



CITIC PACIFIC

CITIC Pacific Limited
中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 267)

The following is an English translation of the announcement of the resolutions passed by the board of directors of Daye Special Steel Co., Ltd. (“Daye”) for convening a shareholders’ meeting to approve “the proposal on the utilization of surplus reserve and capital reserve to set off losses”, copy of which is published by Daye on the website of Shenzhen Stock Exchange in the People’s Republic of China. In case of any inconsistency, the Chinese version shall prevail over the English translation. Daye is a subsidiary of CITIC Pacific Limited.

Stock Code: 000708 Abbr. Stock Name: Daye Special Steel Ann. No.: 2005-030

Announcement of the Resolutions of
the 8th Meeting of the Fourth Session of the Board of Directors of
Daye Special Steel Co., Ltd.

The Company and members of its board of directors as a whole warrant the truth,

accuracy and completeness of the information disclosed herein without any false statement, misleading representation or material omission.

The 8th Meeting of the Fourth Session of the board of directors of Daye Special Steel Co., Ltd. was convened by a notice in writing, sent by facsimile and mail on 28 November 2005, and was held on 29 November 2005. 11 directors were eligible to attend the meeting, of which 9 directors were present. The meeting conformed to the relevant requirements of the Company Law and the Articles of Association of the Company. After consideration, the following resolutions were passed unanimously:

1. Approving the “Proposal on the Utilization of Surplus Reserve and Capital Reserve to set off Losses”;

Having considered the situation of the Company, the Company intends to utilize its surplus reserve and capital reserve to set off its accumulated losses in accordance with the requirements of the Company Law and the Accounting Practice Note [2001]16 “Sources of Funds, Procedures and Disclosure Concerning the Set Off of Losses” (會計字[2001]16號《彌補虧損的來源、程序及信息披露》) issued by China Securities Regulatory Commission. As of 31 October 2005, the unaudited accumulated losses of the Company was \$664,215,156. The Company intends to utilize, in the stated order, its discretionary surplus reserve of \$6,640,834, statutory surplus reserve of \$48,210,150 and part of the share premium of \$609,364,172 in its capital reserve to set off the losses. PricewaterhouseCoopers Zhongtian Certified Public Accountants Company Ltd. has been engaged by the Company to perform an audit on the financial information as of 31 October 2005. It is expected that the audit result will be

available before 25 December 2005. The specific figure of losses to be set off shall be subject to the audit result. If the audit result is not disclosed before 5 working days prior to the shareholders' meeting, the meeting will be cancelled.

2. Approving the "Notice Convening the 3rd Extraordinary General Meeting in 2005 of the Company"

Board of Directors
Daye Special Steel Co., Ltd.

29 November 2005

End

Hong Kong, 29th November, 2005