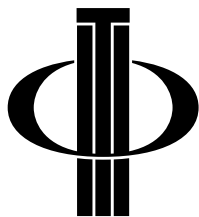


The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of contents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



CITIC PACIFIC

CITIC Pacific Limited 中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

CONNECTED TRANSACTION

ESTABLISHMENT OF A PRC JOINT VENTURE 無錫太湖抽水蓄能電力有限公司

The Directors of CITIC Pacific announce that on 28 November, 2003, Sunspark (a wholly owned subsidiary of CITIC Pacific) and Wuxi Power entered into the Joint Venture Contract and the Articles of Association for the establishment of the New JV, a new joint venture company. Upon its establishment, the New JV will be owned as to 70% by Sunspark and 30% by Wuxi Power.

Wuxi Power's holding company is a substantial shareholder of certain subsidiaries of CITIC Pacific, and therefore Wuxi Power is a connected person (as defined in the Listing Rules) of CITIC Pacific. Accordingly, the establishment of the New JV constitutes a connected transaction of CITIC Pacific under the Listing Rules.

The total investment and the registered capital of the New JV amount to US\$28,000,000 (approximately HK\$218,400,000) and US\$20,000,000 (approximately HK\$156,000,000) respectively. The value of the connected transaction represents more than 0.03% but less than 3% of CITIC Pacific's consolidated net asset value as at 31 December, 2002. Details of the joint venture arrangement will be included in the 2003 annual report of the Company.

JOINT VENTURE CONTRACT AND ARTICLES OF ASSOCIATION FOR THE NEW JV

Date: 28 November, 2003

Parties: (1) Sunspark, a wholly owned subsidiary of CITIC Pacific; and
(2) Wuxi Power, a connected person of CITIC Pacific.

Business: To engage in the construction of pumped storage hydraulic power plant in Ma Shan, Wuxi, Jiangsu in the PRC.

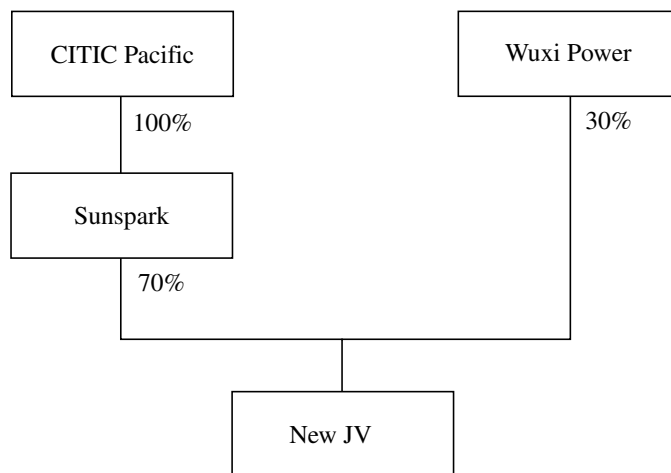
Total Investment: US\$28,000,000 (approximately HK\$218,400,000)

Registered Capital: US\$20,000,000 (approximately HK\$156,000,000) of which 70% will be contributed by Sunspark and 30% by Wuxi Power. The capital contribution of Sunspark will be made in US\$ and will be funded by internal resources of the Company. The capital contribution of Wuxi Power will be made in RMB (based on the PRC official exchange rate of RMB to US\$) and will be funded out of its own internal resources.

Term: 40 years from the date of issue of the business licence of the New JV. Such term may be extended by unanimous consent from the parties to the New JV with approval from the relevant PRC authorities.

Board of directors: The board of directors of the New JV will consist of five directors. Sunspark and Wuxi Power will nominate three directors and two directors to the board respectively. The chairman of the board will be appointed by Sunspark.

The shareholding structure upon the establishment of the New JV is as follows:–



The terms of the Joint Venture Contract and the Articles of Association have been arrived at after arm’s length negotiations. Pursuant to the Joint Venture Contract and the Articles of Association, the profit-sharing arrangement will be in proportion of the respective contribution in the registered capital of the New JV by each party. The New JV will not be consolidated into the Company’s accounts upon its establishment and the equity method will be adopted.

Conditions

The Joint Venture Contract and the Articles of Association are conditional upon all necessary approvals from the relevant PRC authorities having been obtained.

CONNECTED TRANSACTION

Wuxi Power's holding company is a substantial shareholder of certain subsidiaries of CITIC Pacific, and therefore Wuxi Power is a connected person (as defined in the Listing Rules) of CITIC Pacific. Accordingly, the establishment of the New JV constitutes a connected transaction of CITIC Pacific under the Listing Rules.

The total investment and the registered capital of the New JV amount to US\$28,000,000 (approximately HK\$218,400,000) and US\$20,000,000 (approximately HK\$156,000,000) respectively. The value of the connected transaction represents more than 0.03% but less than 3% of CITIC Pacific's consolidated net asset value as at 31 December, 2002. Details of the joint venture arrangement will be included in the 2003 annual report of the Company.

REASONS FOR THE JOINT VENTURE FOR THE NEW JV

The Company's long term objective remains to develop a large diversified business focusing on infrastructure which includes, among others, power generation. The formation of the New JV provides an opportunity for the Group to further expand its power business in the PRC.

The Directors (including the independent non-executive directors) consider that the terms of the Joint Venture Contract and the Articles of Association are normal commercial terms and are fair and reasonable and in the interests of CITIC Pacific and all the shareholders as a whole.

Term used in this announcement:

“Articles of Association”	the articles of association entered into on 28 November, 2003 between Sunspark and Wuxi Power
“Board”	the board of directors of the Company
“Company” or “CITIC Pacific”	CITIC Pacific Limited
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Joint Venture Contract”	the joint venture contract entered into on 28 November, 2003 between Sunspark and Wuxi Power
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New JV”	無錫太湖抽水蓄能電力有限公司 (Wuxi Taihu Lake Pumped Storage Power Co., Ltd.), the joint venture company which will be owned as to 70% by Sunspark and 30% by Wuxi Power pursuant to the Joint Venture Contract and the Articles of Association

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sunspark”	Sunspark Power Investment Company Limited, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of CITIC Pacific
“US\$”	United States dollars, the lawful currency of the United States of America
“Wuxi Power”	無錫市地方電力公司, a company established under the laws of the PRC and a subsidiary of 無錫市國聯發展(集團)有限公司 being a substantial shareholder of certain subsidiaries of CITIC Pacific

Unless otherwise stated, the exchange rates of US\$ to HK\$ and RMB to HK\$ quoted in this announcement adopt the following rates respectively:

*US\$1 equivalent to HK\$7.8 and
RMB1 equivalent to HK\$0.943*

By Order of the Board
Alice Tso Mun Wai
Secretary

Hong Kong, 28 November, 2003

“Please also refer to the published version of this announcement in The Standard and Hong Kong Economic Times”.