

Annexure A

**IN THE MATTER OF THE LISTED SECURITIES OF CITIC LIMITED
(FORMERLY KNOWN AS CITIC PACIFIC LIMITED) AND OTHERS
(STOCK CODE 267)**

**NOTICE TO THE MARKET MISCONDUCT TRIBUNAL
PURSUANT TO SECTION 252(2) OF AND SCHEDULE 9 TO THE
SECURITIES AND FUTURES ORDINANCE CAP. 571
("THE ORDINANCE")**

Whereas it appears to the Commission that market misconduct within the meaning of section 277 of Part XIII of the Ordinance has taken place in relation to the securities of CITIC Limited (formerly CITIC Pacific Limited) ("CITIC") listed on the Stock Exchange of Hong Kong Limited (**stock number 267**), the Market Misconduct Tribunal is hereby required to conduct proceedings and determine:

- (a) whether any market misconduct has taken place; and
- (b) the identity of any person who has engaged in the market misconduct.

Persons Specified

- (1) CITIC Limited (formerly CITIC Pacific Limited) ("CITIC")
- (2) CHANG Li Hsien Leslie ("**Mr Chang**")
- (3) YUNG Chi Kin ("**Mr Yung**")
- (4) FAN Hung Ling ("**Mr Fan**")
- (5) LEE Chung Hing Peter ("**Mr Lee**")
- (6) CHAU Chi Yin ("**Mr Chau**")

((1) to (6) collectively, "**Specified Persons**")

Statement for Institution of Proceedings

1. CITIC is a company that has been listed on the Stock Exchange of Hong Kong Limited since 26 February 1986. CITIC is the parent company of a number of subsidiaries including Sino Iron Pty Limited (“**SIPL**”), CITIC Pacific Mining Management Pty Limited (“**CITIC Mining**”) and Dah Chong Hong Holdings Limited (“**DCH**”). The CITIC group carries on a range of businesses, including special steel manufacturing, iron ore mining and property development.
2. At all material times, Mr Chang, Mr Yung, Mr Fan, Mr Lee and Mr Chau were executive directors sitting on the board of CITIC, occupying the following positions:

Name	Role(s)	Appointment date	Resignation date
Mr Chang	Deputy Managing Director	1 April 2005	20 October 2008
Mr Yung	Chairman	1990	8 April 2009
Mr Fan	Managing Director	1990	8 April 2009
Mr Lee	Deputy Managing Director	1990	1 April 2010
Mr Chau	Executive Director	1 April 2006	20 October 2008

3. At the material time, the board of CITIC comprised seven additional executive directors: Milton Law Ming To, Kwok Man Leung, Carl Yung Ming Jie, Vernon Francis Moore, Wang Ande, Li Shilin and Liu Jifu. There were in addition seven non-executive directors.
4. As at 12 September 2008, CITIC Hong Kong (Holdings) Limited (“**CITIC Holdings**”) held 29% of the shares of CITIC. CITIC Group is the direct holding company of CITIC Holdings. Mr Yung, the Chairman of CITIC at all material

times, was a substantial shareholder of CITIC and as at 12 September 2008 held 19% of its issued share capital.

5. On or around 12 September 2008, the Specified Persons disclosed, circulated and/or disseminated, or alternatively authorised or were concerned in the disclosure, circulation and/or dissemination of a circular on the Stock Exchange of Hong Kong Limited website (“**the Circular**”). The Circular related to a discloseable and connected transaction in respect of the acquisition by DCH of a 49% interest in FAW Toyota 4S company and a 50% interest in Lexus 4S Company and related shareholders’ loans. In the Circular (at p.43), CITIC stated *“the Directors [of CITIC] are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007, the date to which the latest published audited accounts of the Company were made up”* (“**the Statement**”).
6. On 20 October 2008, CITIC issued a Profit Warning Announcement (“**the Announcement**”) in respect of losses linked primarily to the Target Redemption Forward Contracts entered into by CITIC to manage and hedge against the fluctuation against the US dollar (“**USD**”) of the Australian dollar (“**AUD**”), Euro (“**EUR**”) and the Renminbi (“**RMB**”) (“**TRF Contracts**”). The Announcement identified a potential loss of HKD 14.7 billion, primarily in connection with the TRF Contracts, and stated that CITIC *“becam[e] aware of the exposure arising from [primarily the TRF Contracts] on 7 September 2008”* (at p.5). The date identified is prior to the publication of the Circular (12 September 2008) and the *“Latest Practicable Date”* identified in the Circular (9 September 2008).
7. As at 9 September 2008, there was in fact a material adverse change in the financial position of CITIC arising from CITIC’s position under the various TRF Contracts entered into by CITIC. The Statement was false or misleading as to a material fact or false or misleading through the omission of a material fact because as at 9 September 2008, the Specified Persons were aware of that material adverse change. This is clear from the Announcement, which provided that CITIC *“became aware of the exposure arising from [primarily the TRF*

Contracts] on 7 September 2008”, which is prior to the publication of the Circular and the “*Latest Practicable Date*” identified in the Circular.

8. As at 9 September 2008, the material adverse change in the financial position of CITIC was the estimated mark-to-market losses on the TRF Contracts and the fact that CITIC had substantially over-hedged its AUD exposure under the TRF Contracts. Both the estimated mark-to-market losses and the amount of AUD deliverable under the TRF Contracts at various foreign exchange spot rates are identified in a Scenario Analysis prepared by the Finance Department of CITIC on 4 September 2008 (“**the Scenario Analysis**”). The Scenario Analysis demonstrated:
 - (1) The mark-to-market loss for the TRF Contracts held by CITIC if the AUD/USD spot rate fell to 0.85, 0.82 or 0.80 and the EUR/USD spot rate fell to 1.45, 1.43 or 1.40 would be approximately HKD 4.6 billion, HKD 6.6 billion and HKD 8.6 billion respectively.
 - (2) The amount of AUD deliverable under the TRF Contracts held by CITIC if the AUD/USD spot rate fell to 0.85, 0.82 or 0.80 would be approximately AUD 6.7 billion, AUD 7.7 billion and AUD 8.6 billion.
9. As to the mark-to-market loss, as at 4 September 2008 the spot rates of AUD and EUR were 0.8341 and 1.4471 respectively. Based on the Scenario Analysis, the estimated mark-to-market loss would therefore be between HKD 4.6 billion and 6.6 billion. This represented:
 - (1) 105% to 152% of CITIC’s net profit for the first six months of 2008;
 - (2) 42% to 61% of CITIC’s net profit for the whole year of 2007; and
 - (3) 7.5% to 10.9% of CITIC’s net asset value as at 30 June 2008.
10. As to the amount of AUD deliverable under the TRF Contracts, based on the relevant spot rates on 4 September 2008, the estimated amount of AUD to be delivered under the contracts would be between AUD 6,705 million (HKD 43.6

billion) and AUD 7,713 million (HKD 50.2 billion). This is substantially higher than the AUD 500 million exposure that the TRF Contracts were intended to hedge.

11. Further analysis was undertaken by the Finance Department for the purpose of a meeting held between Mr Chang, Mr Yung, Mr Fan, Mr Lee and Mr Chau on 7 September 2008 (“**Further Scenario Analysis**”). The Further Scenario Analysis revealed the following:
 - (1) As at 29 August 2008 the AUD/USD spot rate was 0.8578 and the mark-to-market loss for CITIC arising from the AUD TRF Contracts was approximately HKD 3.119 billion.
 - (2) The mark-to-market loss for the TRF Contracts held by CITIC if the AUD/USD spot rate were to fall to 0.82 or 0.80 and if the EUR/USD spot rate were to fall to 1.43 or 1.40 would be approximately HKD 6.6 billion and HKD 8.6 billion respectively.
 - (3) The amount of AUD deliverable under the TRF Contracts held by CITIC if the AUD/USD spot rate were to fall to 0.82 or 0.80 would be approximately AUD 7.7 billion and AUD 8.6 billion respectively.
12. On 9 September 2008, i.e. the “*Latest Practicable Date*” identified in the Circular, the AUD/USD and EUR/USD spot rates remained at a low level and were around 0.8139 and 1.4177 respectively.
13. Each and any estimated mark-to-market loss and the substantial over-hedging of CITIC’s AUD exposure as set out at paragraphs 8 to 11 above would have a highly material impact on CITIC’s financial results in 2008 and constituted a material adverse change in the financial position of CITIC.
14. The Statement was likely to maintain the price of the securities of CITIC in Hong Kong.

15. Mr Chang knew that, alternatively was reckless as to whether, alternatively was negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact.
16. Mr Yung was reckless as to whether, alternatively negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact.
17. Mr Fan was reckless as to whether, alternatively negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact.
18. Mr Lee was reckless as to whether, alternatively negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact.
19. Mr Chau was reckless as to whether, alternatively negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact.
20. CITIC, acting by the directing minds of one or more of Mr Chang, Mr Yung, Mr Fan, Mr Lee or Mr Chau, knew that, alternatively was reckless as to whether, alternatively was negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact. The knowledge and involvement of Mr Chang, and/or alternatively Mr Chang, Mr Yung, Mr Fan, Mr Lee and/or Mr Chau, in the disclosure, circulation and/or dissemination of the Circular are imputed to CITIC.
21. By reason of the matters aforesaid, the Specified Persons engaged or may have engaged in market misconduct under section 277(1) of the Securities and Futures Ordinance (Cap. 571).

Dated this 11th day of September 2014

Securities and Futures Commission
Securities and Futures Commission

Annexure B

MARKET MISCONDUCT TRIBUNAL

IN THE MATTER OF THE LISTED SECURITIES OF CITIC LIMITED
(FORMERLY KNOWN AS CITIC PACIFIC LIMITED) AND OTHERS

SYNOPSIS

Persons suspected to have engaged in market misconduct activities

- (1) CITIC Limited (formerly known as CITIC Pacific Limited) (“**CITIC**”)
- (2) Chang Li Hsien Leslie (“**Mr Chang**”)
- (3) Yung Chi Kin (“**Mr Yung**”)
- (4) Fan Hung Ling (“**Mr Fan**”)
- (5) Lee Chung Hing Peter (“**Mr Lee**”)
- (6) Chau Chi Yin (“**Mr Chau**”)

((1) to (6) collectively, “**Specified Persons**”)

A. Introduction

The Parties

1. CITIC is a company that has been listed on the Stock Exchange of Hong Kong since 26 February 1986 (stock number 267). CITIC is the parent company of a number of subsidiaries including Sino Iron Pty Limited (“**SIPL**”), CITIC Pacific Mining Management Pty Limited (“**CITIC Mining**”) and Dah Chong Hong Holdings Limited (“**DCH**”). CITIC carries on a range of businesses, including special steel manufacturing, iron ore mining and property development.
2. As at 12 September 2008, CITIC Hong Kong (Holdings) Limited (“**CITIC Holdings**”) held 29% of the issued shares of CITIC. CITIC Group is the direct holding company of CITIC Holdings. Mr Yung, the Chairman of CITIC at all

material times, was a substantial shareholder of CITIC and as at 12 September 2008 held 19% of its issued shares.

3. At all material times, Mr Chang, Mr Yung, Mr Fan, Mr Lee and Mr Chau were executive directors sitting on the board of CITIC, occupying the following positions:

Name	Role(s)	Appointment date	Resignation date
Mr Chang	Deputy Managing Director	1 April 2005	20 October 2008
Mr Yung	Chairman	1990	8 April 2009
Mr Fan	Managing Director	1990	8 April 2009
Mr Lee	Deputy Managing Director	1990	1 April 2010
Mr Chau	Executive Director	1 April 2006	20 October 2008

4. At all material times, the board of CITIC comprised seven additional executive directors: Milton Law Ming To (“**Mr Law**”), Kwok Man Leung, Carl Yung Ming Jie, Vernon Francis Moore, Wang Ande, Li Shilin and Liu Jifu. There were in addition seven non-executive directors.
5. CITIC had an executive committee which implemented the strategies and plans adopted by the board (“**Executive Committee**”). The Executive Committee met every month to review the performance of the businesses of the CITIC group of companies and to make financial and operational decisions. Mr Fan was chairman of the Executive Committee and its members included Mr Chang, Mr Lee and Mr Chau.
6. CITIC Mining also had an executive committee which met on a monthly basis to review the performance of the businesses it managed and to make financial

and operational decisions (“**CITIC Mining Executive Committee**”). Mr Lee was the chairman of the CITIC Mining Executive Committee.

7. CITIC’s finance department (“**Finance Department**”) was responsible for arranging CITIC’s fund raising, liquidity management, loan administration, interest rate hedging and foreign exchange hedging, as well as arranging for the financing of the Sino Iron Project (see paragraphs 8 to 11 below).

The hedging activities of CITIC

8. In or around March 2006, CITIC commenced an iron-ore mining project in Australia (“**the Sino Iron Project**”). The Sino Iron Project was owned by SIPL and managed by CITIC Mining.
9. The functional currency of the Sino Iron Project is denominated in US dollars (“**USD**”), but a substantial portion of the pre-completion operating expenditure was denominated in non-USD currencies (mainly Australian dollars (“**AUD**”), Renminbi (“**RMB**”) and Euros (“**EUR**”).
10. CITIC Mining prepared the budget for the Sino Iron Project and determined the budget exchange rates for the foreign currencies required for the project. CITIC Mining would inform the Finance Department of its currency requirements for the Sino Iron Project, and the Finance Department would arrange for the buying of the currencies as well as the hedging of foreign currency exposure.
11. The Finance Department provided CITIC Mining with a monthly updated schedule of all outstanding foreign exchange hedging contracts and, from time to time, the mark-to-market value of these contracts. The outstanding foreign exchange hedging contracts would be reported to the CITIC Mining Executive Committee at its monthly meeting. On the basis of the information provided by the Finance Department, CITIC Mining would then report the currency hedging activities regarding the Sino Iron Project to the Executive Committee. CITIC Mining also prepared management accounts based on that information.

12. In July and August 2008, CITIC entered into various Target Redemption Forward contracts to manage and to hedge against the fluctuation against the USD of the AUD, EUR and the RMB (“**TRF Contracts**”). This included, among others, 15 AUD TRF Contracts. In July 2008 a decision was taken by CITIC to hedge exposure and potential future exposure of around AUD 500 million. This was done with a view to minimising the currency exposure of the Sino Iron Project. The total AUD requirement (including future requirements) of the Sino Iron Project was estimated to be around AUD 1.6 billion.

13. A TRF Contract entitles or requires the holder of the contract to buy the specific foreign currency at a pre-determined rate (“**the strike rate**”) during a specific period. If the prevailing market exchange rate of the contracted foreign currency (“**the spot rate**”) is equal to or above the strike rate on any given day during the contract period, a specified amount of the foreign currency will be delivered (i.e. must be purchased) at the strike rate. The difference between the strike rate and the spot rate is treated as a profit, and when the accumulated profit (over time) reaches the maximum profit stipulated in the contract, that TRF Contract will be “*knocked out*”. If, however, the spot rate falls below the strike rate on any given day during the contracted period, a pre-determined amount, which is greater than the specified amount (often in multiples¹), will be delivered to (i.e. must be purchased by) the holder of the TRF Contract at the strike-rate at certain intervals (on the fixing dates). Ex hypothesi, in this case, the value of the currency delivered will be less than the strike rate paid for it, creating losses.

14. A number of the TRF Contracts entered into by CITIC had a “step-up feature” (the “**Step-up feature**”) pursuant to which the strike rate increased on various fixing dates over the term of the TRF Contract.

15. A consequence of the terms of the TRF Contracts was that, if the spot rate stayed below the strike rate for a period of time, CITIC would suffer increasing losses as it would be contractually obliged to take delivery of

¹ In the context of the AUD TRF Contracts, the leveraged multiples were 2, 2.5 and 3.

increasing amounts of foreign currency at a more expensive rate (i.e. the applicable strike rate under the contract) than the prevailing spot rate. The measure of the current market value of CITIC's exposure under the TRF Contracts is referred to as the "**mark-to-market**" loss or profit.

16. Between July and August 2008, the AUD/USD spot rate dropped significantly from around 0.98 on 15 July 2008 to around 0.86 on 29 August 2008. This caused a substantial change to CITIC's position under the TRF Contracts and increased, significantly, the amount of AUD which CITIC would (if the rate remained at that level) be contractually obliged to purchase at the strike rate. As a result, CITIC would be obliged to take delivery of AUD (and also, to a limited extent, EUR and RMB) far in excess of its AUD 500 million requirement for the purpose of hedging for the Sino Iron Project (and indeed far in excess of the entire AUD 1.6 billion estimated requirement for the Sino Iron Project overall).

The Circular

17. On 12 September 2008, CITIC published a circular on the Stock Exchange of Hong Kong website ("**the Circular**"). The Circular related to a discloseable and connected transaction in respect of the acquisition by DCH of a 49% interest in FAW Toyota 4S company and a 50% interest in Lexus 4S Company and related shareholders' loans for a total consideration of HKD 143,716,000. The Circular was issued pursuant to Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited applicable at the time of the publication of the Circular (the "**HKEx Rules**").²
18. In the Circular (at p.43), CITIC stated "*the Directors [of CITIC] are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007, the date to which the latest published audited accounts of the Company were made up*" ("**the Statement**"). The

² Rule 14A.59(3), read in conjunction with Appendix 1, Part B, paragraph 32 of the HKEx Rules, provides that the Circular must contain "[a] statement by the directors of any material adverse change in the financial or trading position of the group since the date to which the latest published audited accounts of the issuer have been made up, or an appropriate negative statement".

Circular specified (at p.3) the “*Latest Practicable Date*” (being the latest practicable date prior to the printing of the Circular for the purpose of ascertaining the information contained in the Circular) as being 9 September 2008.

The Profit Warning Announcement

19. On 20 October 2008, CITIC issued a Profit Warning Announcement in respect of losses primarily linked to the TRF Contracts (“**the Announcement**”). The Announcement identified a potential loss of HKD 14.7 billion primarily in connection with the TRF Contracts³ and stated that CITIC “*becam[e] aware of the exposure arising from [primarily the TRF Contracts] on 7 September 2008*” (at p.5). The date identified is prior to the date of publication of the Circular (12 September 2008) and the “*Latest Practicable Date*” identified in the Circular (9 September 2008). The Announcement further noted that “*Shareholders of the Company and investors should exercise caution when dealing in the Shares of the Company*” (at p.6).
20. Trading in the shares of CITIC was suspended with effect from 9.30am on 20 October 2008 pending the release of the Announcement. Trading resumed with effect from 9.30am on 21 October 2008. When the shares resumed trading, CITIC’s share price fell 55% from the pre-suspension closing price of HKD 14.52 to HKD 6.52.

B. Disclosure, circulation and/or dissemination of the Circular

21. The Specified Persons disclosed, circulated and/or disseminated, or alternatively authorised or were concerned in the disclosure, circulation and/or dissemination of the Circular.
22. The Circular was disseminated to the public via the website of the Stock Exchange of Hong Kong at or about 4.38pm on 12 September 2008. Hard copies were distributed to shareholders on 16 September 2008, which is the

³ The Announcement also concerned losses in connection with daily accrual contracts, however the loss relating to those contracts amounted to approximately 0.5% of the HKD14.7 billion loss.

date of the Circular and the various accompanying letters of the CITIC board, the independent board committee, and the independent financial adviser.

23. The Circular contained the aforementioned Statement (at p.43).
24. The Circular specified (at p.3) the “*Latest Practicable Date*” (being the “*latest practicable date prior to the printing of this Circular for the purpose of ascertaining certain information contained in the Circular*”) as being 9 September 2008.
25. The Circular also contained (at p.38) a “*Responsibility Statement*”:

“This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this Circular, the omission of which would make any statement herein misleading.”

26. Mr Chang, Mr Yung, Mr Fan, Mr Lee and Mr Chau, together with a number of individuals, approved the Circular and gave authorisation for the Circular to be disseminated for and on behalf of CITIC:
 - (1) On 5 September 2008, Stella Chan (“**Ms Chan**”), the Company Secretary of CITIC, sent a memorandum to the directors of CITIC attaching a copy of (a) the board resolutions approving the Circular, (b) a draft copy of the Circular, and (c) the individual directors’ responsibility letter and power of attorney, including a statement of interests for the transaction (“**Responsibility Letter**”) (“**5 September Memorandum**”).
 - (2) The directors of CITIC were requested to consider and review the board resolutions, and to sign the Responsibility Letter. The 5 September 2008 Memorandum noted that “*the latest practicable date prior to the printing of the aforesaid circular for ascertaining certain information contained therein is set at 9 September 2008*”. This is

consistent with the “*Latest Practicable Date*” identified in the Circular (see paragraph 24 above).

- (3) The board resolutions approving the publication of the Circular provided:

“It is noted that the directors have carefully considered and reviewed the draft Circular and that the directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.”

- (4) The Responsibility Letter stated (at paragraphs 1-2):

“I, [name inserted], as a director of [CITIC], hereby authorise the issue, publication and release of the Approved Documents (as defined in paragraph 4 below) relating to or in connection with the Transaction with the inclusion therein if required of a statement pursuant to Appendix 1B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) to the effect that I, both individually and together with the other directors of the Company (“Directors”), accept full responsibility for the accuracy of the information contained in the Approved Documents and confirm, having made all reasonable enquiries, that to the best of my knowledge and belief there are no other facts, the omission of which would make any statement therein misleading. Together with my fellow Directors (including any of them who may have delegated detailed supervision of the Approved Documents to others), I jointly and severally accept full responsibility accordingly.

I am aware that the obligation to disclose all material factors exists prior to the issue, publication and release of the Approved Documents and I fully accept that I will be responsible for the Approved Documents whether or not I attend the meeting of the Board or Board Committee of the Company which may approve such document (whether in its final form or otherwise).”

- (5) “*Approved Documents*” was defined (at paragraph 4) as:

“the circular, press announcement and any other document or documents relating to or connected with the Transaction which have been approved for issue by resolution of the Board of Directors or by a duly authorised committee of such Board and which are subject to

the clearance of the Listing Division of the Stock Exchange of Hong Kong Limited.”

- (6) The final paragraph of each Responsibility Letter provided that it was given “*under my hand and seal this 9th day of September, 2008*”.
- (7) Mr Chang, Mr Yung, Mr Fan, Mr Lee and Mr Chau, together with a number of individuals, signed the board resolutions and their respective Responsibility Letters approving the Circular and returned the signed documents to Ms Chan.
- (8) Ms Chan kept a record of the dates on which the signed Responsibility Letters were returned to her. That record indicated that Mr Chang, Mr Yung, Mr Fan and Mr Chau returned the signed Responsibility Letter and board resolutions approving the Circular on 5 September 2008, and that Mr Lee returned the signed Responsibility Letter and board resolutions approving the Circular on 8 September 2008.

C. The Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact

- 27. The Statement provided that “*the Directors [of CITIC] are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007, the date to which the latest published audited accounts of the Company were made up*” (at p.43). In fact, as at 9 September 2008 (the “*Latest Practicable Date*” identified in the Circular (see paragraph 26(2) above)) there was a material adverse change in the financial position of CITIC, namely the estimated mark to market losses and the amount of AUD deliverable under the TRF Contracts. The Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact because as at 9 September 2008, the Specified Persons were aware of that material adverse change (see paragraphs 40 to 45 below). This is clear from the Announcement, which provided that CITIC “*became aware of the exposure arising from [primarily the TRF Contracts] on 7 September*

2008”, which is prior to the publication of the Circular and the “*Latest Practicable Date*” identified in the Circular.

28. The potential exposure to AUD arising from the TRF Contracts was first raised by Charles Yau (“**Mr Yau**”), CITIC Mining’s Chief Financial Officer, at the meeting of the CITIC Mining Executive Committee on 20 August 2008, when Mr Yau raised the issue about the large number of new TRF Contracts (then totalling 11) entered into by CITIC in July 2008 and the increasing hedged amount (then AUD 1,046 million up to 31 July 2008) under those TRF Contracts.
29. Around the end of August 2008, a mark-to-market report prepared by the Finance Department revealed a mark-to-market loss of HKD 398 million as at 31 July 2008 arising from the AUD TRF Contracts. This mark-to-market loss was booked in the Profit and Loss Analysis in the management accounts of SIPL as unrealised foreign exchange losses as at 31 July 2008.
30. On 2 September 2008 a “*Report on Projected Financing as at 22 August 2008*” was prepared by the Finance Department (“**the Finance Report**”). A draft of the Finance Report was provided to Mr Chang for his review on 2 September 2008. The Finance Report was circulated to the members of the Executive Committee on 3 September 2008 for their monthly meeting on 4 September 2008.
31. The Finance Report stated (at p.8):

“Recently, however the AUD/USD spot rate dropped unexpectedly from the peak of 0.98 to 0.88 within two weeks time [sic] and this sharp fall has been over 13% by end of August. The movement has lengthened the expected life of our hedging contracts and caused drastic change in our hedging position for AUD. As at 22/8/2008, the expected deliverable amount based on the spot rate on that date was AUD 3,510M. As described above, the expected deliverable amount will be varied based on different spot rate assumption. For example, with spot rate of 0.93, 0.88 and 0.86 (market believed that these rates were important supporting level for AUD), the accumulated deliverable amount would be AUD 610M, AUD 890M and AUD 6,120M respectively for the entire life of the contracts.”

Comparing with our AUD capex and pre-completion expenditures of AUD 1.6bn, we are at risk that the expected deliverable amount may significantly higher than the required AUD amount based on the current level of exchange rate. We are exploring different alternatives to restore a proper hedging ratio. On the other hand, as all the outstanding hedging contracts have 24 monthly fixing, if the exchange rates continue to stay low, there will be no early termination and the contracts will run well into the operational period of the mine. We are also evaluating whether we can allocate part of the future deliverable amount to cover the operating cost which is estimated to be over AUD 1bn annually once the mine development is completed.”

32. Mr Yau conducted further analysis of the TRF Contracts. On 2 September 2008 Mr Yau emailed Mr Law (another executive director of CITIC who assisted Mr Lee in the Sino Iron Project) and others and confirmed the “*huge impact*” that the TRF Contracts would have on the financial accounts of CITIC. In a further email sent on 3 September 2008 Mr Yau stated that “*we need to prepare for the worst scenario and activate crisis management approach given the recent dramatic movement of USD and enormous amount of possible exposure*”.
33. Both the estimated mark-to-market loss and the estimated amount of AUD deliverable under the TRF Contracts at various foreign exchange spot rates were identified in a Scenario Analysis prepared by the Finance Department on 4 September 2008. A Scenario Analysis was prepared by Winnie Tse (“**Ms Tse**”) of the Finance Department and emailed to Simon Chui (“**Mr Chui**”, the then assistant director of the Finance Department) on 4 September 2008 at 10.51pm. An apparently identical version was emailed by Ms Tse to Mr Chui on 5 September 2008 at 9.20am (“**the Scenario Analysis**”).
34. The Scenario Analysis revealed that, as at 29 August 2008, the mark-to-market loss of the outstanding TRF Contracts amounted to HKD 3,170 million (HKD 332 million from the EUR TRF Contracts and HKD 2,838 million from the AUD TRF Contracts). The Scenario Analysis contained the following summaries of potential liabilities under the outstanding TRF Contracts at different spot rates:

AUD/USD EUR/USD spot rates	Contract	Mark-to-market profit/(loss)	Expected amount of AUD and EUR to be delivered under the
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			contracts
0.8000 / 1.40	AUD TRF	(HK\$7,777.94 million)	AUD 7,735,571,429
	EUR TRF (including Dual Currency TRF)	(HK\$816.33 million)	AUD 846,897,590 + EUR 218,305,606
	Total	(HK\$8,594.27 million)	AUD 8,582,469,019 + EUR 218,305,606
0.8200 / 1.43	AUD TRF	(HK\$6,002.99 million)	AUD 7,173,529,412
	EUR TRF (including Dual Currency TRF)	(HK\$631.09 million)	AUD 539,676,739 + EUR 154,235,351
	Total	(HK\$6,634.08 million)	AUD 7,713,206,151 + EUR 154,235,351
0.8500 / 1.45	AUD TRF	(HK\$ 4,159.66 million)	AUD 6,561,443,452
	EUR TRF (incl. DCTRF)	(HK\$439.96 million)	AUD 144,041,616 + EUR 173,059,088
	Total	(HK\$4,599.62 million)	AUD 6,705,485,068 + EUR 173,059,088

35. In fact, as at 4 September 2008:

- (1) The spot rates of AUD and EUR were 0.8341 and 1.4471 respectively. Based on the Scenario Analysis, the estimated mark-to-market loss would therefore be between HKD 4.6 billion and 6.6 billion. This represented 105% to 152% of CITIC's net profit for the first six months of 2008; 42% to 61% of CITIC's net profit for the whole year of 2007; and 7.5% to 10.9% of CITIC's net asset value as at 30 June 2008.
- (2) Based on the spot rates on 4 September 2008, the estimated amount of AUD to be delivered under the contracts would be between AUD 6,705

million (equivalent to HKD 43.6 billion) and AUD 7,713 million (equivalent to HKD 50.2 billion). This was significantly more than (a) the AUD 500 million exposure that CITIC had originally sought to hedge in connection with the Sino Iron Project; and (b) the estimated total AUD requirement of the Sino Iron Project of around AUD 1.6 billion.

36. Further analysis was undertaken by the Finance Department for the purpose of a meeting held between Mr Chang, Mr Yung, Mr Fan, Mr Lee and Mr Chau on 7 September 2008 (“**Further Scenario Analysis**”). The Further Scenario Analysis revealed the following:
- (1) As at 29 August 2008 the AUD/USD spot rate was 0.8578 and the mark-to-market loss for CITIC arising from the AUD TRF Contracts was approximately HKD 3.119 billion.
 - (2) The mark-to-market loss for the TRF Contracts held by CITIC if the AUD/USD spot rate were to fall to 0.82 or 0.80 and if the EUR/USD spot rate were to fall to 1.43 or 1.40 would be approximately HKD 6.6 billion and HKD 8.6 billion respectively.
 - (3) The amount of AUD deliverable under the TRF Contracts held by CITIC if the AUD/USD spot rate were to fall to 0.82 or 0.80 would be approximately AUD 7.7 billion and AUD 8.6 billion respectively.
37. On 9 September 2008, i.e. the “*Latest Practicable Date*” identified in the Circular, the AUD/USD and EUR/USD spot rates remained at a low level and were around 0.81 and 1.42 respectively.
38. Each and any estimated mark-to-market loss and the substantial over-hedging of CITIC’s AUD exposure as set out at paragraphs 34 to 36 would have a highly material impact on CITIC’s financial results in 2008 and constituted a material adverse change in the financial position of CITIC.

D. The Circular was likely to maintain the price of the securities of CITIC

39. The Statement was likely to maintain the price of the securities of CITIC in Hong Kong.

E. The Specified Persons knew that, or were reckless or negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact

40. Mr Chang knew that, alternatively was reckless as to whether, alternatively was negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact.

(1) Mr Chang was an executive director of CITIC and was responsible for the Finance Department, the department that was responsible for entering into the TRF Contracts.

(2) Mr Chang had approved the decision to hedge an exposure of AUD 500 million in connection with the Sino Iron Project. He was aware of the fact that the Finance Department was entering into the TRF Contracts and he approved most of the TRF Contracts.

(3) Mr Chang had a good understanding of the terms and operation of the TRF Contracts (including those with the Step-up feature), as well as their risks and downside.

(4) Mr Chang started to become concerned as to the AUD hedging situation towards the end of August 2008, when he realised the number of outstanding AUD TRF Contracts and the Step-up feature of some of these would negatively impact CITIC in view of the then rapidly declining AUD/USD spot rate. In an email to Mr Chui on 30 August 2008, Mr Chang stated that he was “*really concerned about the position we are in*” and noted his surprise regarding the use of TRF

Contracts with the Step-up feature. The email stated “*No matter how I look at these trading positions (actual or expected), clearly the total balance...far exceeded 500M target long ago. Obviously, this was out of control*”. The email concluded by noting that “[*r*]ight now, the most important thing is to take appropriate measures to control the damage”. Mr Chang requested a sensitivity analysis of the TRF Contracts to be carried out immediately for discussion.

- (5) Mr Chang received a draft of the Finance Report on 2 September 2008 and was therefore aware that CITIC’s exposure to future purchases of AUD could amount to AUD 6,120 million or more if the spot rate for AUD dropped to 0.86 or below.
- (6) In the period between late August 2008 and 5 September 2008, Mr Chang monitored the AUD/USD spot rates and was aware of the significant decline in the first week of September 2008, when the AUD/USD rate dropped further from around 0.86 in the last week of August 2008 to 0.80 in the first week of September 2008.
- (7) Mr Chang received a copy of the Scenario Analysis on 5 September 2008, which outlined both an estimated mark-to-market loss figure and the amount of AUD deliverable under the TRF Contracts (see paragraph 34 above). This was the same day that he approved the draft Circular and signed the Responsibility Letter. The AUD/USD and the EUR/USD spot rates on 5 September 2008 were 0.8081 and 1.4207 respectively.
- (8) Irrespective of whether Mr Chang reviewed the Scenario Analysis prior to or after approving the draft Circular and signing the Responsibility Letter:
 - (a) Mr Chang was aware that the Scenario Analysis was being prepared (at his direction) and that there was a substantial risk that

that analysis would reveal significant mark-to-market losses;
and/or

- (b) In either scenario Mr Chang approved the draft Circular and signed the Responsibility Letter within hours of reviewing the calculations set out in the Scenario Analysis. In the event that Mr Chang reviewed the Scenario Analysis after he approved the draft Circular and signed the Responsibility Letter, he failed to revisit the draft Circular in circumstances where the draft Circular was fresh in his mind and where he was under an obligation to revisit his approval of the draft Circular if there came to his attention material matters on or before 9 September 2008, since that was the “*Latest Practicable Date*” specified in the Circular, the date on which the Responsibility Letters were expressed as being sealed on, and the date which Ms Chan reminded the directors was the relevant one in the 5 September Memorandum (see paragraph 26(2) above)
- (9) On 6 September 2008, Mr Chang met with Frances Yung (“**Ms Yung**”), the Director of the Finance Department, to discuss the situation regarding CITIC’s hedging position. In his email to Ms Yung at 9:40am on 6 September 2008 requesting a meeting, Mr Chang stated that “*The report and the related analysis have now completed. The situation is very serious, much worse than I anticipated. We are facing billions of potential loss and I am deeply worried.*”
- (10) On 7 September 2008 (at 1.38am) Mr Chang requested an urgent meeting with Mr Fan to discuss the calculations contained in the Scenario Analysis. In his email to Mr Fan, Mr Chang acknowledged that CITIC was “*facing huge losses on our outstanding hedging contracts on a mark to market basis*”.
- (11) At the 7 September 2008 meeting, which was attended by Mr Yung, Mr Fan, Mr Lee and Mr Chau, Mr Chang provided the attendees with

the Further Scenario Analysis, which contained the matters set out at paragraph 36 above.

- (12) In his emails to Mr Fan on 7 and 8 September 2008 attaching his draft resignation letter, Mr Chang indicated remorse for the huge loss and damage caused to CITIC by reason of the TRF Contracts.
 - (13) At no stage after the 6 September 2008 and/or 7 September 2008 meetings did Mr Chang revisit his approval of the draft Circular. Paragraph 40(8)(b) above is repeated.
 - (14) The AUD/USD and the EUR/USD spot rates on 9 September 2008, i.e. the "*Latest Practicable Date*", remained low and were 0.8139 and 1.4177 respectively.
41. Mr Yung was reckless as to whether, alternatively negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact.
- (1) Mr Yung was chairman of CITIC. Mr Chang reported directly to him on the foreign currency hedging activities of CITIC.
 - (2) Mr Yung was informed about the foreign exchange loss in the region HK\$390 million for July 2008 by Mr Fan on 3 September 2008.
 - (3) Mr Yung approved the draft Circular and signed the Responsibility Letter on 5 September 2008. Mr Yung claimed that he did not read the draft Circular before approving it and signing the Responsibility Letter. In any event, as at 5 September 2008, Mr Yung knew or should have known that there was a substantial risk that the Statement was, or might become by 9 September 2008, false or misleading on the basis of the information that was available to him at the time.
 - (4) On 7 September 2008, Mr Yung attended a meeting at which the matters set out at paragraph 36 above were disclosed to him.

- (5) At no stage after the 7 September 2008 meeting did Mr Yung revisit his approval of the draft Circular, in circumstances where the draft Circular was, or should have been, fresh in his mind and where he was under an obligation to revisit their approval of the draft Circular if there came to his attention material matters on or before 9 September 2008, since that was the “*Latest Practicable Date*” specified in the Circular, the date on which the Responsibility Letters were expressed as being sealed on, and the date which Ms Chan reminded the directors was the relevant one in the 5 September Memorandum (see paragraph 26(2) above).
- (6) The AUD/USD and the EUR/USD spot rates on 9 September 2008, i.e. the “*Latest Practicable Date*”, remained low and were 0.8139 and 1.4177 respectively.
42. Mr Fan was reckless as to whether, alternatively negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact.
- (1) Mr Fan was the Managing Director (i.e. Chief Executive Officer) of CITIC. He was responsible for the day-to-day management of the CITIC group of companies.
- (2) Mr Fan was informed about a foreign exchange loss in the region of HKD 390 million for July 2008 by Mr Chau on 3 September 2008.
- (3) On 4 September 2008, Mr Fan chaired the meeting of the Executive Committee. The Finance Report had been provided to the Executive Committee (see paragraphs 30 and 31 above) and the foreign exchange losses in the region of HKD 390 million was discussed at the meeting. The Finance Report clearly indicated that the potential over-hedging exceeded many times over the amount that was required to be hedged. This was inconsistent with the statement made by Mr Chau, at the same meeting, that “*only 20-30% of the Australian dollar were hedged and so the drop in Australian dollar should be beneficial to the overall*

Iron Ore project". That statement was incorrect. Mr Fan instructed Mr Chau to "*look into the details with [the] Finance Department*".

- (4) Mr Fan approved the draft Circular and signed the Responsibility Letter on 5 September 2008. As at that date Mr Fan knew or should have known that there was a substantial risk that the Statement was, or might become by 9 September 2008, false or misleading on the basis of the information contained in the Finance Report and the likely results of the enquiries that he had instructed Mr Chau to undertake.
 - (5) On 7 September 2008, Mr Fan attended a meeting at which the matters set out at paragraph 36 above were disclosed to him.
 - (6) At no stage after the 7 September 2008 meeting did Mr Fan revisit his approval of the draft Circular, in circumstances where the draft Circular was, or should have been, fresh in his mind and where he was under an obligation to revisit his approval of the draft Circular if there came to his attention material matters on or before 9 September 2008, since that was the "*Latest Practicable Date*" specified in the Circular, the date on which the Responsibility Letters were expressed as being sealed on, and the date which Ms Chan reminded the directors was the relevant one in the 5 September Memorandum (see paragraph 26(2) above).
 - (7) The AUD/USD and the EUR/USD spot rates on 9 September 2008, i.e. the "*Latest Practicable Date*", remained low and were 0.8139 and 1.4177 respectively.
43. Mr Lee was reckless as to whether, alternatively negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact.
- (1) Mr Lee was a Deputy Managing Director of CITIC and a director of CITIC Mining.

- (2) Mr Lee was aware that CITIC had entered into the TRF Contracts to hedge potential AUD exposure of the Sino Iron Project, by reason of the monthly reports provided to CITIC Mining Executive Committee which Mr Lee chaired, and through various discussions between December 2007 to February 2008 about the use of the TRF Contracts for the purpose of hedging the potential AUD exposure of the Sino Iron Project.
- (3) At the meeting of the CITIC Mining Executive Committee on 20 August 2008, which Mr Lee chaired, Mr Yau alerted the CITIC Mining Executive Committee to the fact that 11 new TRF Contracts had been entered into by CITIC in July 2008 and that the increasing hedged amount totalled AUD 1,046 million under those TRF Contracts. Mr Lee asked another director of CITIC, Mr Law, to review the overall foreign exchange position and risks.
- (4) Mr Lee was aware of the mark-to-market loss in the region of HKD390 million being booked in the Profit and Loss Analysis in the management accounts of SIPL as unrealised foreign exchange losses as at 31 July 2008.
- (5) Mr Lee appeared to be concerned about the hedging situation and sent an email to Mr Chang on 3 September 2008 requesting a meeting to discuss the issues concerning the hedging instruments.
- (6) On 7 September 2008, Mr Lee attended a meeting at which the matters set out at paragraph 36 above were disclosed to him.
- (7) Mr Lee approved the draft Circular and signed the Responsibility Letter on either 7 or 8 September 2008. The record kept by Ms Chan indicates that Mr Lee returned the signed board resolutions approving the draft Circular and the signed Responsibility Letter on 8 September 2008. However, Mr Lee claimed that he signed these documents on 7 September 2008.

- (8) Irrespective of whether Mr Lee attended the 7 September 2008 meeting prior to or after approving the draft Circular and signing the Responsibility Letter, in either scenario he approved the draft Circular and signed the Responsibility Letter within hours of attending the 7 September 2008 meeting. In the event that Mr Lee attended the 7 September 2008 meeting after he approved the draft Circular and signed the Responsibility Letter, he failed to revisit the draft Circular in circumstances where the draft Circular was fresh in his mind and where he was under an obligation to revisit his approval of the draft Circular if there came to his attention material matters on or before 9 September 2008, since that was the “*Latest Practicable Date*” specified in the Circular, the date on which the Responsibility Letters were expressed as being sealed on, and the date which Ms Chan reminded the directors was the relevant one in the 5 September Memorandum (see paragraph 26(2) above).
- (9) As at the date that Mr Lee approved the draft Circular, Mr Lee knew or should have known that there was a substantial risk that the Statement was, or might become by 9 September 2008, false or misleading on the basis of the information that was available to him at the time.
- (10) The AUD/USD and the EUR/USD spot rates on 9 September 2008, i.e. the Latest Practicable Date, remained low and were 0.8139 and 1.4177 respectively.
44. Mr Chau was reckless as to whether, alternatively negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact.
- (1) Mr Chau was an executive director of CITIC and its Group Financial Controller. He was the head of the Internal Audit and Financial Control Departments, which handled accounting matters for CITIC.

- (2) Mr Chau was aware of the fact that the Finance Department was entering into the TRF Contracts, and that mark-to-market loss/profits were booked in the Profit and Loss Analysis in the management accounts of SIPL.
- (3) On or about 28 August 2008, Mr Chau was aware of a hedging loss in the region of HKD 390 million.
- (4) On 4 September 2008, Mr Chau attended a meeting of the Executive Committee. The Finance Report had been provided to the Executive Committee (see paragraphs 30 and 31 above), and Mr Chau reported a hedging loss of HKD 390 million. The Finance Report clearly indicated that the potential over-hedging exceeded many times over the amount that was required to be hedged. This was inconsistent with Mr Chau's statement, which was incorrect, that "*only 20-30% of the Australian dollar were hedged and so the drop in Australian dollar should be beneficial to the overall Iron Ore project*". Mr Chau was instructed by Mr Fan to "*look into the details with [the] Finance Department*".
- (5) Mr Chau approved the draft Circular and signed the Responsibility Letter on 5 September 2008. As at that date Mr Chau knew or should have known that there was a substantial risk that the Statement was, or might become by 9 September 2008, false or misleading on the basis of the information contained in the Finance Report and the likely results of the enquiries that he had been instructed to undertake.
- (6) On 7 September 2008, Mr Chau attended a meeting at which the matters set out at paragraph 36 above were disclosed to him.
- (7) At no stage after the 7 September 2008 meeting did Mr Chau revisit his approval of the draft Circular, in circumstances where the draft Circular was, or should have been, fresh in his mind and where he was under an obligation to revisit his approval of the draft Circular if there

came to his attention material matters on or before 9 September 2008, since that was the “*Latest Practicable Date*” specified in the Circular, the date on which the Responsibility Letters were expressed as being sealed on, and the date which Ms Chan reminded the directors was the relevant one in the 5 September Memorandum (see paragraph 26(2) above).

(8) The AUD/USD and the EUR/USD spot rates on 9 September 2008, i.e. the “*Latest Practicable Date*”, remained low and were 0.8139 and 1.4177 respectively.

45. CITIC, acting by the directing minds of one or more of Mr Chang, Mr Yung, Mr Fan, Mr Lee or Mr Chau, knew that, alternatively was reckless as to whether, alternatively was negligent as to whether, the Statement was false or misleading as to a material fact or was false or misleading through the omission of a material fact. The knowledge and involvement of Mr Chang, and/or alternatively Mr Chang, Mr Yung, Mr Fan, Mr Lee and/or Mr Chau, in the disclosure, circulation and/or dissemination of the Circular are to be imputed to CITIC.

F. Contravention of section 277 of the Securities and Futures Ordinance (Cap. 571)

46. By reason of the matters aforesaid, the Specified Persons engaged or may have engaged in market misconduct under section 277(1) of the Securities and Futures Ordinance (Cap. 571).

Dated this 7th day of November 2014

Securities and Futures Commission

Annexure C

AUD .7797 +.0082 ANON .7796/.7798 BBES CurncyHPTC
 At 10:15 Op .7715 Hi .7823 Lo .7670 Prev .7715 Value 5/26/09
HISTORICAL PRICE TRADED CURRENCY Page 1/4
 AUD AUSTRALIAN DOLLAR SPOT PRICE .7798 Composite(Tokyo)

Range **12/31/07** to **10/30/08** Market mid/trd Period Daily

DATE	PRICE	CURRENCY	DATE	PRICE	CURRENCY	DATE	PRICE	CURRENCY
10/30/08	.6853	USD	10/ 3/08	.7791	USD	9/ 8/08	.8182	USD
10/29/08	.6498	USD	10/ 2/08	.7843	USD	9/ 5/08	.8081	USD
10/28/08	.6187	USD	10/ 1/08	.8005	USD	9/ 4/08	.8341	USD
10/27/08	.6058	USD	9/30/08	.8062	USD	9/ 3/08	.8296	USD
10/24/08	.6178	USD	9/29/08	.8150	USD	9/ 2/08	.8337	USD
10/23/08	.6628	USD	9/26/08	.8274	USD	9/ 1/08	.8529	USD
10/22/08	.6688	USD	9/25/08	.8357	USD	8/29/08	.8627	USD
10/21/08	.6915	USD	9/24/08	.8379	USD	8/28/08	.8665	USD
10/20/08	.7003	USD	9/23/08	.8440	USD	8/27/08	.8618	USD
10/17/08	.6763	USD	9/22/08	.8347	USD	8/26/08	.8515	USD
10/16/08	.6748	USD	9/19/08	.8081	USD	8/25/08	.8685	USD
10/15/08	.7060	USD	9/18/08	.8066	USD	8/22/08	.8736	USD
10/14/08	.7228	USD	9/17/08	.7934	USD	8/21/08	.8689	USD
10/13/08	.6724	USD	9/16/08	.7908	USD	8/20/08	.8690	USD
10/10/08	.6600	USD	9/15/08	.8062	USD	8/19/08	.8688	USD
10/ 9/08	.6988	USD	9/12/08	.8079	USD	8/18/08	.8728	USD
10/ 8/08	.6585	USD	9/11/08	.7952	USD	8/15/08	.8622	USD
10/ 7/08	.7150	USD	9/10/08	.8044	USD	8/14/08	.8761	USD
10/ 6/08	.7447	USD	9/ 9/08	.8139	USD	8/13/08	.8684	USD

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HISTORICAL PRICE TRADED CURRENCY Page 2/4
 AUD AUSTRALIAN DOLLAR SPOT PRICE .7798 Composite(Tokyo)

Range **12/31/07** to **10/30/08** Market mid/trd Period Daily

DATE	PRICE	CURRENCY	DATE	PRICE	CURRENCY	DATE	PRICE	CURRENCY
8/12/08	.8738	USD	7/16/08	.9784	USD	6/19/08	.9473	USD
8/11/08	.8902	USD	7/15/08	.9827	USD	6/18/08	.9418	USD
8/ 8/08	.8908	USD	7/14/08	.9685	USD	6/17/08	.9409	USD
8/ 7/08	.9110	USD	7/11/08	.9627	USD	6/16/08	.9399	USD
8/ 6/08	.9155	USD	7/10/08	.9603	USD	6/13/08	.9355	USD
8/ 5/08	.9185	USD	7/ 9/08	.9517	USD	6/12/08	.9368	USD
8/ 4/08	.9337	USD	7/ 8/08	.9523	USD	6/11/08	.9479	USD
8/ 1/08	.9353	USD	7/ 7/08	.9576	USD	6/10/08	.9501	USD
7/31/08	.9439	USD	7/ 4/08	.9615	USD	6/ 9/08	.9626	USD
7/30/08	.9471	USD	7/ 3/08	.9615	USD	6/ 6/08	.9575	USD
7/29/08	.9576	USD	7/ 2/08	.9591	USD	6/ 5/08	.9521	USD
7/28/08	.9591	USD	7/ 1/08	.9573	USD	6/ 4/08	.9599	USD
7/25/08	.9585	USD	6/30/08	.9637	USD	6/ 3/08	.9594	USD
7/24/08	.9618	USD	6/27/08	.9615	USD	6/ 2/08	.9554	USD
7/23/08	.9647	USD	6/26/08	.9599	USD	5/30/08	.9569	USD
7/22/08	.9781	USD	6/25/08	.9553	USD	5/29/08	.9594	USD
7/21/08	.9766	USD	6/24/08	.9536	USD	5/28/08	.9580	USD
7/18/08	.9729	USD	6/23/08	.9514	USD	5/27/08	.9616	USD
7/17/08	.9760	USD	6/20/08	.9542	USD	5/26/08	.9589	USD

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HISTORICAL PRICE TRADED CURRENCY Page 3/4

AUD AUSTRALIAN DOLLAR SPOT PRICE .7798 Composite(Tokyo)
Range 12/31/07 to 10/30/08 Market mid/trd Period Daily

DATE	PRICE	CURRENCY	DATE	PRICE	CURRENCY	DATE	PRICE	CURRENCY
5/23/08	.9613	USD	4/28/08	.9388	USD	4/ 1/08	.9088	USD
5/22/08	.9599	USD	4/25/08	.9332	USD	3/31/08	.9136	USD
5/21/08	.9635	USD	4/24/08	.9447	USD	3/28/08	.9239	USD
5/20/08	.9593	USD	4/23/08	.9518	USD	3/27/08	.9223	USD
5/19/08	.9532	USD	4/22/08	.9434	USD	3/26/08	.9195	USD
5/16/08	.9448	USD	4/21/08	.9412	USD	3/25/08	.9141	USD
5/15/08	.9357	USD	4/18/08	.9363	USD	3/24/08	.9050	USD
5/14/08	.9321	USD	4/17/08	.9376	USD	3/21/08	.9010	USD
5/13/08	.9406	USD	4/16/08	.9328	USD	3/20/08	.9069	USD
5/12/08	.9446	USD	4/15/08	.9245	USD	3/19/08	.9314	USD
5/ 9/08	.9411	USD	4/14/08	.9239	USD	3/18/08	.9264	USD
5/ 8/08	.9420	USD	4/11/08	.9306	USD	3/17/08	.9221	USD
5/ 7/08	.9467	USD	4/10/08	.9342	USD	3/14/08	.9409	USD
5/ 6/08	.9450	USD	4/ 9/08	.9287	USD	3/13/08	.9385	USD
5/ 5/08	.9410	USD	4/ 8/08	.9274	USD	3/12/08	.9308	USD
5/ 2/08	.9332	USD	4/ 7/08	.9243	USD	3/11/08	.9237	USD
5/ 1/08	.9371	USD	4/ 4/08	.9178	USD	3/10/08	.9259	USD
4/30/08	.9339	USD	4/ 3/08	.9150	USD	3/ 7/08	.9331	USD
4/29/08	.9339	USD	4/ 2/08	.9109	USD	3/ 6/08	.9348	USD

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HISTORICAL PRICE TRADED CURRENCY Page 4/4

AUD AUSTRALIAN DOLLAR SPOT PRICE .7798 Composite(Tokyo)
Range 12/31/07 to 10/30/08 Market mid/trd Period Daily

DATE	PRICE	CURRENCY	DATE	PRICE	CURRENCY	DATE	PRICE	CURRENCY
3/ 5/08	.9244	USD	2/ 7/08	.8921	USD	1/11/08	.8943	USD
3/ 4/08	.9306	USD	2/ 6/08	.8937	USD	1/10/08	.8840	USD
3/ 3/08	.9316	USD	2/ 5/08	.9044	USD	1/ 9/08	.8842	USD
2/29/08	.9413	USD	2/ 4/08	.9078	USD	1/ 8/08	.8791	USD
2/28/08	.9412	USD	2/ 1/08	.8998	USD	1/ 7/08	.8744	USD
2/27/08	.9381	USD	1/31/08	.8922	USD	1/ 4/08	.8811	USD
2/26/08	.9279	USD	1/30/08	.8887	USD	1/ 3/08	.8797	USD
2/25/08	.9242	USD	1/29/08	.8899	USD	1/ 2/08	.8814	USD
2/22/08	.9234	USD	1/28/08	.8794	USD	1/ 1/08	.8745	USD
2/21/08	.9180	USD	1/25/08	.8823	USD	12/31/07	.8781	USD
2/20/08	.9163	USD	1/24/08	.8724	USD			
2/19/08	.9214	USD	1/23/08	.8657	USD			
2/18/08	.9112	USD	1/22/08	.8564	USD			
2/15/08	.9085	USD	1/21/08	.8678	USD			
2/14/08	.9036	USD	1/18/08	.8769	USD			
2/13/08	.8986	USD	1/17/08	.8829	USD			
2/12/08	.9050	USD	1/16/08	.8754	USD			
2/11/08	.9048	USD	1/15/08	.8983	USD			
2/ 8/08	.8936	USD	1/14/08	.8996	USD			

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Annexure D

Stock Historical Data

Stock Historical Data

Stock	00267 - CITIC PACIFIC	Total Volume	1,026,849,674 shares
Date (from/to)	01/08/2008 - 30/11/2008	Daily Average	12,677,156 shares
Max/Min Closing Price	30.55 / 3.86	Total \$ Turnover	10,759,047,775
Max/Min Price	30.6 / 3.66	Average \$ Turnover	132,827,750
Weighted Average Price	10.478		

Date	Volume	\$ Turnover	High	Low	Close	% Change	HSI Close
01/08/2008	3,134,000	94,740,150	30.600	29.600	30.550	1.83	22,862.60
04/08/2008	2,935,000	87,034,000	30.050	29.350	29.600	-3.11	22,514.92
05/08/2008	5,375,915	156,691,251	29.850	28.750	28.850	-2.53	21,949.75
07/08/2008	7,044,052	205,706,159	29.450	28.950	29.100	0.87	22,104.20
08/08/2008	4,372,470	126,293,752	29.600	28.250	28.500	-2.06	21,885.21
11/08/2008	4,242,041	119,307,903	28.950	27.450	27.700	-2.81	21,859.34
12/08/2008	4,385,000	124,479,100	29.000	27.800	27.850	0.54	21,640.89
13/08/2008	4,890,582	135,745,887	28.100	27.550	27.700	-0.54	21,293.32
14/08/2008	2,950,268	82,898,314	28.450	27.700	28.400	2.53	21,392.71
15/08/2008	2,474,576	69,636,041	28.500	27.850	27.900	-1.76	21,160.58
18/08/2008	3,094,438	85,441,833	28.300	27.200	27.400	-1.79	20,930.67
19/08/2008	1,955,930	53,176,495	27.450	26.900	26.900	-1.82	20,484.37
20/08/2008	2,232,060	60,954,164	27.550	26.700	27.550	2.42	20,931.26
21/08/2008	2,996,051	79,899,527	27.200	26.400	26.450	-3.99	20,392.06
25/08/2008	2,590,761	69,869,497	27.150	26.500	27.000	2.08	21,104.79
26/08/2008	1,989,149	53,587,259	27.200	26.450	27.200	0.74	21,056.66
27/08/2008	3,037,874	83,111,817	28.000	26.800	28.000	2.94	21,464.72
28/08/2008	2,634,224	72,314,087	28.300	26.950	27.100	-3.21	20,972.29
29/08/2008	5,855,350	160,749,344	28.200	27.100	27.350	0.92	21,261.89
01/09/2008	3,410,494	93,110,209	27.650	27.000	27.300	-0.18	20,906.31
02/09/2008	2,566,060	69,957,900	27.550	27.050	27.250	-0.18	21,042.46
03/09/2008	3,736,468	99,125,096	27.150	25.950	26.200	-3.85	20,585.06
04/09/2008	2,974,775	77,394,277	26.350	25.650	25.650	-2.10	20,389.48
05/09/2008	5,820,297	146,494,910	25.650	24.750	24.900	-2.92	19,933.28
08/09/2008	2,528,430	65,054,573	26.150	25.100	26.150	5.02	20,794.27
09/09/2008	4,216,438	107,371,031	26.100	25.150	25.200	-3.63	20,491.11
10/09/2008	5,531,018	136,428,837	25.050	24.200	24.300	-3.57	19,999.78
11/09/2008	4,423,871	103,464,477	24.300	23.000	23.050	-5.14	19,388.72
12/09/2008	5,509,878	129,106,827	23.950	23.000	23.000	-0.22	19,352.90
16/09/2008	9,899,826	222,608,119	24.550	21.000	21.850	-5.00	18,300.61
17/09/2008	3,678,556	80,986,425	22.800	21.350	21.450	-1.83	17,637.19
18/09/2008	7,799,113	161,517,583	21.550	20.000	21.200	-1.17	17,632.46
19/09/2008	16,149,590	345,797,403	22.750	21.050	21.500	1.42	19,327.73
22/09/2008	9,933,196	215,841,908	22.700	21.150	22.700	5.58	19,632.20
23/09/2008	6,436,566	142,203,841	22.400	21.650	22.000	-3.08	18,872.85
24/09/2008	8,089,203	187,551,956	23.750	22.300	23.100	5.00	18,961.99
25/09/2008	3,341,530	77,785,900	23.550	23.000	23.250	0.65	18,934.43

	26/09/2008	4,671,390	107,274,945	23.300	22.650	22.900	-1.51	18,682.09
	29/09/2008	4,311,280	97,202,346	23.300	21.650	21.800	-4.80	17,880.68
	30/09/2008	5,029,000	109,658,150	22.500	20.450	22.300	2.29	18,016.21
	02/10/2008	7,640,808	170,170,936	23.150	21.050	22.650	1.57	18,211.11
	03/10/2008	3,039,481	67,986,198	22.700	21.850	22.100	-2.43	17,682.40
	06/10/2008	5,420,868	112,473,588	21.550	20.000	20.000	-9.50	16,803.76
	08/10/2008	11,555,872	210,680,317	19.500	17.200	17.220	-13.90	15,431.73
	09/10/2008	11,799,710	201,470,559	17.560	16.680	16.920	-1.74	15,943.24
	10/10/2008	13,684,111	203,341,812	15.500	14.420	14.800	-12.53	14,796.87
	13/10/2008	10,819,270	164,568,959	15.860	14.100	15.860	7.16	16,312.16
	14/10/2008	10,531,356	177,369,330	17.200	16.000	17.200	8.45	16,832.88
	15/10/2008	5,197,106	85,783,580	16.980	16.020	16.060	-6.63	15,998.30
	16/10/2008	9,541,009	141,393,460	15.000	14.600	14.800	-7.85	15,230.52
	17/10/2008	6,885,312	101,788,389	15.260	14.400	14.520	-1.89	14,554.21
	20/10/2008	0	0	-	-	14.520	0.00	15,323.01
	21/10/2008	178,844,051	1,367,037,709	9.000	6.470	6.520	-55.10	15,041.17
	22/10/2008	90,611,234	504,334,037	6.340	4.850	4.910	-24.69	14,266.60
	23/10/2008	60,123,208	302,935,020	5.600	4.350	5.000	1.83	13,760.49
	24/10/2008	54,569,277	285,559,618	5.480	4.950	5.060	1.20	12,618.38
	27/10/2008	32,312,564	136,577,992	5.200	3.660	3.660	-27.67	11,015.84
	28/10/2008	31,330,311	126,946,182	4.230	3.700	4.230	15.57	12,596.29
	29/10/2008	23,551,696	104,469,476	4.750	4.020	4.260	0.71	12,702.07
	30/10/2008	40,046,429	185,774,706	5.000	4.380	5.000	17.37	14,329.85
	31/10/2008	28,004,492	158,488,106	6.390	4.650	6.060	21.20	13,968.67
	03/11/2008	0	0	-	-	6.060	0.00	14,344.37
	04/11/2008	0	0	-	-	6.060	0.00	14,384.34
	05/11/2008	0	0	-	-	6.060	0.00	14,840.16
	06/11/2008	0	0	-	-	6.060	0.00	13,790.04
	07/11/2008	0	0	-	-	6.060	0.00	14,243.43
	10/11/2008	0	0	-	-	6.060	0.00	14,744.63
	11/11/2008	0	0	-	-	6.060	0.00	14,040.90
	12/11/2008	0	0	-	-	6.060	0.00	13,939.09
	13/11/2008	71,199,660	473,000,998	7.100	6.060	6.620	9.24	13,221.35
	14/11/2008	23,393,879	149,991,938	6.780	6.150	6.150	-7.10	13,542.66
	17/11/2008	15,665,788	96,171,038	6.390	5.850	6.340	3.09	13,529.53
	18/11/2008	12,975,039	80,940,493	6.440	6.010	6.200	-2.21	12,915.89
	19/11/2008	6,205,104	38,290,347	6.280	6.080	6.100	-1.61	12,815.80
	20/11/2008	14,461,769	85,622,868	6.040	5.760	5.920	-2.95	12,298.56
	21/11/2008	10,415,128	60,185,292	6.100	5.690	5.800	-2.03	12,659.20
	24/11/2008	5,139,799	29,284,196	5.780	5.560	5.650	-2.59	12,457.94
	25/11/2008	13,460,748	74,677,344	5.810	5.320	5.340	-5.49	12,878.60
	26/11/2008	8,293,857	45,554,490	5.620	5.280	5.500	3.00	13,369.45
	27/11/2008	8,759,719	48,518,643	5.700	5.300	5.440	-1.09	13,552.06
	28/11/2008	13,124,299	70,086,865	5.480	5.210	5.220	-4.04	13,888.24

Annexure E

Ref #	Counter Party	Trade Date	Trade Date		Monthly Notional (AUD)	Leverage	Remaining Max Exposure (AUD)	Mth	Strike	Average Rate	First Fixing	Amount Delivered (AUD)	Cap Gain (USD)	Remaining Gain (USD)	
			Mid Rate	Trade Date											
Step-up Strike															
53	Natixis	18-Jul-08	0.9702	10,000,000	2.5	600,000,000	1-3	0.7810	0.8920	20-Oct-08	-	3,500,000	3,500,000	3,500,000	
								4-6							0.8350
								7-9							0.8800
								10-12							0.9000
								13-15							0.9200
16-24	0.9400														
57	CS	22-Jul-08	0.9712	10,000,000	2.5	600,000,000	1-3	0.7810	0.8946	29-Oct-08	-	3,950,000	3,950,000	3,950,000	
								4-6							0.8380
								7-9							0.8830
								10-12							0.9030
								13-15							0.9230
16-24	0.9430														
59	BOA	23-Jul-08	0.9620	10,000,000	2.5	600,000,000	1-3	0.7765	0.8914	23-Oct-08	-	3,500,000	3,500,000	3,500,000	
								4-6							0.8350
								7-9							0.8800
								10-12							0.9000
								13-15							0.9200
16-24	0.9400														

Ref #	Counter Party	Trade Date	Trade Date Mid Rate	Monthly Notional (AUD)	Leverage	Remaining Max Exposure (AUD)	Mth	Strike	Average Rate	First Fixing	Amount Delivered (AUD)	Cap Gain (USD)	Remaining Gain (USD)
Step-up Strike													
60	Barclays	23-Jul-08	0.9620	5,000,000	2.5	300,000,000	1-3	0.7735	0.8911	23-Oct-08	-	1,750,000	1,750,000
							4-6	0.8350					
							7-9	0.8800					
							10-12	0.9000					
							13-15	0.9200					
							16-24	0.9400					
61	BNP	25-Jul-08	0.9563	10,000,000	2	480,000,000	1-3	0.7880	0.9119	25-Sep-08	-	3,500,000	3,500,000
							4-5	0.8350					
							6-24	0.9395					
62	CS	28-Jul-08	0.9569	10,000,000	2.5	600,000,000	1-3	0.7730	0.8936	28-Oct-08	-	3,500,000	3,500,000
							4-6	0.8380					
							7-9	0.8830					
							10-12	0.9030					
							13-15	0.9230					
							16-24	0.9430					

Ref #	Counter Party	Trade Date	Trade Date Mid Rate	Monthly Notional (AUD)	Leverage	Remaining Max Exposure (AUD)	Mth	Strike	Average Rate	First Fixing	Amount Delivered (AUD)	Cap Gain (USD)	Remaining Gain (USD)
Step-up Strike													
63	MS	29-Jul-08	0.9529	10,000,000	2.5	600,000,000	1-3	0.7770	0.9214	26-Sep-08	-	3,500,000	3,500,000
							4-6	0.8580					
							7-24	0.9560					
64	CDB	29-Jul-08	0.9529	20,000,000	2.5	1,200,000,000	1-3	0.7750	0.8963	15-Oct-08	-	7,000,000	7,000,000
							4-6	0.8350					
							7-9	0.8800					
							10-12	0.9000					
							13-15	0.9200					
							16-18	0.9400					
							19-24	0.9600					
66	Barclays	5-Aug-08	0.9161	5,000,000	2	240,000,000	1-3	0.7725	0.8847	2-Oct-08	-	1,750,000	1,750,000
							4-6	0.8150					
							7-9	0.8750					
							10-12	0.8950					
							13-15	0.9150					
							16-24	0.9350					
	Sub-Total			<u>125,000,000</u>		<u>7,440,000,000</u>							

Ref #	Counter Party	Trade Date	Trade Date Mid Rate	Monthly Notional (AUD)	Leverage	Remaining Max Exposure (AUD)	Mth	Strike	Average Rate	First Fixing	Amount Delivered (AUD)	Cap Gain (USD)	Remaining Gain (USD)
Fixed Strike													
42	SCB	12-Jun-08	0.9343	8,000,000	2.5	460,000,000	1-24	0.7975	0.7975	12-Sep-08	8,000,000	2,400,000	2,341,600
67	HSBC	8-Aug-08	0.8887	10,000,000	2	460,000,000	1-24	0.7900	0.7900	10-Sep-08	10,000,000	3,000,000	2,835,000
68	CDB	8-Aug-08	0.8887	10,000,000	2.5	575,000,000	1-24	0.7860	0.7860	10-Sep-08	10,000,000	2,500,000	2,295,000
69	Calyon	11-Aug-08	0.8839	10,000,000	2	460,000,000	1-24	0.7900	0.7900	11-Sep-08	10,000,000	2,500,000	2,438,000
	Sub-Total			38,000,000		1,955,000,000					38,000,000		
	Total			163,000,000		9,395,000,000				Average Rate	0.79053		