



Statement

23 April 2010

Today CITIC Pacific sought direction from the High Court concerning documents taken from the company.

Over a year ago, the Commercial Crime Bureau (“CCB”) of the Hong Kong Police took from CITIC Pacific’s head office a wide range of documents as well as computers and clones of servers that held almost the entire soft records of the company kept in the head office, for the purpose of its investigation into CITIC Pacific’s foreign exchange contracts.

Subsequently, CITIC Pacific established a special board committee consisting of directors new to the board, to deal with matters relating to the investigation. Through the company’s external legal counsel, this committee has been in communications with the Department of Justice and CCB regarding how materials taken should be handled.

Beginning in May of last year, CITIC Pacific has put in enormous effort to identify the material that is subject to legal professional privilege, and separate materials covered by the search warrants produced by CCB at the time, from those that are not. The principle of privilege, which is the right to confidential legal advice, is protected by Hong Kong’s Basic Law.

CITIC Pacific’s objective is to see a timely conclusion of this investigation as it is in the best interest of the company and its shareholders. CITIC Pacific believes that its legal advice is privileged and should be returned. Material that is irrelevant to the search warrants, and thus should not have been taken, should also be returned.

With this objective in mind, the company has advocated the appointment of an independent counsel who could review the documents and assist in determining which materials are covered by privilege, which fall outside of the scope of CCB’s search warrants and which are within the scope of the warrants. However, the Department of Justice and CCB want such a decision to be made by the court. Therefore, CITIC Pacific is asking the court to provide directions on how to proceed.

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