

Statutory Disclosure

Dividend and Closure of Register

The Directors have declared an interim dividend of HK\$0.30 (2005: HK\$0.30) per share and a special dividend of HK\$0.30 (2005: Nil) per share for the year ending 31 December 2006 payable on Friday, 15 September 2006 to shareholders whose names appear on the Register of Members of the Company on Wednesday, 13 September 2006. The Register of Members of the Company will be closed from Thursday, 7 September 2006 to Wednesday, 13 September 2006, both days inclusive, during which period no share transfer will be effected. In order to qualify for the interim dividend and the special dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 6 September 2006.

Share Option Plan

Under the CITIC Pacific Share Incentive Plan 2000 ('the Plan') adopted on 31 May 2000, the Board may invite any director, executive or employee of the Company or any of its subsidiaries to subscribe for options over the Company's shares on payment of HK\$1 per acceptance. The subscription price determined by the Board will be at least the higher of (i) the closing price of the Company's share as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the Company's share as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant and (iii) the nominal value of the Company's shares. The maximum number of shares over which options may be granted under the Plan shall not exceed 10% of (i) the issued share capital of the Company from time to time or (ii) the issued share capital of the Company as at the date of adopting the Plan, whichever is the lower.

Since the adoption of the Plan, the Company have granted three lots of share options:

date of grant	number of share options	exercise price HK\$
28 May 2002	11,550,000	18.20
1 November 2004	12,780,000	19.90
20 June 2006	15,930,000	22.10

All options granted and accepted can be exercised in whole or in part within 5 years from the date of grant. The closing price of the Company's shares immediately before the grant on 20 June 2006 was HK\$22.50.

None of the share options granted under the Plan were cancelled or lapsed during the six months ended 30 June 2006. A summary of the movements during the six months ended 30 June 2006 of the share options is as follows:

A. Directors of the Company

name of director	date of grant	exercise price HK\$	number of share options				percentage of issued share capital %
			balance as at 1.1.06	granted during the 6 months ended 30.6.06	exercised during the 6 months ended 30.6.06	balance as at 30.6.06	
Larry Yung Chi Kin	28.5.02	18.2	2,000,000	–	–	2,000,000	
	1.11.04	19.9	2,000,000	–	–	2,000,000	
	5.12.05	20.5	100,000,000 <i>(Note 1)</i>	–	–	100,000,000	
	20.6.06	22.1	–	2,000,000	–	2,000,000	
						106,000,000	4.835
Henry Fan Hung Ling	20.6.06	22.1	–	1,600,000	1,600,000 <i>(Note 2)</i>	–	–
Peter Lee Chung Hing	28.5.02	18.2	1,000,000	–	–	1,000,000	
	1.11.04	19.9	1,000,000	–	–	1,000,000	
	20.6.06	22.1	–	1,200,000	–	1,200,000	
						3,200,000	0.146
Norman Yuen Kee Tong	28.5.02	18.2	500,000	–	–	500,000	
	1.11.04	19.9	500,000	–	–	500,000	
	20.6.06	22.1	–	500,000	–	500,000	
						1,500,000	0.068
Vernon Francis Moore	28.5.02	18.2	1,000,000	–	–	1,000,000	
	1.11.04	19.9	1,000,000	–	–	1,000,000	
	20.6.06	22.1	–	700,000	–	700,000	
						2,700,000	0.123
Yao Jinrong	28.5.02	18.2	300,000	–	–	<i>(Note 3)</i>	<i>(Note 3)</i>
	1.11.04	19.9	500,000	–	–		
Li Shilin	28.5.02	18.2	300,000	–	–	300,000	0.014
Carl Yung Ming Jie	28.5.02	18.2	300,000	–	–	300,000	
	1.11.04	19.9	500,000	–	–	500,000	
	20.6.06	22.1	–	600,000	–	600,000	
						1,400,000	0.064
Liu Jifu	28.5.02	18.2	300,000	–	–	300,000	
	1.11.04	19.9	500,000	–	–	500,000	
	20.6.06	22.1	–	700,000	–	700,000	
						1,500,000	0.068

name of director	date of grant	exercise price HK\$	number of share options				percentage of issued share capital %
			balance as at 1.1.06	granted during the 6 months ended 30.6.06	exercised during the 6 months ended 30.6.06	balance as at 30.6.06	
Leslie Chang Li Hsien	28.5.02	18.2	300,000	–	–	300,000	0.073
	1.11.04	19.9	500,000	–	–	500,000	
	20.6.06	22.1	–	800,000	–	800,000	
						1,600,000	
Chau Chi Yin	28.5.02	18.2	300,000 (Note 4)	–	–	300,000	0.073
	1.11.04	19.9	500,000 (Note 4)	–	–	500,000	
	20.6.06	22.1	– (Note 4)	800,000	–	800,000	
						1,600,000	
Milton Law Ming To	28.5.02	18.2	250,000 (Note 4)	–	–	250,000	0.071
	1.11.04	19.9	500,000 (Note 4)	–	–	500,000	
	20.6.06	22.1	– (Note 4)	800,000	–	800,000	
						1,550,000	
Wang Ande	1.11.04	19.9	200,000 (Note 4)	–	–	200,000	0.032
	20.6.06	22.1	– (Note 4)	500,000	–	500,000	
						700,000	

Note:

1. These share options were granted by CITIC Hong Kong (Holdings) Limited, a substantial shareholder of the Company, and can be exercised during the period from 5 December 2008 to 4 December 2010.
2. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$22.50.
3. The Director resigned as a director on 1 April 2006. During the period from 1 January 2006 to 1 April 2006, the Director has not exercised any of his share options and his holding as at 30 June 2006 has been included under Section B below.
4. Messrs Chau Chi Yin, Milton Law Ming To and Wang Ande were appointed as director of the Company on 1 April 2006. Thus, this is in respect of the balance as of 1 April 2006.

B. Employees of the Company working under continuous contracts (as defined in the Employment Ordinance), other than the Directors

date of grant	exercise price HK\$	number of share options			
		balance as at 1.1.06	granted during the 6 months ended 30.6.06	exercised during the 6 months ended 30.6.06 (Note 5)	balance as at 30.6.06
28.5.02	18.2	1,850,000	–	910,000	940,000
1.11.04	19.9	3,570,000	–	150,000	3,420,000
20.6.06	22.1	–	5,730,000	–	5,730,000

Note:

5. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$24.27.

C. Others

date of grant	exercise price HK\$	number of share options		
		balance as at 1.1.06 (Note 6)	exercised during the 6 months ended 30.6.06 (Note 7)	balance as at 30.6.06
28.5.02	18.2	300,000	190,000	110,000
1.11.04	19.9	200,000	–	200,000

Note:

6. These are in respect of options granted to former employees under continuous contracts, who had subsequently retired.

7. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$22.22.

The fair value of an option on one CITIC Pacific share granted in the current period measured as at the date of grant of 20 June 2006 was HK\$3.92 based on the following assumptions using the Binomial Model:

- Taking into account the probability of early exercise behaviour, the average expected term of the grant was determined to be 3.93 years
- Expected volatility of CITIC Pacific's share price at 25% per annum (based on historical movements of share prices over last 4 years)
- Expected annual dividend yield of 5% (based on historical dividend payments)
- Rate of eligible grantees leaving service assumed at 1% per annum
- Early exercise assumption for option holders to exercise their options when the share price is at least 150% of the exercise price
- Risk-free interest rate of 4.69% per annum (based on linearly interpolated yields of the Hong Kong Exchange Fund Notes as at the grant date)

The result of the Binomial Model can be materially affected by changes in these assumptions so an option's actual value may differ from the estimated fair value of the options due to limitations of the Model.

All the options forfeited before expiry of the Plan will be treated as lapsed options which will not be added back to the number of shares available to be issued under the Plan.

The total expense recognised in the Company's profit and loss account for the period ended 30 June 2006 in respect of the grant of the aforesaid 15,930,000 options is HK\$62,445,600.