2002 to March 2010, he was a senior partner of KPMG Beijing Office, and a senior partner of Northern Region, KPMG China. As an accounting professional, Mr. Siu has extensive experience in serving Hong Kong and PRC companies, especially in the telecommunications, power, aviation, electrical appliances, motor vehicles and petrochemical industries. He obtained a Bachelor of Arts degree in Accounting and Economics from the University of Sheffield, United Kingdom. He is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

There is no service contract between the Company and Mr. Siu. Mr. Siu is entitled to receive from the Company a director's fee of HK\$350,000 per annum, a fee of HK\$50,000 per annum as the chairman of the remuneration committee and a fee of HK\$100,000 per annum as a member of the audit committee (all on a pro rata basis), which are determined by the Shareholders, at the same rate as that payable by the Company to the other independent non-executive directors, other remuneration committee members and audit committee members of the Company respectively. He will also receive from the Company a fee of HK\$100,000 per annum (on a pro rata basis) for his appointment as a member of the Special Committee, subject to the approval of the Shareholders at the EGM. Mr. Siu will hold office until the next general meeting of the Company and is eligible for re-election by the Shareholders at the EGM. Thereafter, he will be subject to retirement by rotation and re-election in accordance with the Articles.

As at the Latest Practicable Date, Mr. Siu was not interested in any shares of the Company within the meaning of Part XV of the SFO. He has no relationships with any Directors, senior management or substantial or controlling shareholders of the Company. Save as disclosed herein, he does not hold or has not in the last three years held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

In relation to the re-election of Mr. Siu as an independent non-executive director of the Company, there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

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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: 00267)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of CITIC Pacific Limited (“CITIC Pacific”) will be held at Granville and Nathan Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 29 September 2011 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions of CITIC Pacific:

1. “**THAT** Mr. Gregory Lynn Curl be and is hereby re-elected as director of CITIC Pacific.”
2. “**THAT** Mr. Francis Siu Wai Keung be and is hereby re-elected as director of CITIC Pacific.”
3. “**THAT:**
 - (a) the conditional sale and purchase agreement dated 15 July 2011 entered into between Way Trend Investments Limited (全揚投資有限公司) as the vendor and 中信國安集團公司 (CITIC Guoan Group^{##}) as the purchaser (a copy of which has been produced to the EGM marked “A” and initialled by the chairman of the EGM for the purpose of identification) (the “**Sale and Purchase Agreement**”), pursuant to which the vendor agreed to sell and the purchaser agreed to purchase 50% equity interest in 中信國安有限公司 (CITIC Guoan Co., Ltd.) at the consideration of RMB3.511 billion (equivalent to approximately HK\$4.213 billion), and all transactions, matters and amendments contemplated under the Sale and Purchase Agreement, and the execution, performance and implementation of the Sale and Purchase Agreement and all ancillary matters contemplated under the Sale and Purchase Agreement be and are hereby generally and unconditionally approved; and
 - (b) any one director of CITIC Pacific or any two directors of CITIC Pacific, if the affixation of the common seal is necessary, be and is/are hereby

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authorised for and on behalf of CITIC Pacific to do all such things and exercise all powers which he/they consider(s) necessary, desirable or expedient in connection with the Sale and Purchase Agreement and otherwise in connection with the implementation of the transactions contemplated therein including without limitation the execution, amendment, supplement, delivery, waiver, submission and implementation of any further documents or agreements.”

4. “**THAT** an additional remuneration in the sum of HK\$100,000 per annum (or, if he serves for less than a year, on a pro rata basis) be granted to any independent non-executive director who is appointed to serve on the special committee of the board of directors of CITIC Pacific to deal with matters relating to the investigations by the Securities and Futures Commission and the Commercial Crime Bureau of the Hong Kong Police Force.”

SPECIAL RESOLUTION

To consider and, if thought fit, pass the following resolution as special resolution of CITIC Pacific:

5. “**THAT** the Articles of Association of CITIC Pacific be altered in the following manner:
 - (a) by deleting the definition of “newspaper” in Article 2 in its entirety and substituting the following therefor:

““newspaper” shall mean a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued and published in the Gazette for the purposes of Section 71A of the Companies Ordinance;”
 - (b) by deleting the definition of “writing” or “printing” in Article 2 in its entirety and substituting the following therefor:

““writing” or “printing” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form or stored in any electronic form (including an electronic communication);”
 - (c) by deleting the existing Article 28 in its entirety and substituting the following therefor:

“28. In addition to the giving of notice in accordance with Article 27, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members by notice to be inserted once in The Hongkong Government Gazette and once at least in an English language newspaper and in a Chinese language newspaper and/or in the manner in which notices may be sent to members by the Company as herein provided.”

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- (d) by deleting the existing Article 40 in its entirety and substituting the following therefor:

“40. The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.”

- (e) by deleting the existing Article 68 in its entirety and substituting the following therefor:

“68. An annual general meeting shall be called by notice in writing of at least twenty-one days or twenty business days (whichever is longer). A meeting called for the passing of a special resolution shall be called by notice in writing of at least twenty-one days or ten business days (whichever is longer). A meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by notice in writing of at least fourteen days or ten business days (whichever is longer). The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Ordinance, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it so agreed:-

- (i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.”

- (f) by deleting the existing Article 73 in its entirety and substituting the following therefor:

“73. The Chairman (if any) of the Board or, if he is absent or declines to take the chair at such meeting, the Deputy Chairman (if any) shall take

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the chair at every general meeting, or, if there be no such Chairman or Deputy Chairman, or if at any general meeting neither of such Chairman or Deputy Chairman is present within fifteen minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, any Director nominated by the Chairman shall take the chair at such meeting, or, if such Director is absent or declines to take the chair at such meeting, any Director so elected by a majority of the Directors present at the commencement of the meeting shall take the chair at such meeting, and if no Director be present or if all the Directors present decline to take the chair or if the Chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be Chairman.”

- (g) by deleting the existing Article 75 in its entirety and substituting the following therefor:

“75. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless:-

- (A) voting by poll is required by the Listing Rules or other applicable laws, rules and regulations; or
- (B) a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:-
 - (i) by the Chairman of the meeting; or
 - (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
 - (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and not withdrawn or a poll is required as aforesaid, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the

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votes recorded in favour or against such resolution. If voting by poll is required, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required.”

- (h) by deleting the existing Article 107 in its entirety and substituting the following therefor:

“107. The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed to fill a casual vacancy shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.”

- (i) by deleting the existing Article 168(C) in its entirety and substituting the following therefor:

“(C) The requirement to send to a person referred to in Article 168(B) the relevant financial documents or the summary financial report (each as defined in the Companies Ordinance), whether under that Article or under the Companies Ordinance, shall be deemed satisfied where, in accordance with the Companies Ordinance and all other applicable legislation and the Listing Rules, the Company publishes the relevant financial documents and if applicable, the summary financial report (each as defined in the Companies Ordinance), on the Company’s website or in any other permitted manner (including sending by any form of electronic communication), and that person has, in accordance with the Companies Ordinance and all other applicable legislation and the Listing Rules, agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.”

- (j) by deleting the existing Article 172 in its entirety and substituting the following therefor:

“172. Any notice or document to be given or issued under these Articles shall be in writing, and may be served by the Company on any member either personally or by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register or by delivering or leaving it at such registered address as aforesaid or (in the case of a notice) by advertisement in an English language newspaper and a Chinese language newspaper or by sending it in accordance with applicable legislation and the Listing Rules as an electronic communication to the member at his electronic address or by publishing it in accordance with applicable legislation and the Listing Rules on the Company’s website or by such other means as may be permitted under the Ordinance, the

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Listing Rules and other applicable laws, rules and regulations. In the case of joint holders of a share, all notices or documents shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all joint holders. Any notice or document to be given or issued under these Articles may be either in English language or Chinese language only or in both English language and Chinese language, subject to due compliance with the Ordinance and other applicable laws, rules and regulations.”

- (k) by deleting the existing Article 174 in its entirety and substituting the following therefor:

“174. Any notice or document sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid (and in the case of an address outside Hong Kong where airmail service can be extended thereto airmail postage prepaid), addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice was so addressed and put into such post office shall be conclusive evidence thereof. Any notice or document sent as an electronic communication shall be deemed to have been served or delivered at the time as prescribed by the Ordinance and other applicable laws, rules and regulations. Any notice or document published on the Company’s website shall be deemed to have been served or delivered at the time as prescribed by the Ordinance and other applicable laws, rules and regulations. Any notice or document served by advertisement in newspapers in accordance with Article 172 shall be deemed to have been served on the day on which the notice or document is first published in newspapers.”“

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

Hong Kong, 2 September 2011

Registered Office:
32nd Floor, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

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Notes:

- (i) Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member of CITIC Pacific.
- (ii) To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the registered office of CITIC Pacific not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote.
- (iii) A form of proxy for use at the EGM is enclosed herewith.

For identification purpose only