

REVIEW OF OPERATIONS

CITIC Pacific's business continues to be concentrated in Hong Kong, Macau and Mainland China focused on infrastructure in its broadest sense, including telecommunications, power generation, civil facilities and environmental projects supported by trading and distribution, and property development. The Company's existing infrastructure businesses and trading operations continue to generate reliable income and strong cash flow, serving as a solid base on which the Company is able to develop new business, particularly in communications.

INFRASTRUCTURE

Communications

	<i>Location</i>	<i>Ownership</i>
China Express No.1 Backbone Network	PRC	60%
CITIC Guoan	PRC	50%
CITIC Telecom 1616	Hong Kong	100%
CTM (Macau Telecom)	Macau	20%

Contribution to earnings

<i>Year</i>	<i>HK\$ million</i>	<i>Proportion of total earnings</i>
2000	92	2%
1999	51	1%

China Express No.1 Backbone Network

In early 2000 CITIC Pacific positioned itself prominently into the communications market in the Mainland China by undertaking the development of a state-of-the-art nation-wide optical fibre backbone network known as China Express No.1 Backbone Network that will cover all the 24 provinces (except Taiwan), 4 autonomous regions and the 4 municipalities directly under the Central Government. CITIC Pacific is a 60% partner in the Network with CITIC Beijing (our Beijing based principal shareholder) and CITIC Pacific's Chairman, Larry Yung, each having a 20% interest.

More than 22,000 km out of a total of 32,099 km physical length of optical fibre was laid by March 2001, of which nearly 6,000 km is being fitted with the latest equipment after having passed acceptance tests.

The China Express No.1 will be equipped with state-of-art Lucent's Wavestar 400G DWDM, Wavestar TDM 10G SDH transmission and switching system and Cisco's GSR 320G Routing switch, which will provide complete support to a wide range of communication protocols and service capabilities.

The first phase of the equipment installation is divided into two sections, the first section linking Beijing in the north passing through Wuhan and ending in Guangzhou in the south totaling 2,882 km has been completed, technical testing is in progress and the result so far is satisfactory. The next section starts from Guangzhou passing through Fuzhou and linking Shanghai in the east part of China totaling 2,649 km. Equipment installation is underway and expected to be completed by the first quarter of this year.

The second phase will start from Shanghai going through He Fei and back to Beijing to complete the loop. This will be complemented by an alternative route from Shanghai through He Fei and connecting to Wuhan to form a more protective ring. The acceptance test for the second phase fibre is underway, and equipment installation has also started. According to the plan, the second phase will be completed by the second quarter of 2001.

The first two phases will consist of 110 nodes in total, including 5 backbone nodes and 10 main nodes. Upon completion, it will form a ring topology network covering major parts of the economically developed areas in Mainland China. We expect that the network will become operational and start to generate revenues in the second half of 2001.

In due course, our backbone network will be connected to metropolitan and local access networks in major Chinese cities to provide end-to-end connectivity to both corporate and retail customers. Metropolitan networks are likely to be developed through joint ventures with local government or other entities, and local access networks are expected to be built based on Ethernet technology and through copper twisted pairs.

CITIC Pacific also plans to provide value-added telecommunications services through our strategically located data centres in major Chinese cities modeled on the design and network architecture of international first tier carriers and service providers. These data centres will also benefit from the substantial and reliable bandwidth of the China Express No.1 Backbone Network.

In order to achieve our ambitions in the communications areas, a license is required under the recently published regulations, and our partner CITIC Beijing, is working closely with relevant parties and government agencies to secure a comprehensive set of service licenses.

CITIC Telecom 1616

In May 2000 CITIC Pacific acquired 100% of Telecom 1616 Group and subsequently renamed it as CITIC Telecom 1616. This Group has an External Telecommunication Service license and is one of the largest IDD capacity wholesalers in Hong Kong. CITIC Telecom 1616 will serve as a global interconnection platform. Together with our China Express No.1 Backbone Network, CITIC Telecom 1616 platform in Hong Kong will act as a converging point for telecommunications traffic between China and the rest of the world.

Since the acquisition, CITIC Telecom 1616 has upgraded the network capacities and aggressively expanded its business through alliances with major international telecom carriers. Total volume in term of calling minutes per month increased three times by the end of the year to reach 64 million minutes. The momentum continued in 2001, a number of new agreements have been finalised and the management is very confident that substantial revenue growth will be achieved. Currently, CITIC Telecom 1616 is only engaged in voice business and the company is preparing to commence data services towards the end of 2001. It is anticipated that data transmission business in the region will grow in a fast pace. With its broad business contacts and proven wholesaling capabilities, CITIC Telecom 1616 is in a good position to penetrate in the data business.

CITIC Guoan

After receiving the relevant government approvals in November 2000, the Company's shareholders approved the purchase of a 50% interest in CITIC Guoan Co., Ltd. from CITIC Beijing, which retains the other 50% interest. CITIC Guoan's main business is its controlling 69.8% interest in CITIC Guoan Information Industry Co., Ltd. ("Guoan Information"), a company whose shares are listed on the Shenzhen Stock Exchange. Guoan Information operates cable television networks in cities such as Wuhan, Shenyang, Qinhuangdao and Tangshan with near 4 million subscribers today, and it is expected that the total numbers of subscribers to the network may reach 7 million in 2001. The acquisition will also have substantial synergy with CITIC Pacific's investment in the China Express No.1 Backbone Network by transmitting programs through the network to end-users.

Besides cable television, CITIC Guoan has investment interests in various ICP projects, multi-media advertising services and hotel management. CITIC Guoan also owns 100% of CITIC Building, a grade A office building located in the centre of Beijing City.

CTM

Companhia de Telecomunicacoes de Macau provides fixed line, mobile telephone services and internet services to the people of the Macau SAR.

CTM reported a net profit after tax of MOP297.5 million for the year ended 31 December 2000 compared with MOP265 million in 1999. The company's mobile phone base increased 21% to 144,000, and internet subscribers including narrow and broadband reached 30,000, an increase of 57% over the previous year. CTM intends to provide WAP and GPRS mobile services in 2001.

Power Generation

	<i>Location</i>	<i>Ownership</i>	<i>Installed Capacity (in Megawatts)</i>
Ligang	Jiangsu	56.3%	1,400
Xinli	Henan	50%	600
Kaifeng	Henan	50%	125
Huhhot	Inner Mongolia	35%	-
Weihai	Shandong	49%	24
Shouguang	Shandong	49%	24
CLP Holdings	Hong Kong	3.9%	8,263

Contribution to earnings

<i>Year</i>	<i>HK\$ million</i>	<i>Proportion of total earnings</i>
2000	548	13%
1999	1,199	29%

The Ligang coal-fired power station, located near the city of Wuxi in Jiangsu province in the PRC, has a total design capacity of 2,600 Megawatts (“MW”). Currently installed capacity is 1,400 MW comprised of two phases, both of 2 x 350 MW. A total of 6,880 million Kwh of electricity was generated in 2000 - 12.5% more than previous year. The feasibility study and detailed planning for phase III of Ligang are in progress.

The Xinli coal-fired power station, located in Zhengzhou, Henan province, has a design capacity of 1,000 MW and installed capacity is 600 MW consisting of a phase I (2 x 200 MW) and a phase II (1 x 200 MW). A total of 3,062 million Kwh of electricity was generated from the Xinli plant in 2000, an increase of 7% over last year. The phase III development plan (2 x 200 MW) has been approved by the government and a feasibility study is in progress.

Kaifeng power station, which is also located in Henan province, has a design capacity of 725 MW. The phase I (1 x 125 MW) station generated 618 million Kwh of electricity in 2000, an increase of 14%.

The construction of a 2 x 200 MW power station in Huhhot, Inner Mongolia commenced in the last quarter of 1999. The first unit is scheduled for completion in early 2002 and the second unit is expected to be operational by the end of 2002. CITIC Pacific has 35% equity interests in this project.

The Weihai thermal power plant in Shandong province generated 60 million Kwh of electricity and 750,000 tonnes of high temperature/pressure steam in 2000, and an additional 12 MW generator and a 130 T/H boiler were installed. The Shouguang thermal power plant, also in Shandong province, generated 182 million Kwh of electricity and 1,030,000 tonnes of high temperature/pressure steam.

Power generation is an important part of CITIC Pacific's business and the Company remains committed to continued expansion of its power generation capacity in China in the coming years. We are actively seeking opportunities to acquire existing power plants with the potential for further development and/or improved operational efficiency.

During 2000, CITIC Pacific sold about 2.4% of its interest in CLP Holdings, and at 31 December 2000, approximately 3.9% remained.

CLP's net profit for the year ended 31 December 2000 was HK\$5,768 million, including its share of HK\$1,132 million arising from the sales of Laguna Verde, the former power station site at Hok Un.

Civil Facilities

	<i>Location</i>	<i>Ownership</i>
Yang Pu bridge	Shanghai	45%
Nan Pu bridge	Shanghai	45%
Xu Pu bridge	Shanghai	45%
Da Pu Lu tunnel	Shanghai	45%
Yanan East Road tunnel	Shanghai	50%
Hu Jia toll road	Shanghai	45%
Chongqing Chang Jiang LJT bridge	Chongqing	50%
Western Harbour Crossing	Hong Kong	35%
Eastern Harbour Crossing	Hong Kong	
- road		69%
- rail		50%

Contribution to earnings

<i>Year</i>	<i>HK\$ million</i>	<i>Proportion of total earnings</i>
2000	1,265	31%
1999	1,234	29%

CITIC Pacific has an interest in all the cross Huangpu River facilities - two tunnels and three bridges - connecting Pu Dong, the government designated Special Economic Development Area, and Pu Xi, the old part of the city of Shanghai. From 1 May 2000, the Shanghai Municipal Government eliminated toll collection at all the cross Huangpu River facilities to stimulate the development of the Pudong Special Economic Zone. The Government has confirmed that this change will not affect CITIC Pacific's investment return, and cash flow has continued to be received as stipulated in the original Cooperation Agreement.

CITIC Pacific has a 45% interest in a joint venture company owning a 20-year franchise to operate the 21km Hu Jia Toll Road linking Shanghai and the municipality of Jia Ding. Daily average traffic throughput for the year ended 31 December 2000 increased by 27% compared to the previous year to 19,394 vehicles per day.

The Chongqing Chang Jiang LJT Bridge ("Chang Jiang" means "Long River" and the river is known as "Yangtze River"), comprises a 10.2 km, dual two-lane main bridge and approaching roads containing 5 bridges, 4 interchanges and 2 tunnels. The bridge links the Sichuan Chengyu Expressway in the north and Sichuan-Guizhou Highway in the south. For the year ended 31 December 2000, the average daily traffic throughput was approximately 13,200 vehicles, about the same as last year.

In Hong Kong, CITIC Pacific is a 35% shareholder in the company that built the Western Harbour Crossing ("WHC") and now operates it under a 30-year franchise. WHC is a key section of the Route 3 highway which links Hong Kong, Mainland China and Chek Lap Kok Airport. Traffic flow continues to grow steadily and in 2000, 42,800 vehicles in average used the Tunnel each day. A toll increase of HK\$5 for all classes (higher for buses) was effected on 3 December 2000, after which, the WHC recorded its first profit since completion.

Traffic volume at WHC is still much below the original projections, and any significant improvement must await narrowing of the difference in the tolls with other cross harbour tunnels, and resolving the congestion in the road network leading to the WHC.

CITIC Pacific is the controlling shareholder of the Eastern Harbour Crossing ("EHC") road tunnel which was used by 72,000 vehicles a day in 2000 and recorded a profit of HK\$320 million. With the anticipated increase in traffic from the development projects in southeast Kowloon and the Tseung Kwan O area, it is expected that strong earnings and stable cash flows will continue to be generated by the EHC.

Environment

	<i>Location</i>	<i>Ownership</i>
South East N T Landfill (“Green Valley Landfill”)	Hong Kong	30%
Chemical Waste Treatment Plant (“Enviropace”)	Hong Kong	20%
West Kowloon Transfer Station	Hong Kong	30%
North Lantau Transfer Station	Hong Kong	50%
Airport Waste	Hong Kong	30%

Contribution to earnings

<i>Year</i>	<i>HK\$ million</i>	<i>Proportion of total earnings</i>
2000	55	1%
1999	58	1%

The Green Valley Landfill at Junk Bay, in the South East New Territories of Hong Kong, is a landfill of 100 hectares. In 2000, over 3 million tonnes of waste was processed, an average of 8,227 tonnes per day, slightly lower than last year.

Enviropace, located on Tsing Yi Island, is the only chemical waste treatment plant in Hong Kong. More than 63,000 tonnes of waste was treated in 2000.

The West Kowloon Transfer Station has a design capacity of 2,500 tonnes per day. Approximately 566,000 tonnes of waste was processed in 2000, an increase of 0.4% compared to 1999.

CITIC Pacific also has a 50% interest in a 17-year contract to operate a waste transfer station in North Lantau, with a capacity of 1,200 tonnes per day, serving the Chek Lap Kok Airport, Discovery Bay and nearby areas. More than 38,000 tonnes of waste was processed during 2000, an increase of 15% compared to 1999. Airport Waste is the waste collection facility of the airport at Chek Lap Kok where more than 13,000 tonnes of waste was collected in 2000.

During the year, Waste Management Inc., the former foreign partner of CITIC Pacific’s environmental projects, transferred its shareholding to Vivendi Environment - an international company specialising in environmental protection.

Aviation

	<i>Location</i>	<i>Ownership</i>
Cathay Pacific	Hong Kong	25.6%
Dragonair	Hong Kong	28.5%
HK Air Cargo Terminals	Hong Kong	10%

Contribution to earnings

<i>Year</i>	<i>HK\$ million</i>	<i>Proportion of total earnings</i>
2000	1,475	36%
1999	659	16%

Cathay Pacific is an international passenger and freight carrier serving 51 cities in Europe, the Middle East, North America, South Africa and major destinations in Asia from its base in Hong Kong. CITIC Pacific is the second largest shareholder of Cathay Pacific.

Cathay Pacific's profit of HK\$5,005 million was a dramatic improvement compared with HK\$2,180 million achieved in 1999. Revenue rose to HK\$34,523 million, an increase of 20.3% over 1999. During the year 2000 Cathay Pacific carried 11.9 million passengers - more than in any previous years. Passenger load factor of 76.2% was high and passenger yield rose 6.2%. Cathay Pacific will be increasing its capacity in 2001 with the addition of eleven wide body aircraft to the fleet. These aircraft will provide a 17% increase in fleet size and enable the airline to add frequency of flights to its key destinations.

Cathay Pacific's cargo operation enjoyed another strong growth in 2000. Cargo turnover rose by 21% and now makes up almost 30% of total revenue. During the year the airline commenced joint operations with DHL Worldwide Express to provide overnight cargo and passenger flights in the region.

CITIC Pacific is also the second largest shareholder in Dragonair which operates flights to 27 destinations in Asia, of which 17 are in China. Dragonair commenced freighter service in July, with service to Shanghai and to Amsterdam and Manchester via Dubai. On the Beijing and Shanghai routes, Dragonair now flies 27 and 41 times per week. Passenger revenue achieved a record of HK\$3,295 million representing a 20% growth over 1999.

The company carried 2.7 million passengers and uplifted 93,700 tonnes of cargo in 2000, an increase of 15% and 42% respectively over 1999. Dragonair will be adding one A330s and two B747-300 freighters to its current 15 aircraft fleet in 2001.

Dragonair House at Chek Lap Kok Airport became the headquarters of Dragonair after its completion in June 2000. It contains offices and flight training centre including a simulator.

HACTL operates “Super Terminal 1” at the Chek Lap Kok Airport which is the largest air cargo terminal in the world. It consists of an air-cargo handling facility with a capacity of 2.4 million tonnes per year, plus a 200,000 tonnes per year express freight centre. During 2000, a total of 1.7 million tonnes of cargo was handled, an increase of 10% compared with 1999.

TRADING AND DISTRIBUTION

	<i>Location</i>	<i>Ownership</i>
Dah Chong Hong	Hong Kong	100%

Contribution to earnings

<i>Year</i>	<i>HK\$ million</i>	<i>Proportion of total earnings</i>
2000	226	6%
1999	230	5%

Dah Chong Hong Holdings Limited (“DCH”), a 100% subsidiary of CITIC Pacific, is a major Hong Kong based trading company with substantial operations in Hong Kong and Mainland China, and business in Japan, Canada and Singapore.

DCH is one of the largest motor distributors in Hong Kong with a 25% market share. Its motor business includes the sale of motor vehicles, after-sale service and the sale of accessories and parts. It represents a wide range of passenger and commercial vehicles in Hong Kong, Mainland China and Macau, including Acura, Audi, Bentley, DAF, GM, Honda, Isuzu, MAN, Nissan, Nissan Diesel, Rolls Royce and Volkswagen. In addition, it markets Isuzu in Singapore and Acura in Canada. In support of these sales, DCH operates three 100% owned purpose-built motor service centres in Hong Kong with a gross floor area of 1,300,000 sq.ft., and has joint ventures for vehicle sales, vehicle maintenance and spare parts supply facilities in major cities throughout Mainland China.

DCH has been awarded dealerships for a wide range of branded automobiles in Mainland China, including locally produced vehicles such as Guangzhou-Honda and Qingling. In view of the greatly improved competitiveness of locally made vehicles in Mainland China in terms of quality and price, DCH has been aggressively developing its Mainland distribution networks in recent years and expects such efforts will gradually bear fruits in the not so distant future.

DCH’s experienced a recovery in the first half of the year in an environment where consumer spending improved but mainly due to growth in sales volume not prices. After a 16% contraction in 1999, the overall vehicle market in Hong Kong increased by 22% in 2000. Sales of European made vehicles were boosted by the weak Euro during most of the year.

Vehicle sales to Mainland China market were weak but progress continues to be made in the sale of domestically manufactured vehicles. DCH continued to expand its vehicle distributorship in Mainland China, a total of 1,690 vehicles were sold, and 3 additional franchises were awarded in 2000. With effect from 1 January 2001, DCH was appointed as the exclusive dealer in Hong Kong and the Mainland China for the Bentley and Rolls Royce brands.

DCH's trading division imports, exports and re-exports a large number of items including rice and cereals, edible oils, Chinese foodstuffs, meat and produce, cosmetics, healthcare products and medical equipment, building materials, home electrical appliances and audio-visual equipment. DCH supplies food to retailers, wholesalers and the catering industry in Hong Kong and Mainland China.

Food trading in Hong Kong performed steadily in 2000, and the electrical appliances business improved its results, but the engineering business was adversely affected by the weak property market that reduced new business opportunities. Cosmetics sales recorded solid growth of 30% due to its successful multi-brand strategy.

In 2000, DCH continued its drive to expand its food business in Mainland China. Nine DCH BBQ Shops were opened in Shanghai as was its first joint venture theme restaurant, "Rainforest Café", a second "Rainforest Café" will be opened in Beijing in the second quarter in 2001. The business of DCH Jiangnanfeng (chicken) and DCH Jinshan (pig) were both affected by the over-supply in the Shanghai market. However, progress has been made in exporting the products to Japan and Hong Kong through DCH's networks. These ventures are being refocused in the light of experience gained on consumers' requirements.

During the last few years, DCH has invested substantial resources in improving its management information systems to provide better services to customers, and also to improve its operating efficiency.

In February 2001 CITIC Pacific acquired 100% shareholdings in Sims Trading Company Limited ("Sims") from Dairy Farm International Holdings Limited for a total consideration of HK\$450 million. Sims is a leading distributor of internationally renowned consumer product brands in Hong Kong, Macau and Mainland China. Its major brands include Maxwell House, Kraft, Ovaltine, Pocari Sweat, Barilla, Tulip, Pauls, Avoset, Cow & Gate and Ferrero. Sims is also a major supplier and distributor of food service products to the catering trade and retail outlets in Hong Kong and Macau, with over 120 suppliers. Sims not only provides multi-temperature logistics services for its internal trading operations, but it also provides these services for external household and beverage brand owners such as Heineken and Gillette. The company has strong nationwide distribution capabilities in China through joint ventures, branches, representative offices and other types of establishments. We expect that Sims' operation will provide synergy to and complement DCH's operations.

PROPERTY

	<i>Type</i>	<i>Location</i>	<i>Ownership</i>
CITIC Tower	Office	Central	40%
Festival Walk	Retail/Office	Tat Chee Avenue	50%
DCH Commercial Centre	Office	Quarry Bay	100%
Discovery Bay	Residential Township	Lantau Island	50%
The Victoria Towers	Commercial/Residential	Canton Road	15%
Investment properties	Various	Various	100%

Note : Except for properties in Japan and Singapore that DCH owns mainly for operational purposes, the properties are in Hong Kong

Contribution to earnings

<i>Year</i>	<i>HK\$ million</i>	<i>Proportion of total earnings</i>
2000	422	10%
1999	740	18%

CITIC Pacific's headquarters - CITIC Tower - is a landmark on the Hong Kong Waterfront comprising of 562,000 sq.ft. of offices, restaurants and retail shops, with a footbridge linking it to the Admiralty MTR station. The whole project was completed in two years from the date when the land was acquired to the issue of occupation permit, and the skill of CITIC Pacific's property development team was demonstrated. The building is currently 91% occupied.

Discovery Bay is a residential development on a site of over 1,500 acres on the island of Lantau, Hong Kong, one of the future growth areas in Hong Kong following the opening of the Chek Lap Kok Airport. In 1999 the Hong Kong SAR Government announced its plan to develop a "Disney" theme park near Discovery Bay which will stimulate further development in that area.

The developments of "La Serene" and "Neo Horizon" consisting of 400 flats and a total floor areas of about 353,000 sq.ft. were put on sale in 2000, and 93% of the total units have been sold. In 2000, a land premium of HK\$1.65 billion was paid to the Government for the approved Master Plan 6 to build additional floor areas of about 2.3 million sq.ft. at Discovery Bay, and the construction work of the superstructure for the first 1 million sq.ft. of phases 11 and 12 is in progress. The tunnel connecting Discovery Bay to the new airport road system has been opened for traffic in April 2000 making Discovery Bay a more convenient and even more attractive place to live in. Completion of the tunnel also facilitates water connected in December 2000 and electricity supply and waste disposal for the existing and future development at Discovery Bay.

CITIC Pacific is an equal partner with the Swire Group in the development of a 1.2 million sq.ft. shopping and office complex named “Festival Walk”. The site of the complex is positioned at the intersection of the Kowloon Canton Railway and Mass Transit Railway Stations in Tat Chee Avenue, Kowloon. The shopping mall has been a great success attracting very large crowds since opening. Both retail (218 units) and office spaces (213,982 sq.ft. lettable areas) at Festival Walk are fully occupied.

Following the completion of a 600,000 sq.ft. motor service centre at Ap Lei Chau which replaced the Quarry Bay Motor Service Centre, a high quality 381,000 sq.ft. office block named DCH Commercial Centre was built at the old site and is now fully leased.

CITIC Pacific is part of a consortium led by the Cheung Kong Group which acquired a land site at Canton Road in Kowloon for residential and commercial development. The construction work for the project is in progress with expected completion date in 2002.

Besides Discovery Bay, CITIC Pacific has a landbank available for potential development in the future. The major two pieces of land are:

<i>Land Site</i>	<i>Estimated Total GFA sq.ft.</i>
• Hung Shui Kiu, N.T.	537,000
• Tung Chau Street, Kowloon	330,000

Relevant preparation works continued and once the development climate is considered favourable, these projects will be commenced as soon as possible.

INDUSTRIAL MANUFACTURING

	<i>Location</i>	<i>Ownership</i>
Jiangyin Xing Cheng Steel Works	Wuxi	55%
Jiangyin Xingcheng Special Steel Works	Wuxi	55%
Wuxi Huada Motors	Wuxi	55%
Pirelli Telecom Cables	Wuxi	17.7%

Note : Wuxi is a major industrial city in Jiangsu province, PRC

Contribution to earnings

<i>Year</i>	<i>HK\$ million</i>	<i>Proportion of total earnings</i>
2000	29	1%
1999	22	1%

Jiangyin Xing Cheng Steel Works produces many grades of carbon and alloy steel. Through effective management and cost control, the company achieved a pre-tax profit of RMB69 million for the year ended 31 December 2000, a growth of 9% as compared to previous year.

Jiangyin Xingcheng Special Steel Works is a new steel mill equipped with the most modern production facilities supplied by a consortium led by Mannesmann Demag Huttentchnik of Germany. The steel mill commenced production in 1998 and is specialised in producing special steels. At the end of 1999 the company signed a Technology Transfer Contract with Voest-Alpine Industrial Service of Austria, a world leading steel maker, to further improve the product efficiency and quality of its products. After the implementation of the new production process and quality control procedures under the Voest-Alpine's standard, Xincheng Special Steel today is a well-known quality steel producer in the region. Its special steel products are particularly suitable for the automobile industry which has huge growth potential in China. The company reported an excellent growth of 69% on sales turnover, and a pre-tax net profit of RMB61 million was achieved for the year. In 2000 the company also made progress in developing export market.

Wuxi Huada Motors Company produces low noise, low vibration, proper torque and smooth turn electrical motors for the domestic and European market. In year 2000, total sales were over 990,000 KW, an increase of 27% as compared to 1999.

Pirelli Telecom Cables mainly produces optical cables for telecommunication industries. CITIC Pacific's joint venture partner is Pirelli Cable, a well-known Italian industrial group. Pirelli Telecom Cables reported a profit for the year ended 31 December 2000 compared to a loss last year.