NOTICE OF FILING

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File Title:	MICIULIS SUPERANNUATION PTY LTD ATF THE MICIULIS SUPERANNUATION FUND v CIMIC GROUP LIMITED
Registry:	VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.

Form 17, Rule 8.05(1)(a)

No. VID 564 of 2020

~~SECOND~~ <u>THIRD</u> FURTHER AMENDED STATEMENT OF CLAIM

(Filed pursuant to the orders of Justice Neskovcin dated 28 March 2024)

Federal Court of Australia

District Registry: Victoria

Division: General

MICIULIS SUPERANNUATION PTY LTD (ACN 146 559 426) ATF THE MICIULIS SUPERANNUATION FUND

Applicant

CIMIC GROUP LIMITED (ACN 004 482 982)

Respondent

Note:

In this statement of claim, all references to currency using the symbol '$' are to Australian Dollars.

The defined terms are set out in the index to this statement of claim

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A. PARTIES

1. Miciulis Superannuation Pty Ltd (as trustee for the Miciulis Superannuation Fund) (the **Applicant**), commences this proceeding as a representative party pursuant to Part IVA of the *Federal Court of Australia Act 1976* (Cth) on its own behalf and on behalf of the Group Members.

2. The Applicant and the persons it represents (**Group Members**) are persons who:

(a) acquired an interest in ordinary shares in the Respondent (**CIMIC**) during the period from 7 February 2018 to 22 January 2020 (inclusive) (**Relevant Period**);

Particulars

The particulars of the Applicant's shareholding are as follows:

Date	Number of Shares	Price per Share	Cost
27 June 2018	4,000	$41.455467	$165,821.87

Particulars of the shareholdings of the Group Members will be provided following the trial of the common questions.

(b) suffered loss and damage by or resulting from the conduct of CIMIC alleged below; and

(c) are not:

(i) directors or officers or a close associate (as defined in s 9 of the *Corporations Act 2001* (Cth) (**Corporations Act**)) of CIMIC; or

(ii) a related party (as defined in s 228 of the Corporations Act) of CIMIC; or

(iii) a related body corporate (as defined in s 50 of the Corporations Act) of CIMIC; or

(iv) an associated entity (as defined in s 50AAA of the Corporations Act) of CIMIC; or

(v) a Justice, Registrar, District Registrar, or Deputy District Registrar of the High Court of Australia or the Federal Court of Australia.

3. As at the date of the commencement of this proceeding, there are seven or more persons who have claims against CIMIC in respect of the matters set out in this Statement of Claim.

4. CIMIC is and at all material times has been:

(a) a corporation registered pursuant to the Corporations Act;

(b) a person within the meaning of s 1041H of the Corporations Act;

(c) a person within the meaning of s 12DA of the Australian Securities and Investments Commission Act 2001 (Cth) (**ASIC Act**);

(d) a person within the meaning of s 18 of the Australian Consumer Law being Schedule 2 of the *Competition and Consumer Act 2010* (Cth) (**CCA**), as applied by:

(i) s 131 of the CCA;

(ii) s 7 of the *Fair Trading (Australian Consumer Law) Act 1992* (ACT);

(iii) s 28 of the *Fair Trading Act 1987* (NSW);

(iv) s 8 of the *Australian Consumer Law and Fair Trading Act 2012* (Vic);

(v) s 16 of the *Fair Trading Act 1989* (Qld);

(vi) s 6 of the *Australian Consumer Law (Tasmania) Act 2010* (Tas);

(vii) s 19 of the *Fair Trading Act 2010* (WA);

(viii) s 14 of the *Fair Trading Act 1987* (SA); and/or

(ix) s 27 of the *Consumer Affairs and Fair Trading Act* (NT),

(individually or together, the **Australian Consumer Law**); and

(e) engaged in the business of providing engineering, construction and mining services.

5. At all materials times until 11 May 2022, CIMIC:

(a) was a corporation listed on a financial market, the Australian Securities Exchange (**ASX**), operated by ASX Limited;

(b) had on issue ordinary shares (**CIMIC Securities**) that were:

(i) traded on the ASX under the designation "CIM";

(ii) ED Securities within the meaning of s 111AE of the Corporations Act; and

(iii) quoted ED Securities within the meaning of s 111AM of the Corporations Act;

(c) as the issuer of the CIMIC Securities, was:

(i) subject to and bound by the Listing Rules of the ASX (**ASX Listing Rules**);

(ii) a listed disclosing entity within the meaning of s 111AL of the Corporations

Act; and

(iii) subject to the requirements of s 674 of the Corporations Act.

B. APPLICATION OF SECTION 674(2) OF THE CORPORATIONS ACT

6. At all material times, ASX Limited was a market operator of a listing market, the ASX, in relation to CIMIC for the purposes of s 674(1) of the Corporations Act.

7. At all material times, Rule 3.1 of the ASX Listing Rules provided that once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must, unless the exceptions in ASX Listing Rule 3.1A apply, immediately tell the ASX that information.

8. At all material times, Rule 19.3 of the ASX Listing Rules and s 677 of the Corporations Act had the effect that, for the purposes of Rule 3.1 of the ASX Listing Rules, a reasonable person would be taken to expect information to have a material effect on the price or value of an entity's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to acquire or dispose of the entity's securities.

9. At all material times, Rule 19.12 of the ASX Listing Rules provided that an entity becomes aware of information if an officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.

10. At all material times, there existed a market of investors and potential investors in CIMIC Securities on the ASX.

C. CIMIC'S OPERATIONS

C.1 FINANCIAL YEAR

11. At all material times:

(a) CIMIC's financial year has been 1 January to 31 December; and

(b) the financial year of Al Habtoor – Leighton LLC (**HLG**) (later renamed BIC Contracting LLC (**BICC**)) has been 1 January to 31 December.

C.2 CIMIC'S SUBSIDIARIES AND DIVISIONS

12. At all material times, the following entities were wholly owned subsidiaries of CIMIC and were reported in CIMIC's financial statements as material subsidiaries and its "operating companies":

(a) CPB Contractors Pty Ltd (**CPB Contractors**);

(b) Leighton Asia Ltd (**Leighton Asia**);

(c) Thiess Pty Ltd (**Thiess**);

(d) UGL Pty Ltd (**UGL**).

13. At all material times, the following entities were wholly owned subsidiaries of CIMIC:

(a) LMENA No 1 Pty Ltd (**LMENA**);

(b) Sedgman Pty Ltd (**Sedgman**);

(c) Pacific Partnerships Pty Ltd (**Pacific Partnerships**); and

(d) EIC Activities Pty Ltd (**EIC Activities**).

14. At all times between 3 September 2007 and 22 January 2020:

(a) LMENA held 45% of the shares in HLG; and

(b) by reason of paragraph (a), CIMIC indirectly held 45% of the shares in HLG.

15. At all material times, CIMIC's operations were reported in its financial statements in the following segments:

(a) Construction, comprising CPB Contractors and Leighton Asia;

(b) Mining and Mineral Processing, comprising Thiess and Sedgman;

(c) Services, comprising UGL; and

(d) Corporate, comprising BICC (from 30 June 2018 onwards), Pacific Partnerships and EIC Activities.

16. At all material times, CIMIC had a centrally managed Treasury department which:

(a) was responsible for managing the working capital requirements and factoring arrangements for CIMIC and CIMIC's wholly owned subsidiaries;

(b) was headed by Scott McAlpine, Executive General Manager Treasury, who reported directly to Stefan Camphausen, chief financial officer (**CFO**) of CIMIC.

Particulars

(i) CIMIC Group Overview Organisational Chart as of 1 January 2018 [**CIM.006.001.0006**]

(ii) CIMIC Group Overview Organisations Chart as of November 2019 [**CIM.006.001.0036**]

17. At all material times, CIMIC had a centrally managed department called "Financial Planning and Accounting" (**FP&A**) and later called "FP&A and Analysis" which:

(a) was responsible for financial reporting and modelling for CIMIC and CIMIC's wholly owned subsidiaries;

(b) was headed by Derek Kerr, Executive General Manager Finance, who reported directly to Stefan Camphausen, CFO of CIMIC.

Particulars

(i) CIMIC Group Overview Organisational Chart as of 1 January 2018 [**CIM.006.001.0006**]

(ii) CIMIC Group Overview Organisations Chart as of November 2019 [**CIM.006.001.0036**]

C.3 BICC

Structure and governance

18. On 3 September 2007, CIMIC (then named Leighton Holdings Limited) published and lodged with the ASX a media release and presentation in which it stated that it was merging its Leighton International operations in the Arabian Gulf with Al Habtoor Engineering and acquiring a 45% stake in the newly formed entity HLG by investing approximately $870 million, which was funded through a mix of cash ($350 million) and non-recourse debt ($520 million).

19. On or about 1 November 2016, LMENA, Mr Riad Tawfiq Mahmood Alsadik and HLG entered into an agreement entitled "Amended & Restated Shareholders Agreement relating to Al Habtoor Leighton LLC" (**HLG Shareholders Agreement**).

Particulars

Agreement dated 1 November 2016 between LMENA, Mr Riad Tawfiq Mahmood Alsadik (**RTS**) and HLG [**CIM.102.022.7583**].

20. There were terms of the HLG Shareholders Agreement, among others, that:

(a) the Board shall have responsibility for the supervision of HLG and its business (cl 3.1);

(b) the number of directors shall at all times be three, of whom two shall be nominated for appointment by the CIMIC Shareholder (being LMENA) (cl 3.2);

(c) if required, a director of the company may at any time appoint an alternate director to act on his behalf (cl 3.6);

(d) the CIMIC Shareholder had the right to nominate the managing director of the company (cl 3.10.2);

(e) the CIMIC Shareholder had the right to acquire the additional 55% interest in HLG for an exercise price of the higher of one Emirati Dirham (**AED**) and the Fair Value of the shares (as defined) (the **Call Option**) (cl 8.6.4 – 8.6.5).

21. Between 1 January 2017 and 23 January 2020, the directors of HLG nominated by LMENA were:

(a) between 31 May 2016 and 1 December 2017: Adolfo Valderas (chief executive officer of CIMIC, with Michael Wright (then deputy chief executive officer of CIMIC) as the alternate;

(b) between 7 December 2017 and 23 January 2020: Michael Wright (chief executive officer of CIMIC) as director, with Stefan Camphausen (chief financial officer of CIMIC) as the alternate;

(c) between 1 January 2017 and 1 April 2017, Abdul Rahman Jarrah as CEO and managing director;

(d) between 2 April 2017 and March 2019, Moustafa Fahour as CEO and managing director;

(e) from March 2019 to 23 January 2020, Paul Russel as acting CEO and managing director.

Shareholder Loans

22. Between 20 May 2010 and 22 December 2016, LMENA entered into agreements with HLG pursuant to which LMENA advanced loans to HLG on the terms contained in the agreements (each a **Shareholder Loan** and together the **Shareholder Loans**).

Particulars

(i) Agreement between dated 20 May 2010 between LMENA, Al Habtoor Group LLC (**Habtoor**) and RTS (each then the shareholders of HLG) and HLG dated 20 May 2010 [**CIM.102.032.1930**] (**First Shareholder Loan Agreement**), pursuant to which LMENA, RTS and Habtoor agreed to make loan facilities totalling AED 700,000,000 available to HLG, of which LMENA agreed to advance AED 315,000,000.

(ii) Amendment Agreement to First Shareholder Loan Agreement dated 30 December 2010 between HLG, LMENA, RTS and Habtoor [**CIM.102.032.1940**] (**First Amendment to First Shareholders Loan Agreement**) pursuant to which the definition of Total Commitment under the First Shareholders Loan Agreement was increased to AED 760,000,000 and pursuant to which LMENA agreed to make advances of AED 462,500,000.

(iii) Loan Agreement between HLG and LMENA dated 12 April 2011 [**CIM.108.036.0325**] (**Second Shareholders Loan Agreement**) pursuant to which LMENA and HLG agreed the existing loans LMENA had made to HLG (in the amounts of AED250,000,000 on 25 January 2011; AED150,000,000 on 22 February 2011 and AED200,000,000 on 22 March 2011) would be governed by the terms of Second Shareholders Loan Agreement.

(iv) Amendment to the First Shareholder Loan Agreement dated 21 December 2011 between HLG, LMENA, RTS and Habtoor [**CIM.108.044.3447**] (**Second Amendment to First Shareholder Loan Agreement**) pursuant to which the parties agreed to change the "Long-Stop Date" under the First Loan Agreement from 5 September 2012 to 31 March 2014.

(v) Amendment to Second Shareholder Loan Agreement dated 21 December 2011 between LMENA and HLG [**CIM.108.044.3448**] pursuant to which the parties agreed to change the "Long-Stop Date" under the Second Loan Agreement from 5 September 2012 to 31 March 2014.

(vi) Loan Facility Agreement dated 3 October 2013 between HLG and LMENA [**CIM.102.010.4325**] (**Third Shareholders Agreement**) pursuant to which the parties agreed that the existing loans advanced by LMENA to HLG (totalling AED1,525,000,000) and aggregate amount of interest which had accrued on the existing loans (of AED151,472,293 as of July 2013) be governed by the terms of the Third Shareholders Agreement.

(vii) Deed of Amendment between HLG and LMENA dated 22 December 2016 [**CIM.102.010.4370**] (**Amendment to Third Shareholders Agreement**) pursuant to which the parties agreed that the Third Shareholders Agreement was to be amended subject to the terms and conditions of that deed, including that the definition of Facility Limit be amended to mean AED 1,829,000,000 (being the aggregate amount then outstanding) or any other amount as may be agreed in writing between LMENA and HLG.

Debt Facilities and CIMIC Financial Guarantees

UNB Facility Agreements

23. On or about 28 November 2004:

    (a) HLG entered into a facility agreement with United National Bank (**UNB**), which agreement was renewed and amended by facility offer letters dated 4 September 2012, 7 April 2014, 27 July 2014 and 30 March 2015; and

    (b) HLG entered into a credit facilities agreement with UNB, which agreement was renewed and extended by facility offer agreements dated 25 March 2014 and 30 March 2015,

    (together, the **UNB Facility Agreements**, and each a **Guaranteed Facility**).

Particulars

(i) Facility offer / agreement dated 28 November 2004 [**CIM.018.001.0001**];

(ii) Facility offer letter / agreement dated 4 September 2012 [**BIC.008.097.2100**];

(iii) Facility offer agreement dated 25 March 2014 [**CIM.018.001.0009**];

(iv) Facility offer letter / agreement dated 27 July 2014 [**CIM.505.003.5650**];

(v) Facility offer letter / agreement dated 30 March 2015 [**BIC.006.073.4938**];

(vi) The best particulars the applicant can provide of the UNB credit facilities agreement dated on or about 28 November 2004 are the Facility offer agreement dated 25 March 2014 and letter dated 7 April 2014 [**CIM.018.001.0009**] and the facility offer letter / agreement dated 30 March 2015 [**BIC.006.073.4938**] which are stated to amend the credit facilities agreement dated 28 November 2004.

24. Pursuant to the UNB Facility Agreements, UNB provided to HLG loan facilities, overdraft facilities, letters of credit, performance bonds and payment guarantees up to specified limits (both general limits and project specific limits) on the terms of those agreement.

25. On or about 23 November 2016, HLG and UNB entered into a facility agreement pursuant to which the UNB Facility Agreements were amended so that:

    (a) the existing terms and conditions of the facilities applied to reduced limits, as specified in the facility offer letter; and

    (b) the existing corporate guarantee of Al Habtoor Holding LLC and the personal guarantee of Mr Riad Tawfiq Al Sadek were to be replaced with a corporate guarantee of CIMIC covering the allocated limits under existing projects and the outstanding exposure under the general limits.

Particulars

Facility offer letter dated 23 November 2016 [**BIC.002.037.6165**].

26. On or about 30 November 2016, CIMIC provided a Letter of Guarantee to UNB pursuant to which CIMIC guaranteed HLG's obligations to UNB under the UNB Facility Agreements (**UNB Guarantee** and a **CIMIC Guarantee**).

Particulars

Letter of Guarantee dated 30 November 2016 provided by CIMIC to UNB [**CIM.103.028.6877**]

27. Pursuant to the UNB Guarantee:

(a) CIMIC guaranteed on demand to pay to UNB all moneys and discharge all obligations and liabilities whether actual or contingent due owing or incurred to UNB by HLG in connection with the UNB Facility Agreements, together with interest to date of such payment and upon such terms as may from time to time be payable by HLG, and all legal and other costs and expenses incurred by UNB;

(b) the total amount recoverable under the guarantee was limited to the principal sum of AED1,764,100,000 in addition to interest and all costs, charges and expenses;

(c) CIMIC agreed and covenanted that if and whenever HLG shall make default in the payment of any sum due and payable by it to UNB, CIMIC shall forthwith within 5 Business Days of HLG's first demand make good the default and pay to UNB all funds that may be due and payable by HLG in connections with the UNB Facility Agreements (cl 2);

(d) CIMIC represented, warranted and agreed that it would notify UNB forthwith of any material event or circumstance which might adversely affect its or HLG's financial position or its ability to perform any of their respective obligations to UNB (cl 11(h)).

28. On or about 15 November 2017, the UNB Facility Agreements were amended by HLG and UNB by entry into the facility offer letter dated 15 November 2017, pursuant to which the conditional release of the existing personal guarantee of Mr Riad Tawfik Al Sadek and corporate guarantee of Al Habtoor Holding LLC was subject to compliance with either the return of the project bonds

under the terminated ZADCO project, or confirmation from ZADCO that final accounts of the project were in surplus and there was no threat to the project bonds issued by UNB.

Particulars

Facility Offer Letter / Agreement dated 15 November 2017
[**CIM.104.029.4748**]

HSBC Syndicated Loan Agreement

29. On or about 14 June 2017, HLG (as Borrower) entered into a facilities agreement with the Hong Kong and Shanghai Banking Corporation Limited (**HSBC**) (as Agent and Arranger) and Standard Chartered Bank (**SCB**) (as Arranger) pursuant to which, on the terms of the agreement, the Lenders (as defined) relevantly agreed to make available to HLG:

    (a) a Dirham revolving loan facility in an aggregate amount equal to AED 520,000,000 (Facility B); and

    (b) a USD term loan facility in an aggregate amount equal to USD 212,360,468.28 (Facility C),

(**HSBC Syndicated Loan Agreement** and a **Guaranteed Facility**).

Particulars

Facilities Agreement dated 14 June 2017 between HLG, HSBC and SCB
[**CIM.106.007.4847**]

30. There were terms of the HSBC Syndicated Loan Agreement, among others, that:

    (a) the rate of interest on each loan was the percentage rate per annum which was the aggregate of (i) the Margin (being 2.20% per annum in relation to Facility B, and 1.70% per annum relation to Facility C); and (ii) the EIBOR (in relation to Facility B) or LIBOR (in relation to Facility C) (cl 8.1);

    (b) the Borrower was to pay accrued interest on each loan on the last day of each applicable Interest Period (as determined pursuant to cl 8) (cl 8.2);

    (c) the Termination Date was 14 June 2021 (cl 1.1);

    (d) Facility B was repayable on the earlier of the Termination Date, or the last date of the Interest Period (as defined therein) (cl 6.2);

    (e) Facility C was repayable on the Termination Date (cl 6.3);

(f) each of the following were Events of Default, among others (cl 21.1):

(i) Non-payment (cl 21.2): an Obliger (defined to include HLG as borrower and CIMIC as guarantor) does not pay on the due date any amount payable pursuant to a Finance Document (defined to include the HSBC Syndicated Loan Agreement and the CIMIC Group Guarantee) at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error or a Disruption Event (as defined therein) payment is made within three Business Days.

(ii) Cross-default (cl 21.7):

A. any Financial Indebtedness (defined to include any indebtedness for or in respect of any moneys borrowed by way of a financing arrangement) of any Relevant Entity (defined as the Borrower and any member of the Borrower Group) is not paid when due nor within any originally applicable grace period;

B. any Financial Indebtedness of any Relevant Entity is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default, however described;

C. any commitment for any Financial Indebtedness of any Relevant Entity is cancelled or suspended by a creditor of any Relevant Entity as a result of an event of default, however described;

D. any creditor of any Relevant Entity becomes entitled to declare any Financial Indebtedness of any Relevant Entity due and payable prior to its specified maturity as a result of an event of default, however described;

(iii) Insolvency (cl 21.8):

A. a Relevant Entity is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally with a view to rescheduling any of its indebtedness;

B. the value of the assets of any Relevant Entity is less than its liabilities (taking into account contingent and prospective liabilities but excluding specified shareholder loans) or any Relevant Entity is or is deemed or presumed to be insolvent under the relevant laws of its jurisdiction of incorporation.

C. a moratorium is declared in respect of any indebtedness of any Relevant Entity.

(g) On and at any time after the occurrence of an Event of Default which was continuing the Agent may, and shall if so directed by the Majority Lenders (as defined) by notice to the Borrower (cl 21.14):

(i) cancel the Total Commitments (being the commitments under Facility B and Facility C) whereupon they shall immediately be cancelled;

(ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(iii) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

31. On or about 14 June 2017, CIMIC and subsidiaries of CIMIC (each defined as Original Guarantors) executed a Deed of Guarantee in favour of HSBC, SCB and each of the lenders under the HSBC Syndicated Facilities Agreement (defined as **Finance Parties**) in relation to the HSBC Syndicated Facility Agreement (**HSBC Syndicated Guarantee** and a **CIMIC Guarantee**).

Particulars

Deed of Guarantee – HLG Facilities between CIMIC, the CIMIC subsidiaries listed in Schedule 1 to the Deed (**Original Guarantors**), and HSBC as Agent, dated 14 June 2017 [**CIM.106.007.4950**].

The HSBC Syndicated Guarantee was signed on behalf of CIMIC by Scott McAlpine and Nigel Lowry, and signed on behalf of the CIMIC subsidiaries by Scott McAlpine and Stuart Charlton.

32. There were terms of the HSBC Syndicated Guarantee, among others, that:

(a) each Guarantor irrevocably and unconditionally guaranteed to each Finance Party (defined as the Agent, the Arrangers or a Lender under the HSBC Syndicated Loan Agreement) the punctual performance by HLG of all of HLG's payment obligations to the Finance Parties under the Finance Documents (defined to include the HSBC Syndicated Loan Agreement) (cl 3.1(a));

(b) each Guarantor undertook with the Finance Parties that whenever HLG did not pay any amount when due under or in connection with the Finance Documents HSBC Syndicated Facilities Agreement, it shall within 5 business days of demand by the Agent pay that amount as if it were principal obliger (cl 3.1(b)).

33. At all material times until 23 January 2020, CIMIC reported in its financial statements as contingent liabilities the amounts drawn down by HLG (later BICC) under the Guaranteed Facilities in respect of which CIMIC had provided the CIMIC Guarantees.

34. At all material times after September 2007 and until 30 June 2018, CIMIC reported on HLG's operations as a separate segment in its statutory financial reports.

C4. CIMIC OFFICERS AND EMPLOYEES

35. Officers of CIMIC during the Relevant Period, within the meaning of s 9 of the Corporations Act and ASX Listing Rule 19.12 (**CIMIC Officers**), relevantly included (but were not limited to):

(a) Marcelino Fernandez Verdes, the Executive Chairman;

(b) Michael Wright, the Chief Executive Officer and Managing Director;

(c) Stefan Camphausen, the Chief Financial Officer;

(d) Ignacio Segura Suriñach, the Deputy Chief Executive Officer and Chief Operating Officer;

(e) Roman Garrido Sanchez, the Chief Safety, Strategy and Governance Officer from 1 April 2018 until 21 May 2019;

(f) Brad Davey, the Chief Legal and Risk Officer since 1 April 2018;

(g) George Sassine, the Executive General Manager of Investments and Group Property Services;

(h) Scott McAlpine, the Executive General Manager of Treasury.

Particulars

During the Relevant Period, the CIMIC Officers relevantly had the following reporting lines:

(i) Michael Wright reported directly to Marcelino Fernandez Verdes;

(ii) Ignacio Segura Suriñach reported directly to Marcelino Fernandez Verdes;

(iii) Stefan Camphausen reported directly to Michael Wright and Ignacio Segura

Suriñach;

(iv) Brad Davey reported directly to Michael Wright and Ignacio Segura Suriñach;

(v) George Sassine reported directly to Michael Wright and Ignacio Segura Suriñach; and

(vi) Scott McAlpine reported directly to Stefan Camphausen.

The Applicant refers to:

(vii) the CIMIC Group Overview Organisational Chart as of 1 January 2018 [CIM.006.001.0006];

(viii) the CIMIC Group Overview Organisational Chart as at 1 April 2018 [CIM.006.001.0016]; and

(ix) the CIMIC Group Overview Organisations Chart as of November 2019 [CIM.006.001.0036].

36. Officers of CIMIC from 1 January 2017 to 6 February 2018 (inclusive), within the meaning of s 9 of the Corporations Act and ASX Listing Rule 19.12 (also **CIMIC Officers**), relevantly included (but were not limited to):

(a) Marcelino Fernandez Verdes, the Executive Chairman;

(b) Adolfo Valderas, the Chief Executive Officer and Managing Director until 30 November 2017;

(c) Michael Wright, the Deputy Chief Executive Officer until 30 November 2017 and the Chief Executive Officer and Managing Director from 1 December 2017;

(d) Stefan Camphausen, the Chief Financial Officer from 1 June 2017;

(e) Ignacio Segura Suriñach, the Deputy Chief Executive Officer and Chief Operating Officer from 1 November 2017;

(f) George Sassine, the Executive General Manager of Investments and Group Property Services; and

(g) Scott McAlpine, the Executive General Manager of Treasury.

37. By reason of the matters pleaded in paragraph 9 above, any information which any of the CIMIC Officers came into possession of, or which ought reasonably to have come into their possession in the course of the performance of their respective duties, was information of which CIMIC was aware (as awareness is defined in ASX Listing Rule 19.12).

38. Employees of CIMIC during the Relevant Period, who had responsibilities in relation to BICC and reported to one or more of the CIMIC Officers, included (but were not limited to):

(a) Emilio Grande, Deputy CFO from February 2018 until September 2018, and CFO of UGL thereafter;

(b) Derek Kerr, the Executive General Manager of Finance;

(c) Carlos Mendes, the Executive General Manager of Finance Projects;

(d) Tamara Kidd, the General Manager of Financial Planning & Analysis;

(e) Christopher Granda, Technical Manager in the Treasury department; and

(f) Colin Young, consultant in the Special Projects division of Group Strategy, Investments & Acquisitions.

Particulars

(i) Emilio Grande reported directly to Stefan Camphausen. He had responsibilities in relation to BICC and CIMIC's exposure to BICC.

(ii) Derek Kerr reported directly to Stefan Camphausen. His responsibilities included assessing the accounting implications and financial impacts to CIMIC of various options for BICC; overseeing Deloitte's valuation of BICC in late 2017, overseeing KPMG's credit analysis of BICC in early 2018, overseeing the audits of BICC in 2017 and 2018, and assessment of alternative funding options in respect of BICC.

(iii) Carlos Mendes reported directly to Stefan Camphausen. His responsibilities included (a) between October 2018 to February 2019 facilitating the valuation of the Call Option; and (b) from July 2019 onwards the assessment of CIMIC's strategic options with respect to BICC, accounting treatment of CIMIC's exposure to BICC, the CIMIC Guarantees and Legacy Project Receivables;

(iv) Tamara Kidd reported directly to Stefan Camphausen. Her responsibilities included production of CIMIC's financial reports and related analysis, and she received documents disclosing BICC's financial position for those purposes (including BICC monthly reports, the interest schedule for the Shareholder Loans and period-end consolidated financial packs).

(v) Christopher Granda reported directly to Scott McAlpine and was supervised by Roman Garrido Sanchez in respect of his work relating to BICC. His responsibilities included managing receivables on BICC's existing projects and overseeing completion of BICC's projects which had bonds guaranteed by CIMIC.

(vi) Colin Young variously reported (depending upon the task) directly to Stefan Camphausen, Roman Garrido Sanchez, George Sassine, Michael Wright and Ignacio Segura Suriñach. He had extensive responsibilities in relation to BICC, including (but not limited to): (a) in 2017, involved in refinancing BICC's bank facilities, investigating improvements to BICC's liquidity; (b) in 2018 and early 2019, reporting CIMIC's exposure to BICC to CIMIC Officers, preparing bank presentations to BICCs current and prospective lenders; monitoring and seeking to reduce CIMIC's exposure to BICC; preparing the BICC valuation model, option valuation, business plan and bank update's; negotiating creditor settlements; (c) from mid 2019, overseeing elements of CIMIC's strategic options in respect of BICC, monitoring CIMIC's exposure to BICC, developing alternative accounting strategies, supporting BICC's attempts to restructure its local debt facilities, investigating and developing a potential restructure of BICC.

D. ANNOUNCEMENTS MADE BY CIMIC BETWEEN 2016 AND MID-2019

D.1 2016 ANNOUNCEMENTS

39. On 10 February 2016, CIMIC published and lodged with the ASX its 2015 Annual Report in which it stated that:

(a) major projects awarded for 2015 included nationally significant Australian infrastructure projects such as the WestConnex M4 East Motorway and New M5 Motorway; and

(b) Solomon iron ore mine was a major mine project during the period.

Particulars

The statement in paragraph (a) was made at page (iv) of the 2015 Annual Report.

The statement in paragraph (b) was made at page 24 of the 2015 Annual Report.

40. On 22 April 2016, CIMIC published and lodged with the ASX a document entitled "CIMIC's CPB Contractors Awarded Level Crossing Removals Contract" in which it stated that:

(a) CPB Contractors had been awarded an Alliance contract with the Level Crossing Removal Authority to design and construct the Level Crossing Removal Project: Caulfield to Dandenong in Melbourne;

(b) the project would generate revenue of approximately $500 million for CPB Contractors.

41. On 19 July 2016, CIMIC published and lodged with the ASX its 2016 Half Year Report, in which it stated in relation to HLG that:

(a) during the reporting period, the carrying value of its investment in HLG was $432.8 million;

(b) the recoverable amount of CIMIC's investment in HLG was calculated using a value in use calculation, and the key assumptions in the value in use calculation were;

   (i) discount rate of 16% (31 December 2015: 15%);

   (ii) growth rate of 3% for cash flows beyond five years (31 December 2015: 3%);

   (iii) in respect of a series of legacy projects in the Middle East (**Legacy Project Receivables**):

      A. there continued to be a delay in payment from clients in the Middle East & North Africa region, particularly for projects in progress at the time CIMIC invested in HLG;

      B. it assumed that of the remaining unprovided Legacy Project Receivables 52% would be collected within 24 months and 48% collected subsequently;

   (iv) borrowings obtained to fund working capital would be progressively repaid during the forecast period;

   (v) in respect of forecast cash flows, the calculation used five year cash flow projections based on forecasts provided by HLG's management, risk adjusted downward by CIMIC, with cash flows beyond five years extrapolated using the estimated growth rate;

(c) management considered that for the recoverable amount of CIMIC's investment to fall below the carrying value there would have to be unreasonable changes to key assumptions, which management considered the chances of occurring as unlikely;

(d) CIMIC had pledged the following security against borrowings by HLG under two facilities totalling USD 251.7 million (equivalent to $335.6 million), comprising:

   (i) letters of credit of USD 64.1 million (equivalent to $85.5 million); and

   (ii) guarantees of USD 187.6 million (equivalent to $250.1 million).

Particulars

The statements were made at page 22 of the 2016 Half Year Report under the heading "Associates and Joint Ventures Accounted for Using the Equity Method".

42. In its 2016 Half Year Report, CIMIC also stated that:

(a) WestConnex M4 and the Sydney Metro Northwest Rail Link were major construction projects by revenue during the period;

(b) the Solomon iron ore mine was one of the major mining and mineral processing projects by revenue during the period.

Particulars

The statement in paragraph (a) was made at page 40 of the 2016 Half Year Report under the heading "Revenue".

The statement in paragraph (b) was made at page 40 of the 2016 Half Year Report under the heading "Revenue".

43. On 26 August 2016, CIMIC published and lodged with the ASX a document entitled "Update on HLG Shareholders" in which it stated that:

(a) it had entered into a binding agreement with its two joint venture partners in HLG which would enable one of the shareholders to transfer its shares to another partner;

(b) CIMIC's shareholding was unchanged; and

(c) as a result of the change in ownership, a strategic review of the HLG business would commence.

44. On 25 November 2016, CIMIC published and lodged with the ASX a document entitled "CIMIC's CPB Contractors Wins Water Treatment Plant Upgrade" in which it stated that:

(a) CPB Contractors had been selected by Melbourne Water to deliver the Western Treatment Plant – Treatment Capacity Increase Project in a 50:50 joint venture with UGL;

(b) the design and construct contract would generate combined revenue of approximately $127 million over four years.

45. On 1 December 2016, CIMIC published and lodged with the ASX a document entitled "Completion of Change of Shareholder in HLG" in which it stated that:

(a) HLG's new shareholder structure had now been implemented as another step towards reaching its long term strategic objectives in the region;

(b) CIMIC's shareholding in HLG was unchanged at 45% and CIMIC also had a call option over the remaining 55% of shares in HLG; and

(c) a strategic review of HLG was ongoing as management seek to improve efficiencies within the business for the benefit of shareholders.

D.2 2017 ANNOUNCEMENTS

46. On 8 February 2017, CIMIC published and lodged with the ASX its 2016 Annual Report, in which it stated in relation to HLG that:

(a) the directors of CIMIC considered that HLG was a joint venture entity which was material to CIMIC;

(b) as part of the contractual arrangements around the shareholder exit in late 2016, CIMIC assumed certain obligations from the other shareholders including guaranteeing various performance bonds (the value of which was not disclosed) and acquired certain loans from the outgoing shareholder for $37.5 million and acquired a call option to purchase the remaining 55% shareholding in HLG, the fair value of which was determined to be USD 54 million (equivalent to $75 million) as at 31 December 2016;

(c) HLG's new shareholder structure was a step toward reaching its long term strategic objectives in the region; this would allow HLG to continue to deliver leading projects for clients;

(d) a strategic review of the HLG business had commenced and was ongoing;

(e) during the reporting period, the carrying value of CIMIC's investment in HLG had decreased to $366.5 million, due to CIMIC's share of equity accounted loss of $84.4 million offset by a foreign exchange gain of $6.2 million;

(f) the recoverable amount of CIMIC's investment in HLG had been calculated using a value in use calculation, and the key assumptions used in the value in use calculation were:

(i) discount rate of 15% (31 December 2015: 15%);

(ii) growth rate of 3% for cash flows beyond give years (31 December 2015: 3%);

(iii) in respect of Legacy Project Receivables:

A. there continued to be a delay in payment from clients in the Middle East &

North Africa region, particularly for projects in progress at the time CIMIC invested in HLG;

B. it assumed that of the remaining unprovided legacy project receivables 55% would be collected within 24 months and 45% collected subsequently;

(iv) borrowings obtained to fund working capital would be progressively repaid during the forecast period;

(v) in respect of forecast cash flows, the calculation used five year cash flow projections based on forecasts provided by HLG's management, risk adjusted downward by CIMIC, with cash flows beyond five years extrapolated using the estimated growth rate;

(g) management considered that for the recoverable amount of CIMIC's investment to fall below the carrying value there would have to be unreasonable changes to key assumptions, which management considered the chances of occurring as unlikely;

(h) CIMIC had pledged the following security against borrowings by HLG under two facilities totalling USD 239.7 million (equivalent to $332.9 million) comprising:

(i) letters of credit of USD 85.4 million (equivalent to $118.6 million); and

(ii) guarantees of USD 154.3 million (equivalent to $214.3 million).

Particulars

The statements were made at pages 22-24 and 122, 125-127 of the 2016 Annual Report under the heading "Joint Venture Entities".

47. On 8 February 2017, CIMIC also published and lodged with the ASX a document entitled "Analyst and Investor Presentation – Full Year Results", which stated in relation to HLG that:

(a) as part of the transaction for HLG's new shareholder structure, CIMIC injected additional working capital of $114.9 million into HLG and assumed certain performance bonds and obligations from the other shareholders;

(b) the operational and business strategic review of HLG was ongoing with the support of CIMIC, which was seeking to improve efficiencies within the business leveraging CIMIC's technical and operational expertise; and

(c) as part of the strategic review of HLG, the new management team was committed to resolving legacy issues within the business, in relation to which CIMIC raised an $85 million provision created against legacy receivables reflecting the expected recoverability of the receivables outstanding.

48. In its 2016 Annual Report, CIMIC also stated that:

(a) WestConnex M4 and M5 and Sydney Metro Northwest were major construction projects by revenue during the period; and

(b) Solomon iron ore mine was one of the major mining and mineral processing projects by revenue.

Particulars

The statement in (a) was made at page 18 of the 2016 Annual Report.

The statement in (b) was made at page 19 of the 2016 Annual Report.

49. On 4 July 2017, CIMIC published and lodged with the ASX a document entitled "CIMIC's Thiess Awarded $650 million Solomon Extension" in which it stated:

(a) Thiess secured a contract extension at Fortescue Metals Group's Solomon Hub in Western Australia, involving Thiess continuing to deliver mining services until 2020;

(b) the project would generate revenue of approximately $650 million.

50. On 17 July 2017, CIMIC published and lodged with the ASX its 2017 Half Year Report, in which it stated in relation to HLG that:

(a) during the reporting period, the carrying value of its investment in HLG had decreased to $298.2 million, due to CIMIC's share of equity accounted loss of $49 million and foreign exchange translation loss of $19.3 million;

(b) the recoverable amount of CIMIC's investment in HLG had been calculated using a value in use calculation, and the key assumptions used in the value in use calculation were:

(i) discount rate of 15% (31 December 2016: 15%);

(ii) growth rate of 3% for cash flows beyond give years (31 December 2015: 3%);

(iii) in respect of Legacy Project Receivables:

A. there continued to be a delay in payment from clients in the Middle East & North Africa region, particularly for projects in progress at the time CIMIC invested in HLG; and

B. it assumed that of the remaining unprovided Legacy Project Receivables approximately half would be collected within 24 months and approximately half collected subsequently;

(iv) borrowings obtained to fund working capital would be progressively repaid during the forecast period;

(v) in respect of forecast cash flows, the calculation used five year cash flow projections based on forecasts provided by HLG's management, risk adjusted downward by CIMIC, with cash flows beyond five years extrapolated using the estimated growth rate;

(c) management considered that for the recoverable amount of CIMIC's investment to fall below the carrying value there would have to be unreasonable changes to key assumptions, which management considered the chances of occurring as unlikely;

(d) CIMIC continued to hold a call option to purchase the remaining 55% shareholding in HLC, the fair value of which was determined to be USD 54 million (equivalent to $71.1 million) as at 30 June 2017; and

(e) during the period HLG had entered into a new four-year syndicated loan facility to refinance existing borrowing facilities; and CIMIC continued to secure the HLG contracting facility with a secured and drawn amount of USD 268.2 million (equivalent to $352.9 million), and no amounts had been recognised in relation to those facilities at 30 June 2017 or 31 December 2016.

Particulars

The statements were made at page 22-23 of the 2017 Half Year Report under the heading "Associates and Joint Ventures Accounted for Using the Equity Method".

51. In its 2017 Half Year Report, CIMIC also stated:

(a) WestConnex M4 and M5 and Sydney Metro Northwest Rail Link were major construction projects by revenue during the period;

(b) Solomon iron ore mine was a major mining and mineral processing project by revenue during the period.

Particulars

The statements in (a) and (b) were made at page 38 of the 2017 Half Year Report.

52. On 18 July 2017, CIMIC published and lodged with the ASX a document entitled "CIMIC's CPB Contractors Preferred for Metro Tunnel Rail Systems" in which it stated:

(a) CPB Contractors had been selected by the Victorian Government as the preferred proponent, with Bombardier Transportation, to deliver the Metro Tunnel Project Rail Systems Alliance with the Melbourne Metro Rail Authority and Metro Trains Melbourne;

(b) the Rail Systems Alliance works package had a total value of approximately $1 billion, a portion of which would be delivered by CPB Contractors and Bombardier Transportation in equal partnership;

(c) the quantum of forecast revenue would be confirmed at contract execution.

53. On 18 December 2017, CIMIC published and lodged with the ASX a document entitled "CIMIC's CPB Contractors Wins $312m Metro Tunnel Rail Works" in which it stated:

(a) CPB Contractors, as part of the Rail Systems Alliance, had been awarded the works described at paragraph 52;

(b) the contract would generate revenue of approximately $312 million to CPB Contractors.

D.3 2018 ANNOUNCEMENTS

54. On 7 February 2018, CIMIC announced its FY17 results, which included:

(a) net profit after tax (**NPAT**) of $702.1 million, up 21% from FY16 and at the top end of the guidance;

(b) cash flows from operating activities (before interest, finance costs, taxes and dividends received) (**Operating Cash Flows**) of $1.523 billion, up 27% from FY16;

(c) earnings before interest, tax, depreciation and amortisation (**EBITDA**) of $1,513 million;

(d) EBITDA cash conversion rate of 101%;

(e) free operating cash flows (net cash from operating activities less net capital expenditure for property, plant and equipment) (**Free Operating Cash Flows**) of over $1.0 billion, up 12% from FY16;

(f) net cash of $910.4 million at December 2017, up by more than $501.1 million; and

(g) FY18 NPAT guidance of $720 million to $780 million, up 3 – 11% from FY17.

Particulars

The FY17 Results were recorded in:

(i) CIMIC's 2017 Annual Report dated 7 February 2018 at pages 39 - 40;

(ii) CIMIC Analyst and Investor Presentation dated 7 February 2018 at pages 3 – 4;

(iii) ASX / Media Release published and lodged by CIMIC on 7 February 2018, page 1.

55. On 7 February 2018, CIMIC published and lodged with the ASX a document entitled "Analyst and Investor Presentation – Full Year Results 2017", in which it stated that in FY17:

(a) CIMIC had maintained its focus on managing working capital and generating sustainable cash backed profits; and

(b) CIMIC's EBITDA cash conversion rate of 101% reflected its focus on managing working capital and cash generation.

Particulars

The statements were made at pages 2 and 4 of the Analyst and Investor Presentation – Full Year Results 2017.

56. On 7 February 2018, CIMIC also held a teleconference with analysts from Deutsche Bank, Macquarie Group, JPMorgan, UBS and Rimor Equity Research, during which CIMIC's Executive Chairman said:

(a) CIMIC "substantially improved our cash flow generation";

(b) "CIMIC further strengthened its financial position, increasing net cash by $500 million to $910 million. This is a consequence of the consistent cash back to profit generation achieved by the business, and our focus on managing working capital";

(c) "our operating performance is supported by a very solid cash flow generation"; and

(d) "HLG is continuing with a strategic review which includes a focus on improving efficiency, delivering leading projects for clients and their recovery of legacy issues with a strict bidding approach."

Particulars

The statements were recorded in the transcript of the CIMIC Analyst and Investor Presentation dated 7 February 2018 at pages 2 and 3.

57. At the same teleconference on 7 February 2018, CIMIC's CEO said "a lot of the growth [in the contract mining business] is coming in our Australian market, our Indonesian market, from our expansions in Mongolia, and continued expansions in Chile and Canada so we see the business continue to grow in that space."

Particulars

The statements were recorded in the transcript of the CIMIC Analyst and Investor Presentation dated 7 February at page 5.

58. In relation to HLG, CIMIC's 2017 Annual Report stated:

(a) HLG had recorded a decline in its work in hand, with the value of CIMIC's share of HLG's work in hand reducing to $842.2 million as at December 2017, from $1.798 billion as at December 2016;

(b) during the reporting period, the carrying value of CIMIC's investment in HLG had decreased to $245.6 million, due to CIMIC's share of equity accounted loss of $92.7 million and a foreign exchange translation loss of $28.2 million;

(c) the recoverable amount of CIMIC's investment in HLG was calculated using a value in use calculation, and the key assumptions used in the value in use calculation were:

(i) discount rate of 16% (31 December 2016: 15%);

(ii) growth rate of 3% for cash flows beyond 5 years (31 December 2016: 3%);

(iii) in respect of Legacy Project Receivables:

A. there continued to be a delay in payment from clients in the Middle East & North Africa region, particularly for projects in progress at the time CIMIC invested in HLG;

B. it assumed that of the remaining unprovided Legacy Project Receivables approximately half would be collected within 24 months and approximately half collected subsequently;

(iv) borrowings to fund working capital would be progressively repaid during the forecast period;

(v) in relation to forecast cash flow, the calculation used projections based on forecasts provided by HLG's management, risk adjusted downward by CIMIC, with cash flows beyond five years extrapolated using the estimated growth rate.

(d) management considered that for the recoverable amount of CIMIC's investment to fall below the carrying value there would have to be unreasonable changes to key assumptions, which management considered the chances of occurring as unlikely;

(e) there was little change in the value of CIMIC's loan to HLG which was $1.046.3 billion, with the balance comprising 96% of CIMIC's non-current trade and other receivables balance;

(f) During the period HLG entered into a new four-year syndicated facility to refinance existing facilities, and CIMIC continued to guarantee HLG's facilities with a secured and drawn amount of USD 326.1 million (equivalent value of $418.1 million) as at 31 December 2017, and no amounts had been recognised in relation to these facilities at 31 December 2017 or 31 December 2016;

(g) CIMIC continued to hold a call option to purchase the remaining 55% shareholding in HLG, the fair value of which was determined to be USD 54 million (equivalent to $69.2 million) as at 31 December 2017;

(h) CIMIC had conducted an analysis of the impact of adoption of new accounting standard AASB 15, as a result of which an adjustment to HLG's book value at 1 January 2018 would be recognised, and the higher recognition threshold in the new standard might lead to a currently estimated adjustment reducing equity by around $250 million (after tax);

(i) CIMIC had undertaken an assessment of the impacts of new accounting standard AASB 9, and that the change in method under the standard from recognition of incurred losses to recognition of expected credit losses for impairment of financial assets might lead to a currently estimated adjustment reducing equity by around $500 million (after tax) with regards to the non-current loan receivables from HLG.

Particulars

The statements at (a) were made at page 50 of the 2017 Annual Report under the heading "New Work and Work in Hand".

The statements at (b), and (d) to (i) were made at page 201 of the 2017 Annual Report under the hearing "Joint Venture Entities".

The statements at (c) were made at pages 46 – 47 of the 2017 Annual Report under the heading "Financial Position".

The statements at (f) were made at page 253 of the 2017 Annual Report.

The statements at (g) were made at page 252 of the 2017 Annual Report.

59. CIMIC's 2017 Annual Report also stated that:

(a) in the opinion of the directors of CIMIC, the financial statements and notes were in accordance with the Corporations Act including giving a true and fair view of CIMIC's financial position as at 31 December 2017 and its performance for the financial year ended on that date.

(b) WestConnex M4 and M5 and Sydney Metro Northwest Rail Link were major construction projects by revenue during the period;

(c) Solomon mines was a major mining and mineral processing project by revenue during the period.

Particulars

The statements in subparagraph (a) were made at page 256 of the 2017 Annual Report.

The statement in subparagraph (b) was made at page 43 of the 2017 Annual Report.

The statement in subparagraph (c) was made at page 43 of the 2017 Annual Report.

60. On 13 April 2018, CIMIC conducted its annual general meeting during which its Executive Chairman delivered an address to shareholders in which he stated:

(a) "our aim is to deliver returns based on sustainable profit, backed by the generation of cash"; and

(b) "with deep relationships and knowledge of our markets, we are in a unique position to identify and deliver value from such opportunities. We do it in a disciplined manner, allocating cash where it is in the best, long-term interests of our shareholders, seeking controlled growth with sustainable cash-backed profits".

Particulars

The statement at (a) was recorded in a copy of the address to shareholders dated 13 April 2018, page 3.

The statement at (b) was recorded in a copy of the address to shareholders dated 13 April 2018, page 6.

61. On 17 April 2018, CIMIC announced its First Quarter 2018 results, which included net capital expenditure of $104.9 million, which was up from $93.6 million in the previous corresponding period, and EBITDA of $368.4 million.

Particulars

The First Quarter 2018 results were recorded in the CIMIC Analyst and Investor Presentation dated 17 April 2018 at pages 3 and 4.

62. On 16 July 2018, CIMIC published and lodged with the ASX a document entitled "CIMIC's CPB Contractors Preferred for $1b Metro Tunnel Works" in which it stated:

(a) CPB Contractors, as part of the Rail Infrastructure Alliance, had been named as the Victorian Government's preferred proponent to deliver a $1 billion package in support of the Metro Tunnel Project;

(b) CPB Contracts and John Holland were to be equal construction partners in the Rail Infrastructure Alliance;

(c) the revenue to CPB Contractors for the design and construct contract would be confirmed at contractual close, expected in the coming months.

63. On 18 July 2018, CIMIC released its 2018 Half Year results, which included:

(a) NPAT of $363 million, up 12% from first half of FY17 (**1H17**);

(b) Operating Cash Flows of $724 million, up 17% from 1H17;

(c) EBITDA of $794.3 million;

(d) EBITDA cash conversion rate of 102%;

(e) Free Operating Cash Flow of $402 million, up 17% from 1H17;

(f) net cash of $1.299 billion at June 2018, up by 43% from 1H17;and

(g) net capital expenditure of $234.5 million, up 23.9% from $189.3 million in 1H17.

Particulars

The First Half 2018 Results were recorded in:

(i) CIMIC's Half Year 2018 Report dated 18 July 2018 at pages 42, 43, 48-51;

(ii) CIMIC Analyst and Investor Presentation dated 18 July 2018 at pages 2 – 4;

(iii) ASX / Media Release published and lodged by CIMIC on 18 July 2018, page 1.

64. On 18 July 2018, CIMIC published and lodged with the ASX:

(a) a document entitled "Analyst and Investor Presentation – HY18", in which it stated that CIMIC had achieved strong cash generation, with a strict focus on managing working capital and generating sustainable cash backed profits; and

(b) an ASX / Media Release in which CIMIC's Executive Chairman was quoted as saying "[t]his positive outlook supports our guidance, and our sound balance sheet and strong new cash position flexibility to pursue strategic growth initiatives, capital allocation opportunities and sustained shareholder returns."

Particulars

The statements in (a) were made at pages 2 and 4 of the Analyst and Investor Presentation – HY18.

The statements in (b) were made at page 2 of the ASX / Media Release published and lodged by CIMIC on 18 July 2018.

65. In relation to HLG (which had been renamed BICC in the reporting period), CIMIC's 2018 Half Year Report stated:

(a) the higher recognition threshold and constraint criteria of new AASB 15 had led to a reduction in CIMIC's investment in BICC of $245.6 million, as a result of which BICC was held at nil value and was no longer material to CIMIC;

(b) the change in method from recognition of incurred losses to recognition of expected credit losses for impairment of financial assets under AASB 9 had led to an adjustment reducing non-current receivables by $487.4 million with regards to the non-current loan receivables from BICC, as a result of which trade receivables associated with BICC were $593.2 million at 30 June 2018 (compared with $1,046.3 million as at 31 December 2017);

(c) the BICC segment did not meet the size threshold of a reportable segment as at 30 June 2018, and its results had been included in the "Corporate" segment's results;

(d) the Corporate segment had a profit before tax loss for the period of $76 million;

(e) CIMIC continued to guarantee BICC's syndicated facility, with a secured and drawn amount of USD 423.2 million (equivalent value of $564.3 million) compared with USD 326.1 million as at 31 December 2017 (equivalent to $418.1 million), and no amounts had been recognised in relation to those facilities at 30 June 2018 or 31 December 2017;

(f) CIMIC continued to hold shareholder loans relating to BICC totalling USD 445 million (equivalent to $593.2 million) with an expected repayment date of 30 September 2021, and the repayment of those loans was subject to certain restrictions as a result of the loans being subordinate to other external debt held by BICC such as its syndicated loan facility; and

(g) CIMIC continued to hold a call option to purchase the remaining 55% shareholding in BICC, the fair value of which was determined to be USD 54 million (equivalent to $72 million) as at 30 June 2018.

Particulars

The statements at (a) and (b) were made in the 2018 Half Year Report at pages 11 and 12 under the heading "Change in Accounting Standards" and at page 30 under the heading "Associates and Joint Ventures Accounted for Using the Equity Method".

The statement at (c) was made at page 20 of the 2018 Half Year Report under the heading "Segment Information".

The statement at (d) was made at page 21 of the 2018 Half Year Report under the heading "Segment Information".

The statements at (e) and (g) were made at page 30 of the 2018 Half Year Report under the heading "Associates and Joint Ventures Accounted for Using the Equity Method".

The statements at (f) were made at page 26 of the 2018 Half Year Report under the heading "Trade and Other Receivables" and page 30 under the heading "Associates and Joint Ventures Accounted for Using the Equity Method".

66. CIMIC's 2018 Half Year Report also stated that:

(a) CIMIC had a strict focus on managing working capital and generating sustainable cash-backed profits;

(b) the increase in net cash for the reporting period was primarily a result of the strong operating cash flows during the period;

(c) in the opinion of the directors of CIMIC, the consolidated interim financial report and notes were in accordance with the Corporations Act including giving a true and fair view of the position of CIMIC as at 30 June 2018 and of its performance as represented by the results of its operations and cash flows for the half-year ended on that on that date;

(d) mining and mineral processing revenue in the six months to June 2018 was $1.77 billion, up from $1.51 billion (or 16.8%) in the six months to June 2017;

(e) Hong Kong's strong economic growth and cooperative development with mainland China would continue to drive infrastructure spending in both the public and private sectors;

(f) WestConnex M4 East and M5 were both major construction projects during the period;

(g) Sydney Metro City and Southwest Rail Project was a major construction project during the period;

(h) Sydney Metro Northwest Rail Project was a major construction and services project during the period; and

(i) Solomon mines was a major mining and mineral processing project during the period.

Particulars

The statement at paragraphs (a) was made at page 42 and 51 of the 2018 Half Year Report.

The statement at paragraph (b) was made at page 49 of the 2018 Half Year Report.

The statement at paragraph (c) was made at page 38 of the 2018 Half Year Report.

The result reported at paragraph (d) was recorded at page 18 of the 2018 Half Year Report.

The statement at paragraph (e) was made at page 54 of the 2018 Half Year Report.

The statements at paragraphs (f)-(i) were made at pages 45-46 of the 2018 Half Year Report.

67. On 18 July 2018, CIMIC held a teleconference with analysts from Deutsche Bank, JPMorgan and UBS during which CIMIC's CEO stated in relation to constraints on projects in Hong Kong:

(a) "[CIMIC has] got many projects in Hong Kong and Singapore and other places throughout Asia”;

(b) “our teams remain on the ground executing projects in accordance with our scheduled program”;

(c) “it’s business as usual”; and

(d) “we don’t see it [issues in Hong Kong] as a long term issue.”

Particulars

The statements at (a) to (d) were recorded in the transcript of the Analyst and Investor Presentation for Half Year 2018 at page 8.

68. On 28 September 2018, CIMIC published and lodged with the ASX a document entitled “CIMIC’s CPB Contractors Awarded $1b Metro Tunnel Works” in which it stated:

(a) CPB Contracts, as part of the Rail Infrastructure Alliance, had been awarded the contract referred to in paragraph 62;

(b) the contract would generate revenue to CPB Contractors of approximately $400 million.

69. On 4 October 2018, CIMIC published and lodged with the ASX a document entitled “CIMIC’s Leighton Asia Wins A$110m Building Project in India” in which it stated:

(a) Leighton Asia had been selected by Bayaweaver Ltd as its Alliance partner to construct the ‘Oh My God’ mixed use development project in Noida, India;

(b) the project would generate revenue of approximately A$110 million for Leighton Asia.

70. On 23 October 2018, CIMIC released its Third Quarter 2018 results (**3Q18**), which included:

(a) NPAT of $201 million, up 10% from third quarter of FY17 (**3Q17**);

(b) Operating Cash Flows of $1.065 billion in 9 months to 30 September 2018, up 16% from pcp;

(c) EBITDA of $1,233 million;

(d) EBITDA cash conversion rate of 86%;

(e) Free Operating Cash Flow of $572 million, up 7% from 3Q17;

(f) net cash of $1.201 billion at September 2018; and

(g) net capital expenditure of $383.4 million, up 33.1% from $288 million in 3Q17.

Particulars

The 3Q18 Results were recorded in:

(i) CIMIC Analyst and Investor Presentation dated 23 October 2018 at pages 2 – 5;

(ii) ASX / Media Release published and lodged by CIMIC on 23 October 2018 at page 1.

71. On 23 October 2018, CIMIC published and lodged with the ASX a document entitled “Analyst and Investor Presentation – 9m Results 2018”, in which it stated that CIMIC’s cash generation was consistently strong, with a strict focus on managing working capital and generating sustainable cash backed profits.

Particulars

The statements were made at pages 2 and 4 of the Analyst and Investor Presentation – 9m Results 2018.

72. On 21 November 2018, CIMIC published and lodged with the ASX a document entitled “CIMIC Group Companies win $1.37bn Sydney Metro Works” in which it stated:

(a) CPB Contractors and UGL had been selected by the NSW Government to deliver the Linewide works in support of the Sydney Metro City and Southwest project;

(b) the contract was forecast to generate revenue of $1.376 billion to the joint venture between CPB Contractors and UGL.

73. On 11 December 2018, CIMIC published and lodged with the ASX a document entitled “CIMIC Group Companies Preferred to Deliver Taswater’s Capital Works” in which it stated:

(a) UGL and CPB Contractors had been selected by Taswater as the preferred contractor to deliver a capital works program to support and develop wastewater infrastructure and major regional water projects in Tasmania;

(b) the joint venture between UGL and CPB Contractors would generate revenue to CIMIC Group of more than $600 million (to be confirmed at contract execution) over an initial four-year period.

D.4 2019 ANNOUNCEMENTS

74. On 5 February 2019, CIMIC announced its FY18 results, which included:

(a) NPAT of $781 million, up 11% from FY17 and at the top end of the guidance;

(b) Operating Cash Flows of $1.859 billion, up 22% from FY17;

(c) EBITDA of $1,701.8 million;

(d) EBITDA cash conversion rate of 109%;

(e) Free Operating Cash Flow of $1.244 billion, up 18% from FY17;

(f) net cash of $1.619 billion at December 2018, up 78% from December 2017;

(g) net capital expenditure of $464.8 million, up 52.1% from $305.5 million in FY17; and

(h) FY2019 NPAT guidance of $790 million to $840 million.

Particulars

The FY18 Results were recorded in:

(i) CIMIC's 2018 Annual Report dated 5 February 2019 at pages 25, 26, 31, 34;

(ii) CIMIC Analyst and Investor Presentation dated 5 February 2019 at p 1– 4;

(iii) ASX / Media Release published and lodged by CIMIC on 5 February 2019, page 1.

75. On 5 February 2019, CIMIC published and lodged with the ASX a document entitled "Analyst and Investor Presentation – Full Year Results 2018", in which it stated that in FY18 CIMIC had a strict focus on managing working capital and generating sustainable cash-backed profits, and it had achieved strong cash generation.

Particulars

The statements above were made at pages 2 and 4 of the Analyst and Investor Presentation.

76. CIMIC's 2018 Annual Report:

(a) disclosed that CIMIC entered into various factoring agreements with banks and financial institutions to sell its receivables;

(b) disclosed that its factoring arrangements were on a non-recourse basis;

(c) did not quantify the extent or value of the factoring arrangements;

(d) did not disclose that the factoring arrangements did or may impact upon its cash results or other financial results; and

(e) did not disclose the extent of the impact of the factoring arrangements on its cash results or other financial results.

Particulars

The statements in (a) and (b) were made in the 2018 Annual Report at page 199 under the heading “Trade and other receivables”.

77. In relation to BICC, CIMIC’s 2018 Annual Report:

(a) did not report results for BICC at an individual level, but only within the Corporate segment;

(b) stated that the Corporate segment’s profit before tax was a loss of $141.8 million, a $26.3 million improvement mainly driven by a reduction of BICC’s losses compared to the previous year;

(c) stated that CIMIC continued to hold shareholder loans relating to BICC totalling USD 454.9 million (equivalent to $640.7 million) with an expected repayment date of 30 September 2021, with the repayment of the loans subject to certain restrictions as a result of the loans being subordinate to other external debt held by BICC, such as its syndicated loan facility;

(d) again stated that the change in method from recognition of incurred losses to recognition of expected credit losses for impairment of financial assets under AASB 9 had led to an adjustment reducing non-current receivables by $487.4 million with regards to the non-current loan receivables from BICC;

(e) stated that CIMIC continued to guarantee BICC’s facilities, with a secured and drawn amount of USD 621.4 million (equivalent value of $889.2 million) it had guaranteed compared with USD 326.1 million (equivalent value of $418.10 million) as at 31 December 2017, and no amounts had been recognised in relation to those facilities at 31 December 2018 or 31 December 2017; and

(f) CIMIC continued to hold a call option to purchase the remaining 55% shareholding in BICC, the fair value of which was determined to be USD 54 million (equivalent to $76.1 million) as at 31 December 2018.

Particulars

The statements at (a) and (b) were made in the 2018 Annual Report at page 29 under the heading “Financial Performance”.

The statement at (c) was made in the 2018 Annual Report at page 161 under the heading “Trade and other receivables”.

The statement at (d) was made in the 2018 Annual Report at page 142 under the heading “Summary of Significant Account Policies”.

The statements at (e) and (f) were made in the 2018 Annual Report at page 179 under the heading “Joint Ventures”.

78. CIMIC’s 2018 Annual Report also stated that:

(a) CIMIC had maintained its strict focus on managing working capital and generating sustainable cash-backed profits; and

(b) in the opinion of the directors of CIMIC, the financial statements and notes were in accordance with the Corporations Act including giving a true and fair view of CIMIC’s financial position as at 31 December 2018 and its performance for the financial year ended on that date;

(c) in many cases, CIMIC and its Operating Companies deliver work in joint venture or alliance relationships;

(d) mining and mineral processing revenue for 2018 was $3.97 billion, up 25.4% from $3.16 billion in FY17;

(e) WestConnex M4 East and New M5 and Sydney Metro Northwest, City and Southwest projects were major construction projects during the period; and

(f) Solomon mines was a significant mining and mineral processing project during the period.

Particulars

The statement in (a) was made at pages 25 and 34 of the 2018 Annual Report.

The statement in (b) was made at page 230 of the 2018 Annual Report.

The statement in (c) was made at page 75 of the 2018 Annual Report under the heading “Dealing with third parties”.

The result reported in (d) was recorded at page 28 of the 2018 Annual Report.

The statements in (e) and (f) were made at pages 28 and 29 of the 2018 Annual Report.

79. On 5 February 2019, CIMIC held a teleconference with analysts from Deutsche Bank, Macquarie Group, JPMorgan, Credit Suisse, Ord Minnett and HSBC, during which:

(a) in response to a question about the strategic review of BICC, CIMIC's Chief Financial Officer said:

> That strategic review had continued during the year. That led to a reduction in the size of BIC, which was one of the targeted outcomes of the strategic review. And in line with that we were minimising the risk of the business… So while we have highlighted that the losses have been reduced in BIC, that is one of the consequences of the strategic review as well. We are not separately disclosing the financial statements or the further financial data on BIC anymore. But the strategic review you are alluding to has progressed and it has yielded further outcomes during 2018.

(b) in response to a further question about whether BICC was still a core part of CIMIC's business, or whether CIMIC was looking to divest BICC, CIMIC's CFO said: "I think we do have all options for BIC and we continue to pursue all options, but no decisions have been made one way of the other at this point in time."

(c) in response to a question as to whether the temporary ban in Hong Kong had any impact on CIMIC, CIMIC's CEO stated:

(i) "Hong Kong has come off";

(ii) "there is a temporary ban but the positive thing is we've got a significant work in hand up there that we continue to execute";

(iii) "we're seeing Hong Kong as a very positive market and strong market into the future".

Particulars

The statements in (a) and (b) were recorded in the transcript of the CIMIC Analyst and Investor Presentation dated 5 February 2019 at page 11.

The statements in (c) were recorded in the transcript of the CIMIC Analyst and Investor Presentation dated 5 February 2019 at page 9.

80. On 11 April 2019, CIMIC conducted its annual general meeting during which its Executive Chairman and Chief Executive Officer each delivered an address to shareholders in which:

(a) the Executive Chairman stated "our aim at CIMIC Group is to deliver returns based on sustainable profits, backed by the generation of cash" and "our strong cash generation resulted in an increase in net cash of more than $700 million";

(b) the CEO confirmed CIMIC's FY19 guidance of NPAT between $790 million to $840 million;

(c) the CEO stated:

(i) "[CIMIC's] construction business, CPB Contractors, including Leighton Asia and Broad, and mining and mineral processing companies Thiess and Sedgman and [its] services specialist UGL, supported by Pacific Partnerships in Public Private Partnerships, and EIC Activities in Engineering, contributed to growth in work in hand year-on-year of $1.8 billion to $36.7 billion";

(ii) "a significant part of this growth was achieved by [CIMIC's] ability to provide unique, integrated capabilities for our clients in financing, design, construction, operations and maintenance of infrastructure and resources assets";

(iii) "an example of this is where CPB Contractors and UGL work together as the premier rail infrastructure and services provider to secure two key projects, a $1 billion package of works of the Victorian government, for the Victorian Metro Tunnel, and a $1.4 billion Linewide railworks for the Sydney Metro City and Southwest Project to be delivered over six years";

(iv) "both of these are lower-risk, collaborative style contracts where our teams work together".

(d) neither the Executive Chairman nor the CEO referred to the fact of nor extent of CIMIC's use of factoring; and

(e) neither the Executive Chairman nor the CEO referred to BICC.

Particulars

The statements at (a) were recorded on page 2 of the Executive Chairman's address to shareholders, lodged with ASX on 11 April 2019.

The statement at (b) was recorded on page 7 of the transcript of CIMIC's annual general meeting held on 11 April 2019.

The statements at (c) was recorded on page 5 of the transcript of CIMIC's annual general meeting held on 11 April 2019.

81. On 16 April 2019, CIMIC announced its results for the first quarter of 2019, which included:

(a) NPAT of $181 million, up 5.4% from first quarter FY18 (**1Q18**);

(b) Operating Cash Flows of $248 million, up 60% from 1Q18;

(c) EBITDA of $502.3 million;

(d) EBITDA cash conversion rate of 49%, up 23% from 1Q18;

(e) Free Operating Cash flow of $16 million, up 5% from 1Q18;

(f) net cash of $1.575 billion at March 2019, up 73% from March 2018;

(g) net capital expenditure of -$160.3 million; and

(h) confirmation of its 2019 NPAT guidance in the range of $790 million to $840 million.

Particulars

The first quarter of FY19 Results were recorded in:

(i) CIMIC Analyst and Investor Presentation dated 16 April 2019 at pages 3 – 4;

(ii) ASX / Media Release published and lodged by CIMIC on 16 April 2019, page 1.

82. On 16 April 2019, CIMIC published and lodged with the ASX:

(a) a document entitled "Analyst and Investor Presentation – 1Q Results 2019", in which it stated that CIMIC had achieved strong cash generation, with a strict focus on managing working capital and generating sustainable cash backed profits; and

(b) an ASX / Media Release, which attributed the following statement to CIMIC's Executive Chairman: "[w]ith continued growth in revenue and profit, and substantial increases in cash flow and net cash during the period we are in a strong financial and operating position".

Particulars

The statements in (a) were made at pages 2 and 4 of the Analyst and Investor Presentation – 1Q Results 2019.

The statement in (b) was made at page 1 of the ASX / Media Release published and lodged by CIMIC on 16 April 2019.

E. CASH FLOW DISCLOSURE CONTRAVENTIONS

E.1 1Q18 CASH FLOW INFORMATION AND CONTRAVENTIONS

83. From at least FY15, CIMIC entered into arrangements with third party financiers (**Factoring Arrangements**), pursuant to which:

    (a) CIMIC sold to the financiers invoices it had issued to its trade debtors; and

    (b) CIMIC received payment from the financiers in relation to the transactions the subject of those invoices at a discount to their face value and sooner than it would have done had those invoices been paid in the ordinary course by CIMIC's trade debtors;

    (c) the financiers were entitled to recover from CIMIC's trade debtor the full value of the invoices on a non-recourse basis; and

    (d) CIMIC booked the cash received pursuant to the Factoring Arrangements as operating cash flow upon the receipt of funds from the financiers.

84. As a result of the Factoring Arrangements, at any point in time there was a difference between, on the one hand, the amount CIMIC had received from the sale of invoices to financiers, and, on the other hand, the amount which the financier had received from CIMIC's trade debtors in respect of those same invoices (the **Factoring Balance**).

85. At year end for FY15 and FY16, CIMIC's Factoring Balances were as follows:

    (a) as at 31 December 2015, $334 million; and

    (b) as at 31 December 2016, $373 million.

Particulars

Working Capital Update provided to CIMIC's Audit Risk Management Committee on 17 July 2019 [**CIM.004.005.0001**]

True Position – April 2018

86. As at 12 April 2018, for the 1Q18 reporting period (1 January 2018 to 30 March 2018):

(a) CIMIC's total receipts from factoring were approximately $193 million;

(b) CIMIC's operating cash flow without inclusion of factoring receipts (**Pre-Factoring Operating Cash Flow**) was approximately $(74.8) million;

(c) CIMIC's EBITDA cash conversion without inclusion of factoring receipts (being its Pre-Factoring Operating Cash Flow divided by EBITDA) (**Pre-Factoring EBITDA Cash Conversion**) was approximately (20)%;

(d) CIMIC's total factoring balance as at 31 March 2018 was approximately $767 million; and

(e) The cash flow weakness and cash conversion weakness identified in subparagraphs (b) and (c) above arose from the relative growth in revenue from contracts within the Mining Segment, which contracts had a higher upfront working capital burden and lower cash conversion rates than contracts in the Construction Segment.

Particulars

As to subparagraphs (a) to (d), the Applicant refers to:

(i) Working Capital Update provided to the Audit and Risk Management Committee (**ARMC**) on 12 April 2018 (CIM.004.001.2940 at pages 105-106) and Board on 12 April 2018 (CIM.004.001.6787 at pages 32-33);

(ii) Working Capital Update provided to ARMC on 5 February 2019 (CIM.004.001.4251 at pages 347-348) and Board on 5 February 2019 (CIM.004.001.7730 at pages 29-30); and

(iii) Document entitled 'Group Financial Highlights – FY19 v FY18' sent to Stefan Camphausen 7 April 2019 (CIM.108.021.1765 and CIM.108.021.1777).

As to subparagraph (e), the Applicant refers to:

(i) document entitled 'TPL Highlights Q4 Actual V1.7', which recorded Thiess' quarterly results, and which recorded that revenue growth for Thiess in 1Q18 increased by approximately 10% on the prior corresponding period (CIM.122.017.1586; CIM.107.007.0991);

(ii) the spreadsheet entitled '2018 Rating Cash Flow v2' prepared and distributed by Stefan Camphausen on or around 22 March 2019 (**Camphausen FY18 Factoring Spreadsheet**) and its covering email sent by Stefan Camphausen to Angel Muriel Bernal on 25 March 2019 (CIM.114.018.3689 and CIM.114.018.3691);

(iii) the spreadsheet entitled '2018 Rating Cash Flow v2' prepared and distributed by Stefan Camphausen on or around 6 May 2019 (**Camphausen FY18 and 1Q19 Factoring Spreadsheet**) and its covering email sent by Stefan Camphausen to Scott McAlpine, Derek Kerr and Justin Grogan (CIM.108.009.2535 and CIM.108.009.2536);

(iv) the PowerPoint presentation entitled 'Factoring and Supply Chain Financing' sent by Stefan Camphausen on 28 May 2019 to Angel Muriel Bernal (CIM.114.016.3202 and CIM.114.016.3204).

1Q18 Cash Flow Information

87. On and from 12 April 2018, CIMIC was aware for the purpose of ASX Listing Rule 19.12 that for the 1Q18 reporting period:

(a) CIMIC's total receipts from factoring were approximately $193 million;

(b) CIMIC's Pre-Factoring Operating Cash Flow was approximately $(74.8) million;

(c) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately (20)%;

(d) CIMIC's total factoring balance as at 31 March 2018 was approximately $767 million; and

(e) The cash flow weakness and cash conversion weakness identified in subparagraphs (b) and (c) above arose from the relative growth in revenue from contracts within the Mining Segment, which contracts had a higher upfront working capital burden and lower cash conversion rates than contracts in the Construction Segment.

(**1Q18 Cash Flow Information**).

Particulars

Marcelino Fernandez Verdes, Michael Wright, Stefan Camphausen, Ignacio Segura Suriñach and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraphs (a) to (d) by reason that:

(i) the information about CIMIC's receipts from factoring and total factoring balance was contained in papers entitled Working Capital Updates authored by Scott McAlpine which were disseminated to the members of the Board (which included Marcelino Fernandez Verdes and Michael Wright and, as attendees, Ignacio Segura Suriñach and Stefan Camphausen) and the ARMC (which included Marcelino Fernandez Verdes, Michael Wright Ignacio Segura Suriñach and Stefan Camphausen) in advance of the Board and ARMC meetings held on 12 April 2018 (CIM.004.001.6787 at pages 32-33) and (CIM.004.001.2940 at pages 105-106); and

(ii) the balance of the information was readily ascertainable by each of those officers based on the information about CIMIC's operating cash flow and cash conversion (as contained in the 1Q18 Analyst and Investor Presentation disseminated to the members of the Board and the ARMC in advance of the Board and ARMC meetings held on 12 April 2018 (CIM.004.001.6787 at page 143) and CIM.004.001.2940 at page 174) and the information about CIMIC's receipts from factoring.

Stefan Camphausen and Scott McAlpine had, or ought reasonably to have, come into possession of the information in subparagraph (e) by reason that:

(i) as set out in the document titled ‘TPL Highlights Q4 Actual V1.7’, which recorded Thiess’ quarterly results, revenue growth for Thiess in 1Q18 had in fact increased by approximately 10% on the prior corresponding period (CIM.122.017.1586 and CIM.107.007.0991);

(ii) cash flow weakness and cash conversion weakness arising from the relative growth in the mining sector in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as at 12 April 2018 by reason that the document recorded events which had occurred in 1Q18; and

(iii) it is to be inferred that, by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC’s cash flow metrics and working capital requirements, such that they were each aware as of 12 April 2018 of the cash flow impact of the relative revenue growth in the mining sector in 1Q18.

Further, Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the 1Q18 Cash Flow Information by reason that CIMIC’s Treasury department was responsible for working capital management and factoring arrangements, and for preparing reports about the same.

88. The 1Q18 Cash Flow Information was:

(a) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(b) not generally available; and

(c) not information to which Rule 3.1A of the ASX Listing Rules applied.

89. By reason of the matters pleaded in paragraphs 4(a), 5, 87 and 88, CIMIC was obliged by Rule 3.1 of the ASX Listing Rules and s 674(2) of the Corporations Act to immediately notify the ASX of the 1Q18 Cash Flow Information from 12 April 2018.

90. Notwithstanding the matters alleged in paragraphs 87 to 89, CIMIC did not notify the ASX of the 1Q18 Cash Flow Information at any time during the period 12 April 2018 to 6 May 2019, alternatively 11 July 2019, alternatively 17 July 2019.

91. By reason of the matters alleged in paragraphs 87 to 90, CIMIC contravened s 674(2) of the Corporations Act (**1Q18 Cash Flow Disclosure Contraventions**).

E.2 1H18 CASH FLOW INFORMATION AND CONTRAVENTIONS

True Position – July 2018

92. As at 18 July 2018:

(a) for the second quarter of FY18 (**2Q18**) reporting period (1 April 2018 to 30 June 2018):

(i) CIMIC's total receipts from factoring were approximately $255 million;

(ii) CIMIC's Pre-Factoring Operating Cash Flow was approximately $350.4 million;

(iii) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately 82%; and

(iv) The cash flow weakness and cash conversion weakness identified in subparagraphs (ii) and (iii) above arose from:

A. CIMIC's operating companies having been awarded an increased number of large alliance contracts, which did not include advance payments and therefore had a higher upfront working capital burden and lower cash conversion rate than fixed price contracts, which had resulted in a cumulative negative cash impact of approximately $81.5 million in 2Q18;

B. the relative growth in revenue from contracts within the Mining Segment which contracts had a higher upfront working capital burden and lower cash conversion rates than contracts in the Construction Segment;

C. unplanned capital expenditure associated with Thiess' Australian and Indonesian mining regions and CPB Contractors' Sydney Metro and Westgate Tunnel construction projects; and

D. the reduction in Leighton Asia's underlying cash flows from operating activities (pre-factoring) in 2Q18, which were approximately $(100) million by reason of problems with the Mass Transit Railway project, and a related Commission of Inquiry by Hong Kong authorities which had commenced in 2Q18; and

(b) for the first half of FY18 (**1H18**) reporting period (1 January 2018 to 30 June 2018):

(i) CIMIC's total receipts from factoring were approximately $450 million;

(ii) CIMIC's Pre-Factoring Operating Cash Flow was approximately $273.6 million;

(iii) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately 34%; and

(iv) CIMIC's total factoring balance as at 30 June 2018 was approximately $1,022 million.

Particulars

As to subparagraphs (a)(i) to (a)(iii) and (b)(i) to (iv) the Applicant refers to:

(i) Working Capital Update provided to ARMC on 18 July 2018 (CIM.004.005.0246 at pages 277-278);

(ii) Working Capital Update provided to ARMC on 5 February 2019 (CIM.004.001.4251 at pages 347-348) and Board on 5 February 2019 (CIM.004.001.7730 at pages 29-30);

(iii) Document entitled 'Group Financial Highlights – FY19 v FY18' sent to Stefan Camphausen 7 April 2019 (CIM.108.021.1765 and CIM.108.021.1777).

As to subparagraph (a)(iv)A:

(i) in April 2018, CPB Contractors entered into approximately $543m worth of alliance contracts, being:

    (a) a variation of the alliance contract for the design and construction of the Caulfield to Dandenong Level Crossing Removal Project in Melbourne (LXRA Variance) with revenue attributable of $393 million (CIM.122.021.1061);

    (b) a contract for the Delivery of the ANGAU Memorial Hospital in Lae, Papua New Guinea with revenue attributable of $150 million (CIM.122.021.1061 and CIM.114.018.3691); and

(ii) CIMIC typically received approximately 15% of total contract value by way of advance payments when it entered into fixed price contracts (CIM.114.018.3691), which payments were not received under alliance contracts;

(iii) by reason of the different payment profile under alliance contracts compared to fixed price contracts, CIMIC experienced an approximately negative $81.5 million cash impact in 2Q18 in relation to its award of alliance contracts in that quarter (being 15% of $543 million worth of alliance contracts entered into in 2Q18).

As to subparagraph (a)(iv)B, revenue growth for Thiess in 2Q18 increased by approximately 20% on the prior corresponding period (CIM.122.017.1586).

As to subparagraph (a)(iv)C, the Applicant refers to:

(i) the document entitled 'PPE Additions Cheat Sheet' circulated between members of CIMIC's finance team on 19 May 2018 which described 'additions' to Thiess and CPB Contractors' capital expenditure as at the end of April 2018 (CIM.108.028.1980 and CIM.108.028.1984); and

(ii) the document entitled 'PPE Additions Cheat Sheet' circulated between members of CIMIC's finance team on 8 July 2018 which described 'additions' to Thiess and CPB Contractors' capital expenditure as at the end of June 2018 (CIM.108.034.0800 and CIM.108.034.0801).

As to subparagraph (a)(iv)D, the Applicant refers to:

(i) the 1H18 Group Risk Management Report sent to Michael Wright by Brad Davey on 11 July 2018 prior to the meetings of the Board and ARMC to be held on 18 July 2018 (CIM.100.022.0562 and CIM.100.022.0564, pages 3 and 4) which upgraded risk to the following ratings due to Hong Kong related factors:

   (a) with respect to Leighton Asia, from 'C – High, Unlikely' to 'B – Very High, Likely'; and

   (b) with respect to 'Brand and Reputation', from 'E – Low' to 'C – High';

(ii) the Leighton Asia 2Q18 Financial Highlights document sent to Stefan Camphausen (CFO) on 9 August 2018 (CIM.108.024.8220 and CIM.108.024.8228).

1H18 Cash Flow Information

93. On and from 18 July 2018, CIMIC was aware for the purpose of ASX Listing Rule 19.12 that:

(a) for the 2Q18 reporting period:

(i) CIMIC's total receipts from factoring were approximately $255 million;

(ii) CIMIC's Pre-Factoring Operating Cash Flow was approximately $350.4 million;

(iii) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately 82%; and

(iv) The cash flow weakness and cash conversion weakness identified in subparagraphs (ii) and (iii) above arose from:

A. CIMIC's operating companies having been awarded an increased number of large alliance contracts, which did not include advance payments and therefore had a higher upfront working capital burden and lower cash conversion rate than fixed price contracts, which had resulted in a cumulative negative cash impact of approximately $81.5 million in 2Q18;

B. the relative growth in revenue from contracts within the Mining Segment which contracts had a higher upfront working capital burden and lower cash conversion rates than contracts in the Construction Segment;

C. unplanned capital expenditure associated with Thiess' Australian and Indonesian mining regions and CPB Contractors' Sydney Metro and Westgate Tunnel construction projects; and

D. the reduction in Leighton Asia's underlying cash flows from operating activities (pre-factoring) in 2Q18, which were approximately $(100) million by reason of problems with the Mass Transit Railway project, and a related Commission of Inquiry by Hong Kong authorities which had commenced in 2Q18; and

(b) for the 1H18 reporting period)

(i) CIMIC's total receipts from factoring were approximately $450 million;

(ii) CIMIC's Pre-Factoring Operating Cash Flow was approximately $273.6 million;

(iii) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately 34%; and

(iv) CIMIC's total factoring balance as at 30 June 2018 was approximately $1,022 million.

(**1H18 Cash Flow Information**).

Particulars

Marcelino Fernandez Verdes, Michael Wright, Stefan Camphausen, Ignacio Segura Suriñach, Scott McAlpine, Brad Davey and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraphs (a)(i) to (iii) and (b)(i) to (iv) by reason that:

(i) the information about CIMIC's receipts from factoring and total factoring balance was contained in papers entitled Working Capital Updates authored by Scott McAlpine which were disseminated to the members of the Board (which included Marcelino Fernandez Verdes and Michael Wright and, as attendees, Ignacio Segura Suriñach, Stefan Camphausen and Brad Davey)) and the ARMC (which included Marcelino Fernandez Verdes, Michael Wright, Brad Davey, Ignacio Segura Suriñach, and Stefan Camphausen) in advance of the Board and ARMC meetings held on 18 July 2018 (CIM.004.001.6959 at page 28-29 and CIM.004.005.0246 at pages 277-278);

(ii) the balance of the information was readily ascertainable by each of those Officers based on the information about CIMIC's operating cash flow and cash conversion (as contained in the draft 1H18 Analyst and Investor Presentation disseminated to the members of the Board and the ARMC in advance of the Board and ARMC meetings held on 18 July 2018 (CIM.004.001.6959 at page 159 and CIM.004.001.0246 at page 170) and the information about CIMIC's receipts from factoring.

Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (a)(iv)A by reason that:

(i) in April 2018, CPB Contractors had in fact entered into approximately $543m worth of alliance contracts, being:

(a) a variation of the alliance contract for the design and construction of the Caulfield to Dandenong Level Crossing Removal Project in Melbourne (LXRA Variance) with revenue attributable of $393 million (CIM.122.021.1061);

(b) a contract for the Delivery of the ANGAU Memorial Hospital in Lae, Papua New Guinea with revenue attributable of $150 million (CIM.122.021.1061 and CIM.114.018.3691); and

(ii) CIMIC typically received approximately 15% of total contract value by way of advance payments when it entered into fixed price contracts (CIM.114.018.3691), which payments were not received under alliance contracts;

(iii) by reason of the different payment profile under alliance contracts compared to fixed price contracts, CIMIC experienced an approximately negative $81.5 million cash impact in 2Q18 in relation to its award of alliance contracts in that quarter (being 15% of $543 million worth of alliance contracts entered into in 2Q18);

(iv) cash flow and cash conversion weakness arising from increased alliance contracting in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as of 18 July 2018 by reason that the document recorded events which had occurred in 1H18; and

(v) it is to be inferred that by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware as of 18 July 2018 of the cash flow impact of the relative growth in alliance contracting in 1H18.

Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (a)(iv)B by reason that:

(i) as set out in the document titled 'TPL Highlights Q4 Actual V1.7', which recorded Thiess' quarterly results, revenue growth for Thiess in 2Q18 had in fact increased by approximately 20% on the prior corresponding period (CIM.122.017.1586);

(ii) cash flow weakness and cash conversion weakness arising from the relative growth in the mining sector in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as of 18 July 2018 by reason that the document recorded events which had occurred in 1H18; and

(iii) it is to be inferred that by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements such that they were each aware as at 18 July 2018 of the cash flow impact of the relative revenue growth in the mining sector in 1H18.

Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (a)(iv)C by reason that:

(i) the document entitled 'PPE Additions Cheat Sheet' circulated between members of CIMIC's finance team, including Derek Kerr and Emilio Grande on 19 May 2018, described 'additions' to Thiess and CPB Contractors' capital expenditure as at the end of April 2018 (CIM.108.028.1980 and CIM.108.028.1984). It is to be inferred that Stefan Camphausen knew or ought reasonably to have known the matters recorded in this document by reason of the receipt of this document by Derek Kerr and Emilio Grande, each of whom had a duty to inform Stefan Camphausen of the information in the document by reason of their roles and responsibilities and their duties to CIMIC of fidelity, loyalty and good faith, and the nature and significance of the information in the document;

(ii) the document entitled 'PPE Additions Cheat Sheet' circulated between Derek Kerr and Emilio Grande of CIMIC's finance team on 8 July 2018, described 'additions' to Thiess and CPB Contractors' capital expenditure as at the end of June 2018 (CIM.108.034.0800 and CIM.108.034.0801). It is to be inferred that Stefan Camphausen knew or ought reasonably to have known the matters recorded in this document by reason of the receipt of this document by Derek Kerr and Emilio Grande each of whom had a duty to inform Stefan Camphausen of the information in the document by reason of their roles and responsibilities and their duties to CIMIC of fidelity, loyalty and good faith, and the nature and significance of the information in the document;

(iii) cash flow weakness and cash conversion weakness arising from unplanned capital expenditure in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as at 18 July 2018 by reason that the document recorded events which had occurred in 1H18; and

(iv) it is to be inferred that by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements such that they were each aware as at 18 July 2018 of the cash flow impact of unplanned capital expenditure in 1H18.

Marcelino Fernandez Verdes, Michael Wright, Ignacio Segura Suriñach, Brad Davey, Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (a)(iv)D by reason that:

(i) the 1H18 Group Risk Management Report sent to Michael Wright by Brad Davey on 11 July 2018 prior to the meetings of the Board and ARMC to be held on 18 July 2018 (CIM.100.022.0562 and CIM.100.022.0564, pages 3 and 4) upgraded risk to the following ratings due to Hong Kong related factors:

(a) with respect to Leighton Asia, from 'C – High, Unlikely' to 'B – Very High, Likely'; and

(b) with respect to 'Brand and Reputation', from 'E – Low' to 'C – High'; and

(ii) the information was contained in papers entitled Working Capital Updates authored by Scott McAlpine which were disseminated to the members of the Board (which included Marcelino Fernandez Verdes and Michael Wright was attended by Ignacio Segura Suriñach, Stefan Camphausen and Brad Davey) and the ARMC (which included Marcelino Fernandez Verdes, Michael Wright, Brad Davey, Ignacio Segura Suriñach and Stefan Camphausen) in advance of the Board and ARMC meetings held on 18 July 2018 (CIM.004.001.6959 at page 28-29 and CIM.004.005.0246 at pages 277-278), and 5 February 2019 (CIM.004.001.4251 at pages 347-348 and CIM.004.001.7730 at pages 29-30);

(iii) some of the information was contained Leighton Asia 2Q18 Financial Highlights document sent by Tamara Kidd to Stefan Camphausen on 9 August 2018 (CIM.108.024.8220 and CIM.108.024.8228);

(iv) cash flow weakness and cash conversion weakness arising from reductions in Leighton Asia's cash contribution in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as at 18 July 2018 by reason that the document recorded events which had occurred in 1H18; and

(v) it is to be inferred that, by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware as at 18 July 2018 of the cash flow impact of reductions in Leighton Asia's cash contribution in 1H18.

Further, Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the 1H18 Cash Flow Information by reason that CIMIC's Treasury department was responsible for working capital management and factoring arrangements, and for preparing reports about the same.

94. The 1H18 Cash Flow Information was:

(a) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(b) not generally available; and

(c) not information to which Rule 3.1A of the ASX Listing Rules applied.

95. By reason of the matters pleaded in paragraphs 4(a), 5, 93 and 94 , CIMIC was obliged by Rule 3.1 of the ASX Listing Rules and s 674(2) of the Corporations Act to immediately notify the ASX of the 1H18 Cash Flow Information from 18 July 2018.

96. Notwithstanding the matters alleged in paragraphs 93 to 95, CIMIC did not notify the ASX of the 1H18 Cash Flow Information at any time during the period 18 July 2018 to 6 May 2019, alternatively 11 July 2019, alternatively 17 July 2019.

97. By reason of the matters alleged 93 to 96, CIMIC contravened s 674(2) of the Corporations Act (**1H18 Cash Flow Disclosure Contraventions**).

E.3 3Q18 CASH FLOW INFORMATION AND CONTRAVENTIONS

True Position – October 2018

98. As at 23 October 2018, for the 3Q18 reporting period (1 July 2018 to 30 September 2018):

(a) CIMIC's total receipts from factoring were approximately $469 million;

(b) CIMIC's Pre-Factoring Operating Cash Flow was approximately $(127.7) million;

(c) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately (29)%;

(d) CIMIC's total factoring balance as at 30 September 2018 was approximately $1,491 million; and

(e) The cash flow weakness and cash conversion weakness identified in subparagraphs (b) and (c) above arose from:

(i) CIMIC's operating companies having been awarded an increased number of large alliance contracts, which did not include advance payments and therefore had a higher upfront working capital burden and lower cash conversion rate than fixed price contracts, which had resulted in a cumulative negative cash impact of $60 million in 3Q18;

(ii) the relative growth in revenue from contracts within the Mining Segment which contracts had a higher upfront working capital burden and lower cash conversion rates than contracts in the Construction Segment;

(iii) several large fixed price Australian infrastructure projects, which had large initial mobilisation payments collected in prior periods, being in the execution phase precipitating higher cash outflows, in circumstances where new projects had not been awarded with similar initial mobilisation payments;

(iv) unplanned capital expenditure associated with Thiess' Australian and Indonesian mining regions and CPB Contractors' Sydney Metro and Westgate Tunnel construction projects; and

(v) the reduction in Leighton Asia's underlying cash flows from operating activities (pre-factoring) for 3Q18 which were approximately \$(118) million by reason of problems associated with the Mass Transit Railway project and a related Commission of Inquiry by Hong Kong authorities, with CIMIC forecasting operating cash flow (post-factoring and reverse-factoring) of approximately \$(147.5) million for FY18.

Particulars

As to subparagraphs (a) to (d), the Applicant refers to:

(i) Working Capital Update provided to ARMC on 23 October 2018 (CIM.004.001.3436 at pages 90-91);

(ii) Working Capital Update provided to ARMC on 5 February 2019 (CIM.004.001.4251 at pages 347-348) and Board on 5 February 2019 (CIM.004.001.7730 at pages 29-30); and

(iii) Document entitled 'Group Financial Highlights – FY19 v FY18' circulated to Stefan Camphausen 7 April 2019 (CIM.108.021.1765 and CIM.108.021.1777).

As to subparagraph (e)(i):

(i) by no later than 28 September 2018, CPB Contractors entered into an alliance contract for the design and construction work for the Metro Tunnel project in Melbourne, Victoria with revenue attributable of \$400 million (ASX / Media Release published and lodged by CIMIC on 28 September 2018, page 1);

(ii) CIMIC typically received approximately 15% of total contract value by way of advance payments when it entered into fixed price contracts (CIM.114.018.3691), which payments were not received under alliance contracts;

(iii) by reason of the different payment profile under alliance contracts compared to fixed price contracts, CIMIC experienced an approximately negative \$60 million cash impact in 3Q18 in relation to its award of alliance contracts in that quarter (being 15% of \$400 million worth of alliance contracts entered into in 3Q18).

As to subparagraph (e)(ii), revenue growth for Thiess in 3Q18 was approximately

33% on the prior corresponding period (CIM.122.017.1586).

As to (e)(iii), the infrastructure projects were the Westconnex 2, Westconnex 1B, North West Rail Link, 810A Station Project in Hong Kong, Solomon Iron Ore Project and Northwest Rapid Transit projects as per the Camphausen FY18 Factoring Spreadsheet.

As to subparagraph (e)(iv), the Applicant refers to the document entitled 'PPE Additions Cheat Sheet' distributed to Stefan Camphausen (CFO) on 13 October 2018 which described 'additions' to Thiess and CPB Contractors' capital expenditure as at the end of September 2018 (CIM.108.022.5160 and CIM.108.022.5189).

As to subparagraph (e)(v), the Applicant refers to:

(i) the Monthly Performance Report for Leighton Asia distributed by Stefan Camphausen to Michael Wright on 21 August 2018 forecast FY18 operating cash flow as $(147.5) million compared with budget of $124.8 million (CIM.100.032.8381 and CIM.100.032.8383);

(ii) the 3Q18 Group Risk Management Report distributed and approved by Michael Wright to Brad Davey on 20 October 2018 prior to the meetings of the Board and ARMC to be held on 23 October 2018 (CIM.100.014.7893 and CIM.100.014.7894, page 3);

(iii) the Leighton Asia 3Q18 Financial Highlights document prepared and distributed by CIMIC's finance team on 19 October 2018 (CIM.122.022.0255 and CIM.122.022.0260); and

(iv) the Leighton Asia 3Q18 Financial Highlights document distributed to Stefan Camphausen (CFO) on 21 January 2019 (CIM.100.017.7905 and CIM.100.017.7909).

3Q18 Cash Flow Information

99. On and from 23 October 2018, CIMIC was aware for the purpose of ASX Listing Rule 19.12 that for the 3Q18 reporting period:

(a) CIMIC's total receipts from factoring were approximately $469 million;

(b) CIMIC's Pre-Factoring Operating Cash Flow was approximately $(127.7) million;

(c) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately (29)%;

(d) CIMIC's total factor balance as at 30 September 2018 was approximately $1,491 million; and

(e) The cash flow weakness and cash conversion weakness identified in subparagraphs (b) and (c) above arose from:

(i) CIMIC's operating companies having been awarded an increased number of large alliance contracts, which did not include advance payments and therefore had a higher upfront working capital burden and lower cash conversion rate than fixed price contracts, which had resulted in a cumulative negative cash impact of $60 million in 3Q18;

(ii) the relative growth in revenue from contracts within the Mining Segment which contracts had a higher upfront working capital burden and lower cash conversion rates than contracts in the Construction Segment;

(iii) several large fixed price Australian infrastructure projects, which had large initial mobilisation payments collected in prior periods, being in the execution phase precipitating higher cash outflows, in circumstances where new projects had not been awarded with similar initial mobilisation payments;

(iv) unplanned capital expenditure associated with Thiess' Australian and Indonesian mining regions and CPB Contractors' Sydney Metro and Westgate Tunnel construction projects; and

(v) the reduction in Leighton Asia's underlying cash flows from operating activities (pre-factoring) for 3Q18 which were approximately $(118) million by reason of problems associated with the Mass Transit Railway project and a related Commission of Inquiry by Hong Kong authorities, with CIMIC forecasting operating cash flow (post-factoring and reverse-factoring) of approximately $(147.5) million for FY18.

(**3Q18 Cash Flow Information**).

Particulars

Marcelino Fernandez Verdes, Michael Wright, Stefan Camphausen, Brad Davey and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraphs (a) to (d) by reason that:

(i) the information about CIMIC's receipts from factoring and total factoring balance was contained in papers entitled Working Capital Updates authored by Scott McAlpine which were disseminated to the members of the Board (which included Marcelino Fernanadez Verdes, Michael Wright and, as attendees, Stefan Camphausen and Brad Davey) and the ARMC (which included Marcelino Fernandez Verdes, Michael Wright, Brad Davey and Stefan Camphausen in advance of the Board and ARMC meetings held on 23 October 2018 (CIM.004.001.3436 at pages 90-91); and

(ii) the balance of the information was readily ascertainable by each of those officers based on the information about CIMIC's operating cash flow and cash conversion (as contained in the 3Q18 Analyst and Investor Presentation disseminated to the members of the Board and the ARMC in advance of the Board and the ARMC meetings held on 23 October 2018 (CIM.004.001.7625 at page 90 and CIM.004.001.3436 at page 60) and the information about CIMIC's receipts from factoring.

Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (e)(i) by reason that:

(i) by no later than 28 September 2018, CPB Contractors had entered into an alliance contract for the design and construction work for the Metro Tunnel project in Melbourne, Victoria with revenue attributable of $400 million (ASX / Media Release published and lodged by CIMIC on 28 September 2018, page 1);

(ii) CIMIC typically received approximately 15% of total contract value by way of advance payments when it entered into fixed price contracts (CIM.114.018.3691), which payments were not received under alliance contracts;

(iii) by reason of the different payment profile under alliance contracts compared to fixed price contracts, CIMIC experienced an approximately negative $60 million cash impact in 3Q18 in relation to its award of alliance contracts in that quarter (being 15% of $400 million worth of alliance contracts entered into in 3Q18);

(iv) cash flow and cash conversion weakness arising from increased alliance contracting in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as of 23 October 2018, by reason that the document recorded events which had occurred in 3Q18; and

(v) it is to be inferred that by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware as of 23 October 2018 of the cash flow impact of the relative growth in alliance contracting in 3Q18.

Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (e)(ii) by reason that:

(i) as set out in the document titled 'TPL Highlights Q4 Actual V1.7', which recorded Thiess' quarterly results, revenue growth for Thiess in 3Q18 was approximately 33% on the prior corresponding period (CIM.122.017.1586 and CIM.107.007.0991);

(ii) cash flow and cash conversion weakness arising from the relative growth in the mining sector in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew, or ought reasonably to have known, the matters recorded in this document as of 23 October 2018 by reason that the document recorded events which had occurred in 3Q18; and

(iii) it is to be inferred that, by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware as of 23 October 2018 of the cash flow impact of the relative revenue growth in the mining sector in 3Q18.

Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (e)(iii) by reason that:

(i) cash flow weakness and cash conversion weakness arising from several large Australian infrastructure projects (being the Westconnex 2, Westconnex 1B, North West Rail Link, 810A Station Project in Hong Kong, Solomon Iron Ore Project and Northwest Rapid Transit projects) moving into execution phase in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as of 23 October 2018 by reason that the document recorded events which had occurred in 3Q18; and

(ii) it is to be inferred that, by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware as of 23 October 2018 of the cash flow impact of several large Australian infrastructure projects moving into execution phase in 3Q18.

Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (e)(iv) by reason that:

(i) the document entitled 'PPE Additions Cheat Sheet' distributed to Stefan Camphausen on 13 October 2018 described 'additions' to Thiess and CPB Contractors' capital expenditure as at the end of September 2018 (CIM.108.022.5160 and CIM.108.022.5189);

(ii) cash flow weakness and cash conversion weakness arising from unplanned capital expenditure in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as of 23 October 2018 by reason that the document recorded events which had occurred in 3Q18; and

(iii) it is to be inferred that by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine, regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware as of 23 October 2018 of the cash flow impact of unplanned capital expenditure in 3Q18.

Marcelino Fernandez Verdes, Michael Wright, Brad Davey, Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (e)(v) by reason that:

(i) the Monthly Performance Report for Leighton Asia distributed by Stefan Camphausen to Michael Wright on 21 August 2018 forecast FY18 operating cash flow as $(147.5) million compared with budget of $124.8 million (CIM.100.032.8381 and CIM.100.032.8383);

(ii) part of the information was contained in the 3Q18 Group Risk Management Report approved and sent by Michael Wright to Brad Davey on 20 October 2018 prior to the meetings of the Board and ARMC to be held on 23 October 2018 (CIM.100.014.7893 and CIM.100.014.7894, page 3);

(iii) part of the information was subsequently included in papers which were disseminated to the members of the Board (which included Marcelino Fernandez Verdes and Michael Wright and, as attendees, Brad Davey and Stefan Camphausen) and the ARMC (which included Marcelino Fernandez Verdes, Brad Davey and Stefan Camphausen) in advance of the Board and ARMC meetings held on 23 October 2019 (CIM.004.001.7625 at page 36 – 41 and CIM.004.001.3436 at pages 97 – 102);

(iv) part of the information was contained in the Leighton Asia 3Q18 Financial Highlights document prepared and distributed between CIMIC's finance team, including Tamara Kidd, on 19 October 2018 (CIM.122.022.0255 and CIM.122.022.0260). It can be inferred that Stefan Camphausen knew or ought reasonably to have known the matters recorded in this document by reason of the receipt of this document by Tamara Kidd in circumstances where she had a duty to inform Stefan Camphausen of the information in the document by reason of her role and responsibilities and her duty of fidelity, loyalty and good faith, and the nature and significance of the document;

(v) cash flow and cash conversion weakness arising from reductions in Leighton Asia's cash contribution in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as of 23 October 2018 by reason that the document recorded events which had occurred in 3Q18; and

(vi) it is to be inferred that by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware as of 23 October 2018 of the cash flow impact of reductions in Leighton Asia's cash contribution in 3Q18.

Further, Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the 3Q18 Cash Flow Information by reason that CIMIC's Treasury department was responsible for working capital management and factoring arrangements, and for preparing reports about the same.

100. The 3Q18 Cash Flow Information was:

(a) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(b) not generally available; and

(c) not information to which Rule 3.1A of the ASX Listing Rules applied.

101. By reason of the matters pleaded in paragraphs 4(a), 5, 99 and 100, CIMIC was obliged by Rule 3.1 of the ASX Listing Rules and s 674(2) of the Corporations Act to immediately notify the ASX of the 3Q18 Cash Flow Information from 23 October 2018.

102. Notwithstanding the matters alleged in paragraphs 99 to 101, CIMIC did not notify the ASX of the 3Q18 Cash Flow Information at any time during the period 23 October 2018 to 6 May 2019, alternatively 11 July 2019, alternatively 17 July 2019.

103. By reason of the matters alleged 99 to 102, CIMIC contravened s 674(2) of the Corporations Act (**3Q18 Cash Flow Disclosure Contraventions**).

E.4 FY18 CASH FLOW INFORMATION AND CONTRAVENTIONS

True Position – February 2019

104. As at 5 February 2019, alternatively 22 March 2019:

(a) for the fourth quarter of FY18 (**4Q18**) reporting period (1 October 2018 to 31 December 2018):

(i) CIMIC's total receipts from factoring were approximately $490 million;

(ii) CIMIC's Pre-Factoring Operating Cash Flow was approximately $304 million;

(iii) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately 65%; and

(iv) The cash flow weakness and cash conversion weakness identified in subparagraphs (ii) and (iii) above arose from:

A. CIMIC's operating companies having been awarded an increased number of large alliance contracts, which did not include advance payments and therefore had a higher upfront working capital burden and lower cash conversion rate than fixed price contracts, which had resulted in a cumulative negative cash impact of approximately $105 million in 4Q18;

B. the relative growth in revenue from contracts within the Mining Segment which contracts had a higher upfront working capital burden and lower cash conversion rates than contracts in the Construction Segment;

C. several large fixed price Australian infrastructure projects, which had large initial mobilisation payments collected in prior periods, being in the execution phase precipitating higher cash outflows, in circumstances where new projects had not been awarded with similar initial mobilisation payments;

D. the reduction in Leighton Asia's underlying cash flows from operating activities (pre-factoring) in 4Q18, which were approximately $(20.6) million as a consequence of problems with the Mass Transit Railway project, and a related Commission of Inquiry by Hong Kong authorities; and

(b) for the FY18 reporting period (1 January 2018 to 31 December 2018):

(i) CIMIC's total receipts from factoring were approximately $1.395 billion;

(ii) CIMIC's Pre-Factoring Operating Cash Flow was approximately $463.9 million;

(iii) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately 27%;

(iv) CIMIC's total factoring balance as at 31 December 2018 was $1.953 billion; and

(v) The cash flow weakness and cash conversion weakness identified in subparagraphs (ii) and (iii) above arose from:

A. CIMIC's operating companies having been awarded an increased number of large alliance contracts, which did not include advance payments and therefore had a higher upfront working capital burden and lower cash conversion rate than fixed price contracts, which had resulted in a cumulative negative cash impact in FY18 of between $205 million and $230 million;

B. the relative growth in revenue from contracts within the Mining Segment, which contracts had a higher upfront working capital burden and lower cash conversion rates than contracts in the Construction Segment, which had a cumulative negative cash impact in FY18 of $200 million;

C. several large fixed price Australian infrastructure projects, which had large initial mobilisation payments collected in prior periods, being in the execution phase precipitating higher cash outflows, in circumstances where new projects had not been awarded with similar initial mobilisation payments, which had a cumulative negative cash impact in FY18 of $399.6 million;

D. the reduction of new work in Hong Kong as a consequence of problems with the Mass Transit Railway project, a related Commission of Inquiry by Hong Kong authorities, and Leighton Asia's suspension from tendering for new government work, which had a cumulative negative cash impact in FY18 of approximately $210.2 million;

E. legal costs related to legacy projects which had a cumulative negative cash impact in FY18 of $89.6 million; and

F. the increased cost of tendering for projects in the Australian infrastructure market which had a cumulative negative cash impact in FY18 of $28.2 million.

Particulars

As to subparagraphs (a)(i) to (a)(iii) and (b)(i) to (iv), the Applicant refers to:

(i) the Working Capital Update provided to the ARMC on 5 February 2019 (CIM.004.001.4251 at pages 347-348) and Board on 5 February 2019 (CIM.004.001.7730 at pages 29-30); and

(ii) Document entitled ‘Group Financial Highlights – FY19 v FY18’ circulated to Stefan Camphausen 7 April 2019 (CIM.108.021.1765 and CIM.108.021.1777).

As to subparagraph (a)(iv)(A), in 4Q18, CIMIC operating companies had entered into approximately $700m worth of alliance contracts, being:

(i) by no later than 4 October 2018, Leighton Asia entered into a contract for the construction of the 'Oh My God' project in Noida, India with revenue attributable of $100m (ASX / Media Release published and lodged by CIMIC on 4 October 2018, page 1);

(ii) by no later than 21 December 2018, UGL and CPB Contractors entered into an alliance contract for the delivery of capital works program for Taswater in Tasmania with revenue attributable of $600 million (ASX / Media Release published and lodged by CIMIC on 21 December 2018, page 1);

(iii) CIMIC typically received approximately 15% of total contract value by way of advance payments when it entered into fixed price contracts (CIM.114.018.3691), which payments were not received under alliance contracts;

(iv) by reason of the different payment profile under alliance contracts compared to fixed price contracts, CIMIC experienced an approximately negative $105 million cash impact in 4Q18 in relation to its award of alliance contracts in that quarter (being 15% of $700 million worth of alliance contracts entered into in 4Q18).

As to subparagraph (a)(iv)(B), revenue growth for Thiess in 4Q18 was approximately 49% on the prior corresponding period (CIM.122.017.1586).

As to subparagraph (a)(iv)(C), the execution of physical works on the Westconnex 2, Westconnex 1B, North West Rail Link, 810A Station Project in Hong Kong, Solomon Iron Ore Project and Northwest Rapid Transit projects resulted in a cumulative cash impact of $399.6 million across FY18 as per the Camphausen FY18

Factoring Spreadsheet.

As to subparagraph (a)(iv)(D), the Applicant refers to:

(i) 4Q18 Group Risk Management Report distributed by Brad Davey and approved by Michael Wright on 4 February 2019 prior to the meetings of the Board and ARMC to be held on 5 February 2019 (CIM.100.018.8944 and CIM.100.018.8948, page 2); and

(ii) the Leighton Asia 4Q18 Financial Highlights document distributed by Stefan Camphausen to Michael Wright on 21 January 2019 (CIM.100.017.7905 and CIM.100.017.7911).

As to subparagraph (b)(v), the Applicant refers to:

(i) the Camphausen FY18 Factoring Spreadsheet; and

(ii) the Camphausen FY18 and 1Q19 Factoring Spreadsheet.

As to subparagraph (a)(iv)(A) to (B) and (b)(v)(A) to (B), the Applicant refers to the PowerPoint presentation entitled ‘Factoring and Supply Chain Financing’ distributed by Stefan Camphausen on 28 May 2019 (CIM.114.016.3202 and CIM.114.016.3204).

FY18 Cash Flow Information

105. On and from 5 February 2019, alternatively 22 March 2019, CIMIC was aware for the purpose of ASX Listing Rule 19.12 that:

(a) for the 4Q18 reporting period:

(i) CIMIC’s total receipts from factoring were approximately $490 million;

(ii) CIMIC’s Pre-Factoring Operating Cash Flow was approximately $304 million;

(iii) CIMIC’s Pre-Factoring EBITDA Cash Conversion was approximately 65%; and

(iv) The cash flow weakness and cash conversion weakness identified in subparagraphs (ii) and (iii) above arose from:

A. CIMIC’s operating companies having been awarded an increased number of large alliance contracts, which did not include advance payments and therefore had a higher upfront working capital burden and lower cash conversion rate than fixed price contracts, which had resulted in a cumulative negative cash impact of approximately $105 million in 4Q18;

B. several large fixed price Australian infrastructure projects, which had large initial mobilisation payments collected in prior periods, being in the execution phase precipitating higher cash outflows, in circumstances where new projects had not been awarded with similar initial mobilisation payments;

C. the relative growth in revenue from contracts within the Mining Segment which contracts had a higher upfront working capital burden and lower cash conversion rates than contracts in the Construction Segment; and

D. the reduction in Leighton Asia's underlying cash flows from operating activities (pre-factoring and reverse-factoring) in 4Q18, which were approximately $(20.6) million as a consequence of problems with the Mass Transit Railway project, and a related Commission of Inquiry by Hong Kong authorities; and

(b) for the FY18 reporting period:

(i) CIMIC's total receipts from factoring were approximately $1.395 billion;

(ii) CIMIC's Pre-Factoring Operating Cash Flow was approximately $463.9 million;

(iii) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately 27%;

(iv) CIMIC's total factor balance as at 31 December 2018 was $1.953 billion; and

(v) The cash flow weakness and cash conversion weakness identified in subparagraphs (ii) and (iii) above arose from:

A. CIMIC's operating companies having been awarded an increased number of large alliance contracts, which did not include advance payments and therefore had a higher upfront working capital burden and lower cash conversion rate than fixed price contracts, which had resulted in a cumulative negative cash impact in FY18 of between $205 million and $230 million;

B. several large fixed price Australian infrastructure projects, which had large initial mobilisation payments collected in prior periods, being in the execution phase precipitating higher cash outflows, in circumstances where new projects had not been awarded with similar initial mobilisation payments, which had a cumulative negative cash impact in FY18 of $399.6 million

C. the relative growth in revenue from contracts within the Mining Segment which contracts had a higher upfront working capital burden and lower cash conversion rates than contracts in the Construction Segment, which had a cumulative negative cash impact in FY18 of $200 million;

D. the reduction of new work in Hong Kong as a consequence of problems with the Mass Transit Railway project, a related Commission of Inquiry by Hong Kong authorities, and Leighton Asia's suspension from tendering for new government work, which had a cumulative negative cash impact in FY18 of approximately $210.2 million;

E. legal costs related to legacy projects which had a cumulative negative cash impact in FY18 of $89.6 million; and

F. increased cost of tendering for projects in the Australian infrastructure market which had a cumulative negative cash impact in FY18 of $28.2 million.

(**FY18 Cash Flow Information**).

Particulars

Marcelino Fernandez Verdes, Michael Wright, Stefan Camphausen, Brad Davey and Ignacio Segura Suriñach each had, or ought reasonably to have, come into possession of the information in subparagraphs (a)(i) to (a)(iii) and (b)(i) to (iv) by reason that:

(i) the information about CIMIC's receipts from factoring and total factoring balance was contained in papers entitled Working Capital Updates authored by Scott McAlpine which were disseminated to the members of the Board (which included Marcelino Fernandez Verdes and Michael Wright, and, as attendees, Ignacio Segura Suriñach, Stefan Camphausen and Brad Davey) and the ARMC (which included Marcelino Fernandez Verdes, Michael Wright, Ignacio Segura Suriñach, Stefan Camphausen and Brad Davey) in advance of the Board and ARMC meetings held on 5 February 2019 (CIM.004.001.4251 at pages 347-348 and CIM.004.001.7730 at pages 29-30); and

(ii) the balance of the information was readily ascertainable by each of those officers based on the information about CIMIC's operating cash flow and cash conversion (as contained in FY18 Analyst and Investor Presentation disseminated to members of the Board and ARMC in advance of the Board and ARMC meetings on 5 February 2019 (CIM.004.001.7730 at page 382 and CIM.004.001.4251 at 241) and the information about CIMIC's receipts from factoring.

Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (a)(iv)(A) by reason that:

(i) by no later than 4 October 2018, Leighton Asia had entered into a contract for the construction of the 'Oh My God' project in Noida, India with revenue attributable of $100 million (ASX / Media Release published and lodged by CIMIC on 4 October 2018, page 1);

(ii) by no later than 21 December 2018, UGL and CPB Contractors had entered into an alliance contract for the delivery of capital works program for Taswater in Tasmania with revenue attributable of $600 million (ASX /

Media Release published and lodged by CIMIC on 21 December 2018, page 1);

(iii) CIMIC typically received approximately 15% of contract value by way of advance payments when it entered into fixed price contracts (CIM.114.018.3691) which payments were not received under alliance contracts;

(iv) by reason of the different payment profile under alliance contracts compare to fixed price contracts, CIMIC experienced an approximately negative $105m cash impact in 4Q18 in relation to its award of alliance contracts in that quarter (being 15% of $700 million worth of alliance contracts entered into in 4Q18);

(v) cash flow and cash conversion weakness arising from increased alliance contracting in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as of 5 February 2019, alternatively 22 March 2019, by reason that the document recorded events which had occurred in FY18; and

(vi) it is to be inferred that by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware as of 5 February 2019, alternatively 22 March 2019, of the cash flow impact of the relative growth in alliance contracting in FY18.

Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (a)(iv)(B) by reason that:

(i) the execution of physical works on the Westconnex 2, Westconnex 1B, North West Rail Link, 810A Station Project in Hong Kong, Solomon Iron Ore Project and Northwest Rapid Transit projects resulted in a cumulative cash impact of $399.6 million across FY18 as per the Camphausen FY18 Factoring Spreadsheet. It is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as of 5 February 2019, alternatively 22 March 2019, by reason that the document recorded events which had occurred in FY18;

(ii) cash flow and cash conversion weakness arising from several large Australian infrastructure projects moving into execution phase in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as of 5 February 2019, alternatively 22 March 2019, by reason that the document recorded events which had occurred in FY18; and

(iii) it is to be inferred that by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware as of 5 February 2019, alternatively 22 March

2019, of the cash flow impact of several large Australian infrastructure projects moving into execution phase in FY18.

Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (a)(iv)(C) by reason that:

(i) as set out in the document titled 'TPL Highlights Q4 Actual V1.7', which recorded Thiess' quarterly results, revenue growth for Thiess in 4Q18 was approximately 49% on the prior corresponding period (CIM.122.017.1586 and CIM.107.007.0991);

(ii) cash flow and cash conversion weakness arising from the relative growth in the mining sector in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it is to be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as at 5 February 2019, alternatively 22 March 2019, by reason that the document recorded events which had occurred in FY18; and

(iii) it is to be inferred that by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware as of 5 February 2019 of the cash flow impact of the relative revenue growth in the mining sector in FY18.

Marcelino Fernandez Verdes, Michael Wright, Ignacio Segura Suriñach, Brad Davey, Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (a)(iv)(D) by reason that:

(i) the information was contained in the 4Q18 Group Risk Management Report distributed by Brad Davey to (and approved by) Michael Wright on 4 February 2019 prior to the meetings of the Board and ARMC to be held on 5 February 2019 (CIM.100.018.8944 and CIM.100.018.8948, page 2);

(ii) The information was subsequently included in papers which were disseminated to the members of the Board (which included Marcelino Fernandez Verdes and Michael Wright and, as attendees, Ignacio Segura Suriñach, Stefan Camphausen and Brad Davey) and the ARMC (which included Marcelino Fernandez Verdes, Ignacio Segura Suriñach ,Stefan Camphausen and Brad Davey) in advance of the Board and the ARMC meetings on 5 February 2019 (CIM.004.001.7730 at page 43 and CIM.004.001.4251 at page 357);

(iii) part of the information was contained in the Leighton Asia 4Q18 Financial Highlights document sent by Stefan Camphausen to Michael Wright on 21 January 2019 (CIM.100.017.7905 and CIM.100.017.7911);

(iv) cash flow and cash conversion weakness arising from reductions in Leighton Asia's cash contribution in FY18 were identified by Stefan Camphausen in the Camphausen FY18 Factoring Spreadsheet in March 2019 as a reason for the increased factoring levels in FY18, and it can be inferred that Stefan Camphausen and Scott McAlpine knew or ought reasonably to have known the matters recorded in this document as at 5 February 2019, alternatively 22 March 2019, by reason that the document recorded events which had occurred in FY18; and

(v) it is to be inferred that, by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware as of 5 February 2019, alternatively 22 March 2019, of the cash flow impact of reductions in Leighton Asia's cash contribution in FY18.

As to subparagraph (b)(v):

(i) in relation to subparagraph (b)(v)(A) to (F), Stefan Camphausen and Scott McAlpine had, or ought reasonably to have, come into possession of the information in each of those subparagraphs by reason of:

A. the Camphausen FY18 Factoring Spreadsheet and the Camphausen 1Q19 Factoring Spreadsheet;

B. their knowledge of the matters particularised at subparagraphs 93(a)(iv) and 99(e), above; and

C. the fact that it can be inferred that, by reason of their positions, roles and responsibilities in CIMIC, each of Stefan Camphausen and Scott McAlpine regularly monitored CIMIC's cash flow metrics and working capital requirements, such that they were each aware of 5 February 2019, alternatively 22 March 2019 of the information in these subparagraphs; and

(i) in relation to subparagraph (b)(v)(D), Marcelino Fernandez Verdes, Michael Wright, Ignacio Segura Suriñach, Brad Davey, Stefan Camphausen and Scott McAlpine had, or ought reasonably to have, come into possession of the information in this subparagraph by reason of being members of the Board and/or ARMC and receiving papers in advance of the meeting of the Board and/or ARMC on 5 February 2019 (CIM.004.001.7730 at page 43 and CIM.004.001.4251 at page 357) at which this information was discussed.

Further, Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the FY18 Cash Flow Information by reason that CIMIC's Treasury department was responsible for working capital management and factoring arrangements, and for preparing reports about the same.

106. The FY18 Cash Flow Information was:

(a) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(b) not generally available; and

(c) not information to which Rule 3.1A of the ASX Listing Rules applied.

107. By reason of the matters pleaded in paragraphs 4(a), 5, 105 and 106, CIMIC was obliged by Rule 3.1 of the ASX Listing Rules and s 674(2) of the Corporations Act to immediately notify the

ASX of the FY18 Cash Flow Information from 5 February 2019, alternatively 22 March 2019.

108. Notwithstanding the matters alleged in paragraphs 105 to 107, CIMIC did not notify the ASX of the FY18 Cash Flow Information at any time during the period 5 February 2019, alternatively 22 March 2019, to 6 May 2019, alternatively 11 July 2019, alternatively 17 July 2019.

109. By reason of the matters alleged in paragraphs 105 to 108, CIMIC contravened s 674(2) of the Corporations Act (**FY18 Cash Flow Disclosure Contraventions**).

E.5 1Q19 CASH FLOW INFORMATION AND CONTRAVENTIONS

110. By 10 April 2019:

(a) CIMIC had identified that collecting cash directly from clients was critical in order to improve its end of year cash flow position;

(b) for the year to date, CIMIC was experiencing difficulties in collecting project receivables from some clients; and

(c) financial institutions with whom CIMIC had previously entered into factoring arrangements, had been reducing and were continuing to reduce their exposure to coal mining.

Particulars

As to subparagraphs (a) and (b), the Applicant refers to:

(i) the email sent by Adolfo Valderas to Michael Wright on 9 March 2019, which Mr Wright forwarded to Stefan Camphausen and others on the same day titled ‘Scenarios 2019, Urgent’ in which Mr Valderas:

(a) stated that he required “scenarios for each Operating Company on what alternative outcomes for 2019 might be achievable (in comparison to [previously] submitted business plan[s] as a baseline”; and;

(b) requested “a maximum of three stretch positive scenarios on what upside can be generated in 2019” (CIM.100.058.6859);

(ii) Michael Wright’s response dated 12 March 2019 in which he stated: “It remains clear that collecting cash from our clients remains critical each and every day” in light of concerns expressed in broker reports in relation to factoring levels maintained by CIMIC’s parent entities, ACS Grupo and Hochtief; (CIM.100.058.6859);

(iii) Michael Wright’s further email dated 13 March 2019 in which he identified discussion points in response to the submissions received further to Adolfo Valderas’ email of 9 March 2019, which included “strategies to improve the

March forecast and the end of year cashflow", "Legacy resolutions", "Payment strategies" and "Collections" (CIM.100.058.6859).

As to subparagraph (c), the Applicant refers to:

(i) the Working Capital Update provided to ARMC on 10 April 2019 (CIM.004.001.3967 at pages 119-120) and Board on 10 April 2019 (CIM.004.001.8141 at pages 33-34), which identified that banks were 'reducing their exposure to coal', which was 'putting pressure on selling Thiess' coal receivables';

(ii) the document titled '1Q19 cash tracker' distributed by Thiess' General Manager Financial Controls to Stefan Camphausen and Michael Wright on 20 March 2019 (and sent by Stefan Camphausen to Scott McAlpine on 20 March 2019), in which it was noted that the document had been prepared on the basis that the "Cashflow forecast is focused on delivery of underlying OCF and reducing [Thiess'] working capital instruments" (CIM.100.056.7358; CIM.100.056.7360; CIM.108.013.2930; CIM.108.013.2944); and

(iii) the document titled '190331 TPL RPA Register v2', distributed by Michael Lyttle (Thiess' General Manager Treasury and Insurance) to Scott McAlpine (and others) on 5 April 2019, which identified as part of a 'factoring summary' that the value of invoices sold by Thiess in 1Q19 had declined to $628.8m from a total of $687.9m in 4Q18 and that there had been a large decline in factoring receipts from Thiess' Greensill facilities associated with its Indonesian coal mining projects, which had declined from $253.2m in 4Q18 to $188.2m in 1Q19, being a reduction of approximately $65m (CIM.118.003.1244; CIM.118.003.1246).

True Position – April 2019

111. As at 10 April 2019, for the first quarter of 2019 reporting period (**1Q19**) (1 January 2019 to 31 March 2019):

(a) CIMIC's total receipts from factoring were approximately $200 million;

(b) CIMIC's Pre-Factoring Operating Cash Flow was approximately $47.5 million;

(c) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately 10%;

(d) CIMIC's total factoring balance as at 31 March 2019 was approximately $2,153 million; and

(e) The cash flow weakness and cash conversion weakness identified in subparagraphs (b) and (c) above arose from:

(i) CIMIC's operating companies having been awarded an increased number of large alliance contracts in 1Q19, which did not include advance payments and therefore had a higher upfront working capital burden and lower cash conversion rate than fixed price contracts; and

(ii) CIMIC's difficulties in collecting project receivables directly from some clients;

(f) CIMIC was experiencing difficulties in factoring coal receivables for Thiess due to financial institutions with whom CIMIC had previously entered into factoring arrangements reducing their exposure to coal mining; and

(g) there was a significant risk that CIMIC's reported EBITDA Cash Conversion and Operating Cash Flow in 1H19 would materially decline due to CIMIC's difficulties in factoring receivables for Thiess.

Particulars

As to subparagraphs (a) to (d), the Applicant refers to:

(i) Working Capital Update provided to ARMC on 10 April 2019 (CIM.004.001.3967 at pages 119-120) and Board on 10 April 2019 (CIM.004.001.8141 at pages 33-34); and

(ii) Document entitled 'Group Financial Highlights – FY19 v FY18' circulated to Stefan Camphausen (CFO) and Michael Wright on 6 August 2019 (CIM.100.051.7550 and CIM.100.051.7557).

As to subparagraph (e)(i), the Applicant refers to the Camphausen FY18 and 1Q19 Factoring Spreadsheet identifying as an explanation for factoring the $1.3 billion Linewide Project, which had been entered into in about November 2018 (a 15% impact from which is $195million).

As to subparagraph (e)(ii), the Applicant refers to the matters particularised at subparagraph 110(b) above.

As to subparagraph (f), the Applicant refers to the matters particularised at subparagraph 110(c), above.

As to subparagraph (g), the Applicant refers to the matters particularised at subparagraphs (a), (e)(ii) and (f) above.

1Q19 Cash Flow Information

112. On and from 10 April 2019, CIMIC was aware for the purpose of ASX Listing Rule 19.12 that for 1Q19:

(a) CIMIC's total receipts from factoring were approximately $200 million;

(b) CIMIC's Pre-Factoring Operating Cash Flow was approximately $47.5 million;

(c) CIMIC's Pre-Factoring EBITDA Cash Conversion was approximately 10%;

(d) CIMIC's total factoring balance as at 31 March 2019 was approximately $2,153 million; and

(e) The cash flow weakness and cash conversion weakness identified in subparagraphs (b) and (c) above arose from:

(i) CIMIC's operating companies having been awarded an increased number of large alliance contracts in 1Q19, which did not include advance payments and therefore had a higher upfront working capital burden and lower cash conversion rate than fixed price contracts; and

(ii) CIMIC's difficulties in collecting project receivables directly from some clients;

(f) CIMIC was experiencing difficulties in factoring coal receivables for Thiess due to financial institutions with whom CIMIC had previously entered into factoring arrangements reducing their exposure to coal mining; and

(g) there was a significant risk that CIMIC's reported EBITDA Cash Conversion and Operating Cash Flow in 1H19 would materially decline due to CIMIC's difficulties in factoring receivables for Thiess.

(**1Q19 Cash Flow Information**).

Particulars

Marcelino Fernandez Verdes, Michael Wright, Stefan Camphausen, Ignacio Segura Suriñach, Brad Davey and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraphs (a) to (d) by reason that:

(i) the information about CIMIC's receipts from factoring and total factoring balance was contained in papers entitled Working Capital Updates authored by Scott McAlpine which were disseminated to the members of the Board (which included Marcelino Fernandez Verdes and Michael Wright and, as attendees, Brad Davey, Stefan Camphausen and Ignacio Segura Suriñach) and the ARMC (which included Marcelino Fernandez Verdes, Michael Wright, Ignacio Segura Suriñach, Brad Davey and Stefan Camphausen) in advance of the Board and ARMC meetings held on 10 April 2019 (CIM.004.001.3967 at pages 119-120 and CIM.004.001.8141 at pages 33-34); and

(ii) the balance of the information was readily ascertainable by each of those officers based on the information about CIMIC's operating cash flow and cash conversion (as contained in CIMIC's 1Q19 Investor Presentation) and the information about CIMIC's receipts from factoring.

Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in subparagraph (e)(i) by reason that the Camphausen FY18 and 1Q19 Factoring Spreadsheets identified as an explanation for factoring the $1.3 billion Linewide Project, which had been entered into in about November 2018 (a 15% impact from which is $195 million).

Stefan Camphausen and Michael Wright each had, or ought reasonably to have, come into possession of the information in subparagraph (e)(ii) by reason of the email chain between Adolfo Valderas, Michael Wright and Stefan Camphausen (amongst others) dated 9 March 2019 to 13 March 2019 (CIM.100.058.6859) in which the importance of collecting cash directly from clients was described as 'urgent' and 'critical' in circumstances where it was stated that CIMIC was focusing on 'cash, cash conversion and net contract debtors'; brokers had downgraded the ratings for CIMIC's parent companies' based, in part, on their factoring arrangements; and CIMIC had identified the need to improve "the March forecast and the end of year cashflow".

Marcelino Fernandez Verdes, Michael Wright, Stefan Camphausen, Ignacio Segura Suriñach, Scott McAlpine and Brad Davey each had, or ought to have, come into possession of the information in subparagraphs (f) by reason of:

(i) a paper titled Working Capital Update authored by Scott McAlpine which was provided to ARMC (which included Marcelino Fernandez Verdes, Michael Wright, Ignacio Segura Suriñach, Stefan Camphausen and Brad Davey) on 10 April 2019 (CIM.004.001.3967 at pages 119-120) and the Board (which included Marcelino Fernandez Verdes and Michael Wright and, as attendees, Ignacio Segura Suriñach, Stefan Camphausen and Brad Davey) on 10 April 2019 (CIM.004.001.8141 at pages 33-34), identified that banks are 'reducing their exposure to coal', which was 'putting pressure on selling Thiess' coal receivables.';

(ii) Thiess' Treasury Manager (Michael Lyttle) stated in a document titled '1Q19 cash tracker', which was sent to Stefan Camphausen and Scott McAlpine (copying Dianne Cassidy, executive assistant to Michael Wright) on 19 March 2019, that Thiess was "focused on delivery of underlying OCF and reducing [Thiess'] working capital instruments" (CIM.100.133.1587; CIM.100.133.1589);

(iii) Thiess' General Manager Treasury and Insurance stated in a document titled '190331 TPL RPA Register v2', which was sent to Scott McAlpine on 5 April 2019, that the value of invoices sold by Thiess in 1Q19 had declined to $628.8 million as compared to a total of $687.9m in 4Q18 and that there had been a large declined in factoring receipts from Thiess' Greensill facilities associated with its Indonesian coal mining projects, which had declined from $253.2 million in 4Q18 to $188.2 million in 1Q19, being a reduction of approximately $65 million (CIM.118.003.1244; CIM.118.003.1246); and

(iv) the matters particularised in relation to subparagraph (e)(ii), above.

It is to be inferred that Michael Wright, Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the information in paragraph (g) of the 1Q19 Cash Flow Information by reason of their knowledge of the information in paragraphs (a), (e)(ii) and (f) of the Cash Flow Information.

Further, Stefan Camphausen and Scott McAlpine each had, or ought reasonably to have, come into possession of the 1Q19 Cash Flow Information, by reason that CIMIC's Treasury department was responsible for working capital management and factoring arrangements, and for preparing reports about the same.

113. The 1Q19 Cash Flow Information was:

(a) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(b) not generally available; and

(c) not information to which Rule 3.1A of the ASX Listing Rules applied.

114. By reason of the matters pleaded in paragraphs 4(a), 5 112 and 113, CIMIC was obliged by Rule 3.1 of the ASX Listing Rules and s 674(2) of the Corporations Act to immediately notify the ASX of the 1Q19 Cash Flow Information from 10 April 2019.

115. Notwithstanding the matters alleged in paragraphs 112 to 114, CIMIC did not notify the ASX of the 1Q19 Cash Flow Information at any time during the period 10 April 2019 to 6 May 2019, alternatively 11 July 2019, alternatively 17 July 2019.

116. By reason of the matters alleged in paragraphs 112 to 115, CIMIC contravened s 674(2) of the Corporations Act (**1Q19 Cash Flow Disclosure Contraventions**).

F. CASH FLOW CORRECTIVE DISCLOSURES

F.1 MAY PARTIAL CORRECTIVE DISCLOSURE

117. On 30 April 2019, Hong Kong based research company, GMT Research (**GMT**), published a report in relation to CIMIC, which relevantly stated:

(a) "We estimate that Australia's largest construction company CIMIC has inflated profits by around 100% in the last two years through aggressive revenue recognition, acquisition accounting and avoidance of JV losses. A lack of supporting cash flow has been obscured by the increased sale of receivables and reverse factoring of payables. While reported net cash was 69% of equity at YE18, we estimate adjusted net debt-to-equity of 74%. CIMIC's refusal to provide substantive answers to our questions suggests it has something to hide" (p 1).

(b) Under the heading 'Factoring receivables', that "CIMIC explicitly disclosed for the first time in its 2018 annual report its factoring of receivables. Increased factoring can create the illusion of operating cash inflows. CIMIC refuses to disclose the amounts factored but it is clear that they are large and have grown substantially in the last couple of years. An idea of the extent is given by the increase in restricted cash relating to the sale of receivables; the year-end balance has risen more than threefold from A$167m in 2016 to A$580m in 2018. Assuming a 2:1 ratio of receivables to restricted cash implies A$1.2bn of receivables had been factored at the end of 2018, and indicates an increase of more than A$0.8bn in just the last two years" (p 3).

(c) "We estimate total operating cash flow of A$3.1bn in the past two years may have been inflated by A$1.4bn, or over 80%. Our estimate is supported by the widening gap between average and year-end debt numbers, and ballooning non-interest finance costs" (p 3).

(d) "While CIMIC's gross debt fell to just A$0.5bn at the end of 2018, the average over the year was A$1.9bn…a difference of A$1.4bn, up from close to zero in 2016" (p 4).

(e) In relation to CIMIC's balance sheet, that "closer examination suggests a far weaker position"…"Based on the average debt figure, and including leases and guarantees on BICC's debt, we estimate CIMIC has adjusted net debt of around A$1.7bn and a net debt-to-equity ratio of 74%" (p 5).

Particulars

Report published by GMT titled 'Newsletter: CIMIC Group (CIM AU) – Engineering profits' dated 30 April 2019.

118. On Saturday 4 May 2019, Fairfax media published an article entitled "Construction giant CIMIC targets over $800 million profit boost" reporting that GMT had prepared a report available to its subscribers containing its analysis of CIMIC which stated that:

(a) CIMIC had inflated its profit and hidden poor performance to boost its share price by "engineering" its accounts;

(b) CIMIC had boosted pre-tax profits by up to $800 million in the past two years by booking revenue in some cases before the customer had been billed or the amount agreed;

(c) CIMIC had hidden the poor underlying quality of its earnings through increased factoring of receivables and reverse factoring of payables;

(d) GMT estimated that the company's total operating cash flow of $3.1 billion in the last two years had been inflated by $1.4 billion, or over 80 per cent (**Fairfax 4 May Report**).

119. On Monday 6 May 2019 at 12.05am, Fairfax media published a further article reporting on GMT's analysis of CIMIC, and quoting a GMT analyst saying that GMT considered CIMIC's accounting some of the most aggressive they had seen (**Fairfax 6 May Report**).

120. On Monday 6 May 2019 at 3.01pm, CIMIC published and lodged with the ASX a document entitled "Clarification Statement" (**Clarification Statement**), in which it:

(a) stated that further to media coverage published by Fairfax on 4 and 6 May 2019, CIMIC confirmed that it was in compliance with its disclosure obligations;

(b) stated that for accurate information and analysis related to the company, CIMIC advised market participants to refer to its 2018 and past annual reports, its quarterly, half and full year financial results, and its other disclosures;

(c) noted that its annual reports and full year financial results were fully audited and in compliance with the accounting standards;

(d) did not refute that it had used factoring of receivables; and

(e) did not refute that it had substantially boosted pre-tax profits in the past two years by booking revenue before the customer had been billed or the amount agreed.

121. The information contained in the Fairfax 4 May Report and Fairfax 6 May Report together with the information in the Clarification Statement (**May Partial Corrective Disclosure**):

(a) operated to partly correct the information available to the market concerning the subject matter of the 1Q18 Cash Flow Information, the 1H18 Cash Flow Information, the 3Q18 Cash Flow Information, the FY18 Cash Flow Information, and the 1Q19 Cash Flow Information;

Particulars

The May Partial Corrective Disclosure partly corrected the information concerning:

(i) the 1Q18 Cash Flow Information insofar as it partly corrected information that was not generally available about the extent of CIMIC's Factoring Arrangements (pleaded at subparagraphs 87(a) to (d) above), but did not correct the information about CIMIC's cash flow weakness and cash conversion weakness as at 12 April 2018, nor the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at 12 April 2018 (as pleaded at subparagraph 87(e) above);

(ii) the 1H18 Cash Flow Information insofar as it partly corrected information that was not generally available about the extent of CIMIC's Factoring Arrangements (as pleaded at subparagraphs 93(a)(i) to (iii) and 93(b)(i) to (iv) above), but did not correct the information about CIMIC's cash flow weakness and cash conversation weakness as at 18 July 2018, nor the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at 18 July 2019 (as pleaded at subparagraphs 93(a)(iv) above);

(iii) the 3Q18 Cash Flow Information insofar as it partly corrected information that was not generally available about the extent of CIMIC's Factoring Arrangements (as pleaded at paragraphs 99(a) to 99(d) above), but did not correct the information about CIMIC's cash flow weakness and cash conversation weakness as at 23 October 2018, nor the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at 23 October 2018 (as pleaded at subparagraph 99(e) above);

(iv) the FY18 Cash Flow Information insofar as it partly corrected information that was not generally available about the extent of CIMIC's Factoring Arrangements (as pleaded in paragraphs 105(a)(i) to (a)(iii) and (b)(i) to (iv) above), but did not correct the information about CIMIC's cash flow weakness and cash conversation weakness as at 5 February 2019, nor the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at 5 February 2019 (as pleaded at subparagraphs 105(a)(iv) and (b)(v) above); and

(v) the 1Q19 Cash Flow Information insofar as it partly corrected information that was not generally available about the extent of CIMIC's Factoring Arrangements (as pleaded in paragraphs 112(a) to 112(d) above)), but did not correct the information about CIMIC's cash flow weakness and cash conversation weakness as at 10 April 2019, the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at 10 April 2019, its difficulties in collecting certain project receivables directly from its clients, its difficulties in factoring coal receivables, nor the risk that its EBITDA Cash Conversion and Operating Cash Flow in 1H19 would materially decline (as pleaded at subparagraphs 112(e) to 112(g) above).

(b) by reason of the matters pleaded in paragraph (a) above, influenced persons who commonly invest in securities by causing:

(i) persons who held CIMIC securities to reduce the price at which they were willing to dispose of CIMIC Securities; and

(ii) persons who were considering acquiring CIMIC Securities to reduce the price at which they were willing to purchase CIMIC Securities;

Particulars

The said effect is to be inferred from the character of the market for CIMIC Securities as set out in paragraph 355 below and the change in the traded price following the release of the Clarification Statement set out in paragraph 120 below.

Further particulars will be provided following the receipt of expert evidence.

(c) consequently, caused the price at which CIMIC Securities traded to adjust downward toward the traded price which would have existed if the 1Q18 Cash Flow Disclosure Contravention, the 1H18 Cash Flow Disclosure Contravention, the 3Q18 Cash Flow Disclosure Contravention, the FY18 Cash Flow Disclosure Contravention, and the 1Q19 Cash Flow Disclosure Contravention had not occurred.

F.2 S&P PARTIAL CORRECTIVE DISCLOSURE

122. On 11 July 2019, after close of trade, CIMIC published and lodged with the ASX a credit rating report authored by Standard & Poor's rating agency (**S&P Report**), which relevantly stated:

(a) CIMIC's Factoring Balance had increased to $1.9 billion at 31 December 2018 from $600m at 31 December 2017 (p 3);

(b) "Increased receivables factoring outstanding reduces rating headroom. CIMIC's use of receivables factoring, that we treat as a debt-like obligation, significantly increased in 2018 to $1.9bn as of Dec. 31, 2018, from $600m in 2017. When added to the group's reported debt, it has reduced rating headroom" (p 3);

(c) "Nevertheless, CIMIC's financial risk profile remains conservative. We expect CIMIC to maintain its adjusted funds from operations (FFO)-to-debt ratio over 60% over the next two years and adjusted debt to EBITDA below 1.5x" (p 3);

(d) "Pressure on the ratings could also arise from markedly higher debt at the parent level stemming from, for example, unexpected sizable acquisitions or higher shareholder returns than in our base-case scenario, or much higher factoring usage. Weakening liquidity would also weigh on the ratings" (p 4);

(e) "CIMIC's solid work in hand, sound balance-sheet management, and sizable liquidity cushion underpin its credit quality. We expect CIMIC to maintain a sizable cash cushion to help withstand cost overruns, potential swings in working capital, and decline in demand for new projects in weaker regions" (p 6);

(f) "CIMIC's financial risk profile remains minimal, despite reduced rating headroom following the significant increase in receivables factoring outstanding as of 2018" (p 12);

(g) "We view the group's liquidity as strong based on our forecast that sources of liquidity will exceed uses by more than 1.5x over the next 24 months. This reflects the group's ample cash reserves and our expectation of solid positive cash flows, which will more than offset short-term debt maturities and seasonal working capital outflows over this period" (p 14);

(h) S&P had affirmed CIMIC's credit rating at "BBB/Stable/A-2" (pp 3, 17, 19).

123. The information contained in the S&P Report as pleaded in paragraph 122(a) and 122(b) above (**S&P Report Partial Corrective Disclosure**):

(a) operated to partly correct the information available to the market concerning the subject matter of the 1Q18 Cash Flow Information, the 1H18 Cash Flow Information, the 3Q18 Cash Flow Information, the FY18 Cash Flow Information, and the 1Q19 Cash Flow Information;

Particulars

The S&P Report Partial Corrective Disclosure partly corrected the information concerning:

(i) the 1Q18 Cash Flow Information insofar as it corrected the balance of the information that was not generally available about the extent of CIMIC's Factoring Arrangements (pleaded at subparagraphs 87(a) to (d) above), but did not correct the information about CIMIC's cash flow weakness and cash conversion weakness as at 12 April 2018, nor the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at 12 April 2018 (as pleaded at subparagraph 87(e) above);

(ii) the 1H18 Cash Flow Information insofar as it corrected the balance of the information that was not generally available about the extent of CIMIC's Factoring Arrangements (as pleaded at subparagraphs 93(a)(i) to (iii) and 93(b)(i) to (iv) above), but did not correct the information about CIMIC's cash flow weakness and cash conversation weakness as at 18 July 2018, nor the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at 18 July 2019 (as pleaded at subparagraphs 93(a)(iv) above);

(iii) the 3Q18 Cash Flow Information insofar as it corrected the balance of the information that was not generally available about the extent of CIMIC's Factoring Arrangements (as pleaded at paragraphs 99(a) to (d) above), but did not correct the information about CIMIC's cash flow weakness and cash conversation weakness as at 23 October 2018, nor the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at 23 October 2018 (as pleaded at subparagraph 99(e) above);

(iv) the FY18 Cash Flow Information insofar as it corrected the balance of the information that was not generally available about the extent of CIMIC's Factoring Arrangements (as pleaded in paragraphs 105(a)(i) to (a)(iii) and (b)(i) to (iv) above), but did not correct the information about CIMIC's cash flow weakness and cash conversation weakness as at 5 February 2019, nor the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at 5 February 2019 (as pleaded at subparagraphs 105(a)(iv) and (b)(v) above); and

(v) the 1Q19 Cash Flow Information insofar as it corrected the balance of the information that was not generally available about the extent of CIMIC's Factoring Arrangements (as pleaded in paragraphs 112(a) to 112(d) above)), but did not correct the information about CIMIC's cash flow weakness and cash conversation weakness as at 10 April 2019, nor the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at 10 April 2019, its difficulties in collecting certain project receivables directly from its clients, its difficulties in factoring coal receivables and the risk that its EBITDA Cash Conversion and Operating Cash Flow in 1H19 would materially decline (as pleaded at subparagraphs 112(e) to 112(g) above).

Further particulars will be provided following receipt of expert evidence.

(b) by reason of the matters pleaded in paragraph (a) above, influenced persons who commonly invest in securities by causing:

(i) persons who held CIMIC Securities to reduce the price at which they were willing to dispose of CIMIC Securities; and

(ii) persons who were considering acquiring CIMIC Securities to reduce the price at which they were willing to purchase CIMIC Securities;

Particulars

The said effect is to be inferred from the character of the market for CIMIC Securities as set out in paragraph 355 below, the nature of the S&P Report Partial Corrective Disclosure, and the traded price following the release of the S&P Report having regard to the full contents of that report, including that S&P had affirmed CIMIC's credit rating at "BBB/Stable/A-2" as pleaded in paragraph 122(h) above.

Further particulars will be provided following the receipt of expert evidence.

(c) consequently, caused the price at which CIMIC Securities traded to be closer to the traded price which would have existed if the 1Q18 Cash Flow Disclosure Contravention, the 1H18 Cash Flow Disclosure Contravention, the 3Q18 Cash Flow Disclosure Contravention, the FY18 Cash Flow Disclosure Contravention, and the 1Q19 Cash Flow Disclosure Contravention had not occurred.

F.3. 17 JULY CASH FLOW PARTIAL CORRECTIVE DISCLOSURE

124. On 17 July 2019 after close of trade, CIMIC released its 2019 Half Year (**1H19**) results, which included:

(a) NPAT of $367 million, up 1% from First Half of FY18;

(b) Operating Cash Flows of $529 million, down 34% from 1H18 ($468.9 million excluding the impact of a cash inflow from 'short term assets and investments', being liquid assets converted or readily convertible to cash');

(c) EBITDA of $1,023.8 million;

(d) EBITDA cash conversion rate of 52%, down 40% from 1H18;

(e) Free Operating Cash Flow of $33 million, down 93% from 1H18;

(f) net cash of $1.368 billion at June 2019, up by 5% from 1H18.

Particulars

The 1H19 Results were recorded in:

(i) CIMIC's 2019 Half Year Report dated 17 July 2019 at pages 42-48;

(ii) CIMIC's Analyst and Investor Presentation dated 17 July 2019 at pages 2 – 4;

ASX / Media Release published and lodged by CIMIC on 17 July 2019, page 1.

125. On 17 July 2019, after close of trade, CIMIC published and lodged with the ASX its 2019 Half Year Report, which:

(a) stated that the level of factoring across the CIMIC Group was $1.995 billion as at 30 June 2019;

(b) stated that the level of factoring across the CIMIC Group had been $1.953 billion as at 31 December 2018;

(c) stated that "operating cash flows were $528.6 million for HY19, a decrease of 34.2% or $274.6 million, compared to HY18. The decrease was mainly driven by the impact on cashflows of the recently awarded alliance construction projects with a different working capital profile, as well as the significant growth in the Mining business";

(d) stated that "the Group's net contract debtors were $1,440.4 million at 30 June 2019. The increase is partly attributable to the growth in the Mining business where advance payments are not commonly received. CIMIC has also won a number of alliance construction contracts in Australia over the past year with a different working capital profile compared to completed infrastructure projects. The level of factoring across the

Group was $1,994.8 million as 30 June 2019, which is consistent with the 31 December 2018 position of $1,953.0 million"; and

(e) stated that "Construction revenue was $3.6 billion for HY19, a decrease of 7.0%, or $271.6 million, compared to HY18. The revenue reflects substantial contributions from the delivery of a number of large scale transport infrastructure projects in Australia, offset by a decline in the Hong Kong construction market."

Particulars

(i) The statements at (a) and (b) were made in the 2019 Half Year Report at page 48 under the heading "Financial Position".

(ii) The statement at (c) was made in the 2019 Half Year Report at page 51 under the heading "Operating Cash Flows".

(iii) The statement at (d) was made in the 2019 Half Year Report at page 49 under the heading "Net contract debtors".

(iv) The statement at (e) was made in the 2019 Half Year Report at page 45 under the heading "Construction Revenue".

126. On 17 July 2019, CIMIC held a teleconference with analysts from Kepler Cheavreux, Macquarie Research, Credit Suisse, HSBC and UBS during which CIMIC's Executive Chairman stated:

(a) "In the last 12 months, CIMIC delivered $1.8 billion of operating cash flows. These helped deliver an EBITDA cash conversion rate of 87%. After several periods of elevated conversion rates, this development in the cash flow should reflect the evolution of our business and the markets in which we operate."

(b) "Some specific factors contributing to this evolution include: firstly, CIMIC has won numerous alliance contract over the last year, which have different working capital requirements as well as risk and return profiles to traditional E&C contracts. Secondly, in construction, we have completed a number of large Australian infrastructure projects, some of which I mentioned earlier. In these cases, the associated mobilization [sic] payments received in prior years are now unwinding. Also in the construction sector, the slowing of activity in the Hong Kong operations have been a contributing factor. And lastly, the mining business has grown by 16% year on year, which has provided CIMIC with stable long-term annuity style income. But again, it has a different working capital profile which has to be handed [sic]."

Particulars

The statements at (a) and (b) were recorded in the transcript of the CIMIC Analyst and Investor Presentation dated 17 July 2019 at pages 3-4.

(The statements set out at paragraphs 124, 125 and 126 constituted the **17 July Cash Flow Partial Corrective Disclosure**.)

127. The information contained in the 17 July Cash Flow Partial Corrective Disclosure:

(a) operated to partly correct the information available to the market concerning the subject matter of the 1Q18 Cash Flow Information, the 1H18 Cash Flow Information, the 3Q18 Cash Flow Information, the FY18 Cash Flow Information, and the 1Q19 Cash Flow Information;

Particulars

The 17 July Cash Flow Partial Corrective Disclosure corrected:

(i) the balance of the 1Q18 Cash Flow Information that had not been corrected by the May Cash Flow Partial Corrective Disclosure, the S&P Report Partial Corrective Disclosure and that was not generally available (being about the nature of CIMIC's cash flow weakness and cash conversion weakness as at 12 April 2018 and the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at that date (as pleaded at subparagraph 87(e));

(ii) the balance of the 1H18 Cash Flow Information that had not been corrected by the May Cash Flow Partial Corrective Disclosure, the S&P Report Partial Corrective Disclosure and that was not generally available (being about CIMIC's cash flow weakness and cash conversion weakness as at 18 July 2018 and the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at that date (as pleaded at subparagraph 93(a)(iv));

(iii) the balance of the 3Q18 Cash Flow Information that had not been corrected by the May Cash Flow Partial Corrective Disclosure, the S&P Report Partial Corrective Disclosure and that was not generally available (being about CIMIC's cash flow weakness and cash conversion weakness as at 23 October 2018 and the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at that date (as pleaded at subparagraph 99(e));

(iv) the balance of the FY18 Cash Flow Information that had not been corrected by the May Cash Flow Partial Corrective Disclosure, the S&P Report Partial Corrective Disclosure and that was not generally available (being about CIMIC's cash flow weakness and cash conversion weakness as at 5 February 2019 and the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at that date (as pleaded at subparagraphs 105(a)(iv) and 105(b)(v)); and

(v) the balance of the 1Q19 Cash Flow Information that had not been corrected by the May Cash Flow Partial Corrective Disclosure, the S&P Report Partial Corrective Disclosure and that was not generally available (being about CIMIC's cash flow weakness and cash conversion weakness as at 10 April 2019, the underlying reasons for CIMIC's cash flow weakness and cash conversion weakness as at that date, its difficulties in collecting certain project receivables directly from its clients, its difficulties in factoring coal receivables, and the risk that its EBITDA Cash Conversion and Operating Cash Flow in 1H19 would materially decline (as pleaded at subparagraphs 112(e) and 112(g)).

(b) by reason of the matters pleaded in paragraph (a) above, influenced persons who commonly invest in securities by causing:

(i) persons who held CIMIC securities to reduce the price at which they were willing to dispose of CIMIC Securities; and

(ii) persons who were considering acquiring CIMIC Securities to reduce the price at which they were willing to purchase CIMIC Securities;

Particulars

The said effect is to be inferred from the character of the market for CIMIC Securities as set out in paragraph 355 below and the change in the traded price following the release of the 17 July Cash Flow Partial Corrective Disclosure set out in paragraph 359 below.

Further particulars will be provided following the receipt of expert evidence.

(c) consequently, caused the price at which CIMIC Securities traded to adjust downward toward the traded price which would have existed if the 1Q18 Cash Flow Disclosure Contravention, 1H18 Cash Flow Disclosure Contravention, 3Q18 Cash Flow Disclosure Contravention, FY18 Cash Flow Disclosure Contravention and 1Q19 Cash Flow Disclosure Contravention had not occurred.

G. CASH GENERATION REPRESENTATION

128. By the statements at paragraphs 55, 56(a) to 56(c), 60, 64(a), 66(a), 66(b), 71, 75, 78(a), 80(a), 82(a) and 82(b), CIMIC represented that it had substantially improved its cash flow generation and/or achieved strong cash generation, through a strict focus on working capital management and generating sustainable cash-backed profits (**Cash Generation Representation**).

129. On and from 12 April 2018 until 17 July 2019, alternatively 11 July 2019, alternatively 6 May 2019:

(a) CIMIC did not at any time amend, qualify or withdraw the Cash Generation Representation; and

(b) accordingly, the Cash Generation Representation was a continuing representation that was maintained by CIMIC from 12 April 2018 until 17 July 2019, alternatively 11 July 2019, alternatively 6 May 2019.

130. Contrary to the Cash Generation Representation, at all material times from 12 April 2018 one or more of the following was the case:

(a) CIMIC's cash flow generation was substantially contributed to by receipts from Factoring Arrangements, as opposed to the collection of receivables from CIMIC's clients;

(b) CIMIC was experiencing cash flow weakness; and

(c) on and from 10 April 2019, the level of CIMIC's receipts from Factoring Arrangements was not sustainable.

Particulars

The Applicant refers to and repeats the matters in paragraphs 86, 92, 98, 104, 111 and 116.

As to subparagraph (b), the Applicant refers to and repeats the matters pleaded in paragraphs 86(b) and 86(e), 92(a)(ii) and 92(a)(iv), 92(b)(ii), 98(b) and (e), 104(a)(ii) and (a)(iv), 104(b)(ii) and (v), 111(b) and (e) above.

131. Further or in the alternative to paragraph 130 above:

(a) an ordinary and reasonable investor or potential investor in CIMIC Securities to whom the Cash Generation Representation was conveyed would have expected also to be told of the matters pleaded in paragraphs 86, 92, 98, 104, and 111; and

(b) at no time prior to 17 July 2019, alternatively 11 July 2019, alternatively 6 May 2019, were the matters pleaded in those paragraphs conveyed to the public.

132. To the extent the Cash Generation Representation related to future matters, the Applicant relies on s 12BB of the ASIC Act, s 769C of the Corporations Act and s 4 of the Australian Consumer Law and contends that CIMIC did not have reasonable grounds for making the representations.

Particulars

The Applicant refers to and repeats the particulars subjoined to paragraph 130 above.

133. By reason of the matters alleged in paragraphs 129 to 132, by:

(a) making the Cash Generation Representation; and

(b) further or in the alternative, making the Cash Generation Representation without disclosing the matters pleaded in paragraphs 86, 92, 98, 104, and 111 above, CIMIC engaged in conduct:

(c) in trade or commerce, in relation to a financial service that was misleading or deceptive, or likely to mislead or deceive, in contravention of s 12DA of the ASIC Act;

(d) in relation to a financial product or a financial service that was misleading or deceptive, or likely to mislead or deceive, in contravention of s 1041H of the Corporations Act; and/or

(e) in trade or commerce, that was misleading or deceptive, or likely to mislead or deceive, in contravention of s 18 of the Australian Consumer Law.

(**Cash Generation Misleading Conduct**)

H. ANNOUNCEMENTS MADE BY CIMIC AFTER MID-2019

134. On 17 July 2019, CIMIC released its 2019 Half Year Report, which in relation to BICC:

(a) did not report results for BICC at an individual level, but only within the Corporate segment;

(b) stated that the Corporate segment's profit before tax was a loss of $75.2 million (compared with a loss of $74.6 million in 1H18);

(c) stated that CIMIC continued to hold shareholder loans relating to BICC totalling USD 455 million (equivalent to $673.9 million), compared with amounts of $641 million at 31 December 2018;

(d) stated that CIMIC continued to guarantee BICC's facilities, with a secured and drawn amount of USD 862 million (equivalent value of $1.249 billion) it had guaranteed, compared with $889 million as at December 2017; and

(e) stated that CIMIC continued to hold a call option to purchase the remaining 55% shareholding in BICC.

Particulars

The statements at subparagraphs (a) and (b) were made in the 2019 Half Year Report at pages 19 - 20 under the heading "Segment Information".

The statement at subparagraph (c) was made in the 2019 Half Year Report at page 26 under the heading "Trade and other receivables".

The statements at subparagraphs (d) and (e) were made in the 2019 Half Year Report at page 30 under the heading "Associates and Joint Ventures accounted for using the equity method".

135. CIMIC's 2019 Half Year Report also stated that in the opinion of the directors of CIMIC, the consolidated interim financial report and notes were in accordance with the Corporations Act including giving a true and fair view of the position of CIMIC as at 30 June 2019 and of its performance as represented by the results of its operations and cash flows for the half-year ended on that on that date.

Particulars

The statements were made at page 38 of the 2019 Half Year Report.

136. On 17 July 2019, CIMIC held a teleconference with analysts from Kepler Cheavreux, Macquarie Research, Credit Suisse, HSBC and UBS during which:

(a) CIMIC's Executive Chairman stated:

(i) "the strength of our work in hand and inherent profitability in that work should help us to achieve our NPAT guidance of between $790 million to $840 million, subject to market conditions"; and

(ii) "In the Middle East, the strategic review of BICC is ongoing. CIMIC has provided additional financial support during the half, while BICC pursues the collection of outstanding legacy receivables;"

(b) in response to a question about the current status and situation of BICC and the reason for CIMIC's confidence that it would be repaid in full its loan to BICC, CIMIC's Chief Financial Officer said words to the effect that the strategic review of BICC was ongoing and CIMIC would inform the market when it was concluded.

Particulars

(i) The statements at subparagraph (a) were recorded in the transcript of the CIMIC Analyst and Investor Presentation dated 17 July 2019 at page 3.

(ii) The statement at subparagraph (b) was recorded in the transcript of the CIMIC Analyst and Investor Presentation dated 17 July 2019 at page 9.

137. On 17 July 2019, CIMIC reaffirmed its FY19 guidance of NPAT of $790 million to $840 million.

Particulars

CIMIC made statements confirming its FY19 Guidance in the ASX / Media Release published and lodged by CIMIC on 17 July 2019, pages 1 and 2, and the Analyst and Investor Presentation – HY19 Results dated 17 July 2019 at page 2.

138. On 17 July 2019, CIMIC published and lodged with the ASX an ASX / Media Release, which attributed the following statement to CIMIC's Executive Chairman: "[w]ith our integrated business model and strong balance sheet, CIMIC is in an advantageous position and remains on track to achieve our full year guidance and to deliver strong cash performance, supporting continued returns to shareholder".

Particulars

The statement was made at page 2 of the ASX / Media Release published and lodged by CIMIC on 17 July 2019.

139. On 23 October 2019, CIMIC:

(a) released its third quarter 2019 results, which included NPAT of $206 million; and

(b) reaffirmed its FY19 guidance of NPAT of $790 million to $840 million.

Particulars

The third quarter 2019 results were recorded in:

(i) CIMIC Analyst and Investor Presentation dated 23 October 2019 at pages 2 – 5;

(ii) ASX / Media Release published and lodged by CIMIC on 23 October 2019, page 1.

CIMIC made statements confirming its FY19 Guidance in the ASX / Media Release published and lodged by CIMIC on 23 October 2019, page 1, and the Analyst and Investor Presentation dated 23 October 2019 at page 2.

I. MIDDLE EAST DISCLOSURE CONTRAVENTIONS

I.1 FEBRUARY 2018 MIDDLE EAST DISCLOSURE CONTRAVENTIONS

Shareholder Loans

140. On or about 30 June 2017, LMENA and HLG entered into a loan agreement (**First Restructured Shareholder Loan Agreement**) pursuant to which the parties agreed to amend the terms applicable to AED 500,000,000 (defined therein as "Loan") of the principal loaned by LMENA to HLG under the First Shareholders Agreement relevantly as follows:

(a) HLG was not obliged to repay the Loan and may repay the Loan at any time at its discretion (cl 2.2);

(b) interest would not accrue on the Loan unless (cl 2.3(a)):

(i) HLG had paid a dividend to shareholders; and/or

(ii) the Loan had not been repaid by the date that is five years after the date of the agreement (being 31 July 2022).

(c) if interest did accrue pursuant to cl 2.3(a), the interest would accrue as follows (cl 2.3(b)):

(i) before year five, at a rate equal to the one year fixed EIBOR rate plus 2.5% p.a. on the day the dividend was paid, for the financial year in which the dividend was paid; and/or

(ii) after year five, at a rate equal to the one year fixed EIBOR rate plus 2.5% on the first day of the relevant financial year multiplied by the number of years that the loan was outstanding after year 5 (up to a maximum of 20%).

Particulars

(i) Agreement between LMENA and HLG [**CIM.119.006.5431**]

(ii) the Key Judgements and Accounting Matters provided to ARMC in advance of the ARMC meeting on 6 February 2018 [**CIM.004.001.3549**], p 44.

141. On or about 30 December 2017, LMENA and HLG entered into a loan agreement (**Second Restructured Shareholder Loan Agreement**) pursuant to which they agreed to amend the terms applicable to AED 127,700,000 (defined therein as "Loan") of the principal loaned by LMENA to HLG under the First Shareholders Agreement as follows:

(a) HLG was not obliged to repay the Loan and may repay the Loan at any time at its discretion (cl 2.2);

(b) interest would not accrue on the Loan unless (cl 2.3(a)):

(i) HLG had paid a dividend to shareholders; and/or

(ii) the Loan had not been repaid by the date that is five years after the date of the agreement (being 30 December 2022);

(c) if interest did accrue pursuant to cl 2.3(a), the interest would accrue as follows (cl 2.3(b)):

(i) before year five, at a rate equal to the one year fixed EIBOR rate plus 2.5% p.a. on the day the dividend is paid, for the financial year in which the dividend was paid;

and/or

(ii) after year five, at a rate equal to the one year fixed EIBOR rate plus 2.5% on the first day of the relevant financial year multiplied by the number of years that the loan was outstanding after year 5 (up to a maximum of 20%).

Particulars

(i) Agreement between LMENA and HLG dated 30 December 2017 [**CIM.102.022.8990**]

142. On or about 30 December 2017, LMENA and HLG entered into a loan agreement (**Third Restructured Shareholder Loan Agreement)** pursuant to which they agreed to amend the terms applicable to AED 481,900,000, of accrued interest on amounts loaned under the Second Shareholders Loan Agreement (defined therein as "Accrued Interest") relevantly as follows:

(a) HLG was not obliged to repay the Accrued Interest and may repay the Accrued Interest at any time at its discretion (cl 2.2);

(b) interest would not accrue on the Accrued Interest unless (cl 2.3(a)):

(i) HLG had paid a dividend to shareholders; and/or

(ii) the Accrued Interest had not been repaid by the date that is five years after the date of the agreement (being 31 July 2022);

(c) if interest did accrue pursuant to cl 2.3(a), the interest on the Accrued Interest would accrue as follows (cl 2.3(b)):

(i) before year five, at a rate equal to the one year fixed EIBOR rate plus 2.5% p.a. on the day the dividend was paid, for the financial year in which the dividend was paid; and/or

(ii) after year five, at a rate equal to the one year fixed EIBOR rate plus 2.5% on the first day of the relevant financial year multiplied by the number of years that the loan is outstanding after year 5 (up to a maximum of 20%).

Particulars

Agreement between LMENA and HLG dated 30 December 2017 [**CIM.102.032.1949**]

143. As of 31 December 2017, the Shareholder Loans between LMENA and HLG had a total carrying

value of $1,046.3 million, whereby:

(a) the First Restructured Shareholder Loan Agreement, Second Restructured Loan Agreement and Third Restructure Loan Agreement (together, the **Restructured Loan Agreements**) were valued at $368.5 million, on which no interest accrued; and

(b) the balance of the amounts outstanding under the Shareholder Loans was $677.8 million, for which interest accrued daily and based on EIBOR plus a margin of 3.5%.

Particulars

CIMIC presentation entitled IRFS 9 Financial Instruments – HLG Receivable Preliminary Impact Assessment dated January 2018 [**CIM.100.008.1965**]

HLG's performance

144. In or about November 2017, CIMIC received a copy of the HLG Board Report for the financial year to date, which relevantly stated that:

(a) HLG had experienced a YTD loss of AED (497) million (compared with a profit of AED 2 million in YTD 2016), with a net margin of -10.9%; and

(b) HLG had AED 8,041 million in uncertified receivables (compared with AED 1,100 million in certified receivables) as at September 2017.

Particulars

(i) The HLG Board Report dated 18 November 2017 [**CIM.114.042.5241**] was provided by Michael Wright to Stefan Camphausen and Michael Cooper (in his capacity as senior legal counsel at CIMIC), by email dated 20 November 2017 [**CIM.114.042.5239**].

(ii) The HLG Board Report dated 18 November 2017 [**CIM.100.066.3873**] was provided by Moustafa Fahour to Roman Garrido Sanchez, Dianne Cassidy and George Sassine by email dated 6 December 2017 [**CIM.100.066.3869**].

145. On or about 15 December 2017, CIMIC received a draft 2018 Business Plan for HLG (**HLG Draft Business Plan**), which relevantly stated that:

(a) HLG's balance sheet remained over-geared and its banks were limiting access to new funds (p 2);

(b) credit claims and lawsuits continued to overwhelm HLG's business (p 2);

(c) HLG continued to be impacted by its past and legacy shareholder disputes (p 5);

(d) HLG's external funding sources were nearly tapped out, with approximately AED 150 million remaining on the HSBC Syndicated Loan Agreement and other lines frozen (p 6);

(e) the majority of contract debtors were uncertified and disputed by HLG's clients (p 6);

(f) HLG needed to settle claims and collect debtors worth approximately AED 1.5 billion in FY18 to avoid a cash short-fall (p 6);

(g) HLG needed to increase its order book to be able to deliver on its business plan for 2018 and beyond (p 8);

(h) HLG's order book was depleting while bonding constrains and market perceptions about HLG's financial position had impacted its ability to win new work (p 7);

(i) HLG's work in hand was expected to run down to AED 4.2 billion by the end of 2018 absent new contract wins (p 7);

(j) HLG's access to bonding (particularly in the UAE) had constrained its efforts to replenish its order book and HLG's banks had refused to extend credit to HLG without a parent company guarantee from CIMIC (p 8);

(k) HLG considered that holding its book position on all projects would be very challenging (p 11).

Particulars

(i) Draft HLG Business Plan dated 15 December 2017 entitled "HLG Contracting LLC – Draft 2018 Business Plan" [**BIC.002.028.0456**].

(ii) The Draft 2018 Business Plan was sent by George Sassine to Michael Wright, Stefan Camphausen, Roman Garrido Sanchez and Dianne Cassidy on 15 December 2017 [**BIC.002.028.0455**]

(iii) The Draft 2018 Business Plan [**CIM.104.036.7186]** was sent by George Sassine to Scott McAlpine on 29 January 2018 [**CIM.104.036.7184]**

146. On or about 9 January 2018, CIMIC received a copy of the draft HLG consolidated financial statements for FY17, which relevantly reported HLG's financial position as follows:

(a) revenue of AED 5,703 million as at 31 December 2017, compared with AED 7,151 million as at 31 December 2016;

(b) profit (loss) for the period ended 31 December 2017 of AED (1,247) million, compared with profit for the period ended 31 December 2016 of AED 3.6 million.

(c) borrowings of AED 4,546 million comprising:

(i) bank overdraft of AED 381 million;

(ii) AED 2,118 million of external borrowings of which AED 879 million was current; and

(iii) Shareholder Loans of AED 2,046 million;

(d) cash of AED 280 million as at 31 December 2017, compared with AED 591 million as at 31 December 2016;

(e) net assets of AED (589) million as at 31 December 2017, compared with AED 232 million as at 31 December 2016;

(f) total equity of AED (589) million; and

(g) total liabilities of AED 13,383 million

Particulars

(i) Email from Group Reporting (CIMIC) to Tamara Kidd dated 9 January 2018 [**CIM.122.002.6708**] attaching draft HLG consolidated financial statements for FY17 [**CIM.122.002.6709**]

(ii) Email from Carlos Mendes to Deloitte dated 3 February 2018 [**CIM.119.006.2370**] attaching draft HLG consolidated financial statements for FY17 [**CIM.119.006.2372**]

147. On or about 24 January 2018, CIMIC received a copy of the HLG monthly report for November 2017, which reported HLG's financial position as at 30 November 2017 as follows:

(a) year to date work in hand of AED 6,055 million;

(b) year to date margin in hand of AED 208 million;

(c) year to date revenue of AED 5,010 million;

(d) year to date profit (loss) of AED (1,250) million;

(e) total assets of AED 12,203 million and total liabilities of AED 12,795 million;

(f) total debt of AED 5,016 million;

(g) year to date negative cash flow from operations of AED (437) million.

Particulars

(i) HLG Contracting Monthly Report for November 2017 [**CIM.100.034.7959**]

(ii) The report was sent to Michael Wright, Stefan Camphausen, Roman Garrido Sanchez, George Sassine, Michael Charlton on 24 January 2018 [**CIM.100.034.7958**]

Legacy Project Receivables

148. On or about 31 January 2018, CIMIC received a copy of HLG's Project Data Report for November 2017, which stated, as was the fact, that HLG had a total of AED 2,508,320,000 (equivalent to approximately $875.0 million) in outstanding Legacy Project Receivables of which:

(a) AED 1,867,517,000 were uncertified; and

(b) AED 640,803,000 were certified.

Particulars

(i) HLG Project Data Report as at November 2017 [**CIM.102.032.5332**], provided by Ram Kumar Paranjothi (HLG) to Colin Young at CIMIC on 31 January 2018 [**CIM.102.032.5326**]

Cash Requests

149. In or about January 2018, HLG:

(a) provided to CIMIC details of its forecasted monthly cash deficit for January 2018; and

(b) made requests to CIMIC for approval to draw down amounts totalling approximately AED 129 million under the HSBC Syndicated Facility, which drawdowns were stated to be for, among other things, cash for operations including critical project payments, project settlement payments, paying salaries and post-dated cheques.

Particulars

(i) Copy of HLG syndicate facility utilisation request for AED 11 million dated 15

December 2017 [**CIM.104.032.4224]**, as sent in email from David Wood (BICC) to Stefan Camphausen, Scott McAlpine, George Sassine, Roman Garrido Sanchez, Colin Young, Michael Azzi and Nick Cain dated 1 January 2018 [CIM.104.032.4222].

(ii) Copy of HLG syndicate facility utilisation request for AED 71 million dated 9 January [**CIM.104.032.3221**] and updated liquidity report [**CIM.104.032.3220**], as sent in email from David Wood (BICC) to Stefan Camphausen, Scott McAlpine, George Sassine, Roman Garrido Sanchez, Colin Young, Michael Azzi, Nick Cain and Carlos Mendes dated 10 January 2018 [**CIM.104.032.3217**].

(iii) Copy of HLG syndicate facility utilisation request for AED 23 million dated 12 January 2018 [**CIM.100.034.7981**]; email from David Wood (BICC) to Stefan Camphausen, Scott McAlpine, George Sassine, Roman Garrido Sanchez, Colin Young, Michael Azzi, Nick Cain and Carlos Mendes dated 12 January 2018 [**CIM.100.034.7976**].

(iv) Copy of HLG syndicate facility utilisation request for AED 27 million dated 16 January 2018 [**CIM.104.032.1987**]; email from David Wood (BICC) to Roman Garrido Sanchez, Stefan Camphausen, Scott McAlpine and George Sassine dated 16 January 2018 [**CIM.104.032.1985**].

(v) Copy of HLG syndicate facility utilisation request for AED 20 million dated 18 January 2018 [**CIM.104.032.1030**]: email from David Wood (BICC) to Roman Garrido Sanchez, Stefan Camphausen, Scott McAlpine and George Sassine dated 18 January 2018 [**CIM.104.032.1028**].

150. In or about January 2018:

(a) CIMIC approved the above requests from HLG in part;

(b) pursuant to CIMIC's approval, HLG drew down under the HSBC Syndicated Facility Agreement AED 81 million (equivalent $28.3 million); and

Particulars

(i) Utilisation request to HSBC for AED 11 million on 4 January 2018: email from David Wood (BICC) to HSBC, George Sassine, Stefan Camphausen, Roman Garrido Sanchez, Colin Young, Michael Azzi, Nick Cain and Scott McAlpine [**CIM.104.032.3941**].

(ii) Copy of HLG syndicate facility utilisation request for AED 11 million dated 15 December 2017 executed by CIMIC [**CIM.102.015.0193**]

(iii) Approval by Stefan Camphausen of AED 23 million on or around 12 January 2018: email from David Wood (BICC) Stefan Camphausen, Scott McAlpine, Michael Wright, George Sassine and Roman Garrido Sanchez [**CIM.100.034.7976**]

(iv) Copy of HLG syndicate facility utilisation request for AED 23 million dated 12 January 2018 executed by CIMIC [**CIM.102.032.0498**]

(v) Confirmation by Nick Cain of executed utilisation notice for AED 27 million on or around 16 January 2018: email from Nick Cain to George Sassine, Roman Garrido Sanchez, Stefan Camphausen and Scott McAlpine [**CIM.104.023.3847**].

(vi) Copy of HLG syndicate facility utilisation request for AED 27 million dated 16 January 2018 executed by CIMIC [**CIM.104.032.1987**]

(vii) Approval by Michael Wright of AED 20 million on or around 22 January 2018: email from Michael Wright to Stefan Camphausen, Roman Garrido Sanchez and Dianne Cassidy [**CIM.100.031.8006**].

(viii) Copy of HLG syndicate facility utilisation request for AED 20 million dated 18 January 2018 executed by CIMIC [**CIM.100.040.1926**]

(c) CIMIC subsequently approved a further draw down under the HSBC Syndicated Facility, pursuant to which HLG drew down under the HSBC Syndicated Facility AED 55.1 million (equivalent to $19.2 million), as a result of which the HSBC Syndicated Facility was fully drawn down.

Particulars

(i) Copy of HLG syndicate facility utilisation request for AED 55 million dated 29 January 2018 executed by CIMIC [**CIM.104.031.7974**].

(ii) HLG syndicate facility utilisation request to HSBC for AED 55 million ($19.2 million) on 31 January 2018: email from David Wood (BICC) to George Sassine, Stefan Camphausen, Roman Garrido Sanchez, Colin Young, Michael Azzi, Nick Cain and Scott McAlpine [**CIM.104.031.7971**].

(iii) HLG Exposure Update dated 19 February 2018, for balances as at 31 January 2018, p 7 [**CIM.104.031.4690**].

CIMIC's exposure to HLG

151. As at 31 December 2017, CIMIC's total financial exposure to HLG was approximately $2,077.3 million comprising:

(a) approximately $1,046.3 million under the Shareholder Loans (which CIMIC announced in the FY17 Annual Report would be adjusted down by approximately $500 million);

(b) approximately $716.2 million under the CIMIC Guarantees (being the UNB Guarantee and the HSBC Syndicated Guarantee);

(c) $69.2 million under the Call Option; and

(d) approximately $245.6 million under its 45% equity investment in BICC (which CIMIC announced in the FY17 Annual Report would be adjusted down by approximately $250 million).

Particulars

(i) HLG Exposure Update (Balances date: 31 December 2017, Report date: 5 February 2018) [**CIM.104.031.6241**] attached to an email from Colin Young to Stefan Camphausen and George Sassine dated 6 February 2018 [**CIM.104.031.6240**].

(ii) an email from Stefan Camphausen to Michael Wright, Adolfo Valderas and Dianne Cassidy on 1 February 2018 [**CIM.100.034.5130**].

(iii) BICC Exposure Estimate [**CIM.104.010.1083**] attached to an email from George Sassine to Emilio Grande and Colin Young dated 11 October 2019 [**CIM.104.010.1080**].

(iv) Expert report of Tony Samuel dated 4 April 2023 (**Samuel Report**) [163], [169], [173], [336].

(v) CIMIC 2017 Annual Report: Note 8, page 181; Note 26(a), page 201, pages 252-253.

(vi) the draft CIMIC Financial Report for the 12 month period to 31 December 2017 provided to ARMC in advance of the ARMC meeting on 6 February 2018 **[CIM.004.001.3549]**, p.128 and 148.

(vii) the Applicant refers to paragraphs 152 to 153 below.

Valuation of HLG

152. In or around January 2018 and before 2 February 2018, CIMIC prepared a valuation of HLG as at 31 December 2017 (**FY17 HLG Valuation**).

Particulars

(i) Value in use model [**CIM.119.006.2291**].

(ii) HLG Valuation Report dated 2 February 2018, provided to ARMC in advance of the ARMC meeting on 6 February 2018 [**CIM.004.001.3549**], p.101-106.

153. The FY17 HLG Valuation:

(a) was calculated using a five year discounted cash flow model of free cash flow to equity;

(b) was stated to have been derived from a proposed 5-year business plan for HLG;

(c) made the following assumptions and forecasts:

(i) HLG revenue: HLG would achieve significant revenue growth with revenue approximately doubling in 5 years (**FY17 Revenue Growth Assumption**) and revenue of AED 5,843 million in FY18;

(ii) HLG's EBITDA: HLG would achieve positive EBITDA across the five years;

(iii) HLG's profit before tax (**PBT**): the loss in FY17 would be reversed to produce a positive PBT and net profit margin from FY18 onwards;

(iv) HLG would achieve substantial improvements in Debtor Days (**FY17 Debtor Days Assumption**), and relative improvements in Debtor Days to Creditor Days, the difference of which (**Net Working Capital Days**) would be positive from FY18 onwards;

(v) Receipts from long outstanding debtor balances (**Legacy Cash Flows**): HLG would achieve positive Legacy Cash Flows in FY18, FY19 and FY20;

(vi) HLG's repayment of Shareholder Loans: HLG would repay all the Shareholder Loans by 31 December 2022; and

(vii) HLG's debt repayments: HLG would repay all but AED 50 million of its external debt (including the Guaranteed Facilities) by 31 December 2022 with new debt drawdowns of AED 2,100 million, leaving AED 2,150 million outstanding as at 31 December 2022; and

(d) concluded that the equity value of BICC as at 31 December 2017 was USD 452.2 million of which CIMIC's 45% share was valued at USD 203.5 million (equivalent to $261 million).

Particulars

(i) Value in use model [**CIM.119.006.2291**].

(ii) HLG Valuation Report dated 2 February 2018, provided to ARMC in advance of the ARMC meeting on 6 February 2018 [**CIM.004.001.3549**], p.101-106.

Accounting treatment in respect of HLG

Carrying value of investment in HLG

154. In or about January 2018, CIMIC management assessed the carrying value of HLG as at 31 December 2017 using the HLG FY17 Valuation, pursuant to which CIMIC's 2017 Annual Report reported that the carrying value of its investment was valued at $245.6 million (equivalent to USD 191.6 million at 31 December 2017).

Particulars

(i) CIMIC Presentation, "IFRS 9 Financial Instruments – HLG Receivable Preliminary Impact Assessment" dated January 2018 [**CIM.100.008.1965**].

(ii) CIMIC's FY17 Annual Report, p 201.

Shareholder Loans

155. In January 2018, KPMG assessed HLG's indicative credit rating on a stand alone basis as at the end of FY17 and using the Moody's rating methodology for the global construction industry, as Caa3, being the third lowest available rating.

Particulars

(i) KPMG report: "Extract of Credit Rating and Peer Benchmarking Analysis Report" dated 25 January 2018 [**CIM.108.064.8160**].

(ii) KPMG report: "HLG Contracting LLC – Credit Rating and Peer Benchmarking Analysis Report dated January 2018" [**CIM.108.027.1859**] (**KPMG HLG Credit Report**).

156. In or about January 2018, CIMIC management assessed the lifetime expected credit loss (**ECL**) for the Shareholder Loans under AASB 9 by applying the likelihood of default for a company with HLG's credit rating of Caa3, based on Moody's investor service tables, to the Shareholder Loans.

Particulars

(i) CIMIC Presentation, "IFRS 9 Financial Instruments – HLG Receivable Preliminary Impact Assessment" dated January 2018 [**CIM.100.008.1965**].

(ii) A draft presentation, "IFRS 9 Financial Instruments – HLG Receivable Preliminary Impact Assessment" dated January 2018 [**CIM.108.032.1902**] was sent by email from Derek Kerr to Stefan Camphausen on 5 February 2018 [**CIM.108.032.1899**].

157. Pursuant to CIMIC's assessment of the ECL for the Shareholder Loans, CIMIC recorded a credit

loss adjustment against the Shareholder Loans of approximately $487 million (being 46.6% of the gross value of the loans).

Particulars

(i) The Applicant refers to and repeats the particulars subjoined to paragraph 156.

(ii) 2018 Half Year Report at page 12.

CIMIC Guarantees

158. In or about January 2018, CIMIC management assessed the ECL for the CIMIC Guarantees under AASB 9 by applying the likelihood of default for a company with CIMIC's credit rating of Baa2 (rather than BICCs credit rating of Caa3), pursuant to which it determined the expected loss rate would be 0.87% such that the ECL of the CIMIC Guarantees was nil.

Particulars

CIMIC Presentation, "IFRS 9 Financial Instruments – HLG Receivable Preliminary Impact Assessment" dated January 2018 [**CIM.100.008.1965**].

Call Option

159. On or about 7 February 2018, CIMIC received an external valuation report in which the Call Option was valued, as at 31 December 2017, in the range of $52 million to $82 million, with a mid point of $67 million.

Particulars

(i) KPMG report dated 7 February 2018 entitled "CIMIC Group Limited – Valuation of HLG Contracting LLC option as at 31 December 2017" [**CIM.119.006.2239**].

160. In the FY17 Annual Report and thereafter, CIMIC accounted for the Call Option in its financial statements as a financial asset with a carrying value around the mid-range of the external valuation.

Particulars

The Applicant refers to the memorandum drafted by KPMG entitled 'Valuation of HLG Contracting LLC Option as at 31 December 2017' dated 7 February 2018 [**CIM.119.006.2239**] emailed to Carlos Mendes on 7 February 2018 [**CIM.119.006.2237**].

161. At all times after February 2018 until 23 January 2020, CIMIC did not alter the accounting

treatment of the Call Option, holding the carrying value constant at USD 54 million.

Particulars

The Applicant refers to:

(i) the memorandum drafted by KPMG entitled 'Valuation of HLG Contracting LLC Option as at 31 December 2017' dated 7 February 2018 [**CIM.119.006.2239**] emailed to Carlos Mendes on 7 February 2018 [**CIM.119.006.2237**];

(ii) the memorandum drafted by Harnek Soor entitled 'HLG half year balances review' dated 12 June 2018 and circulated to Derek Kerr and a number of persons at Deloitte on 22 June 2018 **[CIM.108.034.2042** and **CIM.108.034.2043]**;

(iii) the memorandum drafted by Harnek Soor entitled 'BIC Contracting half year balances review' dated 19 June 2019 and circulated to Derek Kerr on 11 July 2019 **[CIM.108.006.4825]**;

(iv) 2017 Annual Report, p 201;

(v) 2018 Half Year Report, p 30;

(vi) 2018 Annual Report, p 179; and

(vii) 2019 Half Year Report, p 30.

Errors and unreasonable assumptions in the FY17 HLG Valuation

162. The FY17 HLG Valuation Report did not include information about HLG's results and performance as of the end of FY17 and relevantly included as HLG's opening position:

(a) assumed cash balances of AED 70 million, in place of the most current information CIMIC had as to HLG's cash balance as at 31 December 2017, being an estimated cash balance of AED 280 million;

(b) assumed total outstanding debt of AED 1,960 million, in place of the most current information CIMIC had as to HLG's total outstanding debt as at 31 December 2017, being estimated outstanding debt of AED 2,500 million,

(**FY17 Opening Position Error**)

Particulars

As to the estimated cash balance of AED 280 million: Draft HLG consolidated financial statements for FY17 [**CIM.122.002.6709_**6709]; Samuel Report [266];

expert report of Tony Samuel dated 10 May 2023 (**Second Samuel Report**) [10].

As to the estimated total outstanding debt as at 31 December 2017 of AED 2,500 million, which comprised current bank overdrafts of AED 381 million, current loans and borrowings of AED 879 million and non current loans and borrowings of AED 1,239 million: Draft HLG consolidated financial statements for FY17 [**CIM.122.002.6709_6712-6713**]; Samuel Report at [266] and [340], Second Samuel Report [10], [18].

163. The assumptions and forecasts in the FY17 HLG Valuation pleaded in paragraphs 153(c)(i) to (c)(v) above (**FY17 Unreasonable Assumptions**) were unreasonably optimistic having regard to:

(a) HLG's historical performance and results, including its year to date results for FY17;

(b) the extent to which CIMIC's valuation of HLG for FY16 (**FY16 HLG Valuation**), undertaken at the start of FY17 and summarised in the FY17 HLG Valuation, contained optimistic forecasts and assumptions which were not achieved in FY17; and

(c) the absence of any reasonable plan or strategy pursuant to which HLG's results would improve as forecast.

Particulars

Samuel Report [269] to [291].

As to (a) and (b), the Applicant refers to and repeats paragraphs 144 to 147.

164. Further, the assumptions in the FY17 HLG Valuation pleaded in paragraphs 153(c)(vi) and 153(c)(vii):

(a) incorrectly assumed the Shareholder Loans could be repaid before the external debt (including the Guaranteed Facilities) to which those loans were subordinated; and

(b) assumed repayments of the Guaranteed Facilities which were inconsistent with the agreed repayment terms.

Particulars

The Applicant refers to and repeats paragraphs 140 to 143, and the Samuel Report at [286] to [288].

Appropriate accounting treatment in respect of HLG

165. In the premises of paragraphs 162 to 164 above, the FY17 HLG Valuation:

(a) ought not to have included the FY17 Opening Position Error;

(b) in place of the FY17 Revenue Growth Assumption, ought to have included the assumption that revenue would remain constant at FY17 levels with zero growth; and

(c) in place of the FY17 Debtor Days Assumption, ought to have included the assumption that Debtor Days would remain at FY17 levels of 530 with no change thereafter,

and so adjusted the valuation (**Adjusted FY17 HLG Valuation**) ought to have recorded that:

(d) HLG had a negative equity value of USD (243) million;

(e) in FY18 HLG's cash flow from operations would be approximately AED (1,051) million;

(f) HLG's cash flow from operations would continue to be negative until FY21; and

(g) HLG would require funding of up to AED 4.375 billion by FY22 to fund its operations and cover interest on external debt.

Particulars

Samuel Report at [328] to [335], [376] to [380].

Second Samuel Report at [13], [15].

166. In the premises of paragraph 165, by reason of HLG having negative equity value pursuant to the Adjusted FY17 HLG Valuation, as at 31 December 2017:

(a) the fair value of CIMIC's equity investment in HLG was nil; and

(b) in accordance with AASB 128, there was objective evidence that the equity value of CIMIC's investment in HLG was fully impaired and CIMIC was required to write it down to nil for FY17.

Particulars

Samuel Report at [326], [358], [376], [379], [383].

Second Samuel Report at [16], [17].

167. In the premises of paragraph 165, by reason of HLG having negative equity value pursuant to the Adjusted FY17 HLG Valuation, as at 31 December 2017:

(a) the fair value of the Call Option was nil;

(b) in accordance with AASB 139, CIMIC was required to write down the fully impaired amount of the Call Option from $69.2 million to nil for FY17.

Particulars

Samuel Report at [326], [365], [376], [379], [383], [384].

Second Samuel Report at [16], [17].

168. In the premises of paragraph 165, by reason of HLG having negative cash flows from FY18 to FY21 pursuant to the Adjusted FY17 HLG Valuation, as at 31 December 2017:

(a) HLG was unable to cover all of its operating costs;

(b) HLG was unable to meet its short-term debt repayment commitments; and

(c) HLG was unable to repay any Shareholder Loans (which were subordinated to HLG's external debt (including the Guaranteed Facilities));

such that:

(d) there was objective evidence of full impairment of the carrying value of the Shareholder Loans (in accordance with AASB 139); and

(e) CIMIC was required to write down the full amount of the carrying value of the Shareholder Loans and record an impairment provision of $1,046.3 million for FY17.

Particulars

Samuel Report at [328] to [329],[335], [361], [362], [383].

Second Samuel Report at [16], [17].

169. In the premises of paragraph 165, by reason of HLG having negative cash flows from FY18 to FY21 pursuant to the Adjusted FY17 HLG Valuation, as at 31 December 2017:

(a) HLG's ability to continue as a going concern was reliant upon it obtaining alternative finance to enable it to meet the projected operating cash shortfalls and its existing debt repayment obligations;

(b) in the event HLG was unable to obtain alternative finance, it was probable that HLG would be placed into some form of insolvency administration, and all of the CIMIC Guarantees would be called;

(c) alternatively, in the event HLG was able to obtain alternative finance, HLG would be reliant on generating sufficient cash flow from operations after FY18 to meet all of its debt obligations as they fell due, which under the Adjusted FY17 HLG Valuation was not likely such that it was probable that BICC would be unable to meet its debt obligations and all of the CIMIC Guarantees would be called;

(d) by reason of the above matters:

(i) it was more probable than not that the CIMIC Guarantees would be called;

(ii) pursuant to AASB 137, CIMIC was required to record a provision based on the best estimate of the liability that would arise under the CIMIC Guarantees, which could be estimated based on the probability of default under the independent credit rating for BICC, being 69.82% of the total of the CIMIC Guarantees;

(iii) CIMIC was required to recognise a provision of $500.1 million in FY17 in relation to the amounts expected to be paid under the CIMIC Guarantees.

Particulars

Samuel Report at [329], [376] to [383].

Second Samuel Report at [16], [17].

True Position – February 2018

170. In the premises of paragraphs 165 to 169 above, in respect of the FY17 financial year:

(a) the fair value of CIMIC's equity investment in HLG in the amount of $245.6 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(b) the Shareholder Loans in the amount of $1,046.3 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(c) the Call Option in the amount of $69.2 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(d) CIMIC was required by the applicable accounting standards to recognise a financial liability of $500.1 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees; and

(e) by reason of the above matters:

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,302.8) million in FY17 in respect of its financial exposure to HLG; and

(ii) CIMIC's NPAT adjusted for the HLG related impact was ($600.7) million~~.~~; or

(f) alternatively to (c) to (e), by reason of the matters pleaded in (a) and (b):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($904.33) million in FY17 in respect of its financial exposure to HLG; and

(ii) CIMIC's NPAT adjusted for the HLG related impact was ($202.23) million.

Particulars

Samuel Report at [383].

Second Samuel Report at [16], [17].

February 2018 Middle East Information

171. On and from 7 February 2018, CIMIC was aware, for the purposes of ASX Listing Rule 19.12 that, in respect of the FY17 financial year:

(a) the fair value of CIMIC's equity investment in HLG in the amount of $245.6 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(b) the Shareholder Loans in the amount of $1,046.3 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(c) the Call Option in the amount of $69.2 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(d) CIMIC was required by the applicable accounting standards to recognise a financial liability of $500.1 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees; and

(e) by reason of the above matters:

  (i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,302.8) million in FY17 in respect of its financial exposure to HLG; and

  (ii) CIMIC's NPAT adjusted for the HLG related impact was ($600.7) million; or~~.~~

(f) alternatively to (c) to (e), by reason of the matters pleaded in (a) and (b):

  (i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($904.33) million in FY17 in respect of its financial exposure to HLG; and

  (ii) CIMIC's NPAT adjusted for the HLG related impact was ($202.23) million.

~~alternatively to (a) and (c) to (f), by reason of the matters pleaded in (b):~~

~~CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($732.41) million in FY17 in respect of its financial exposure to HLG; and~~

~~CIMIC's NPAT adjusted for the HLG related impact was ($30.31) million.~~

(the **February 2018 Middle East Information**)

Particulars

Each of the items comprising the February 2018 Middle East Information was information which by 7 February 2018 had, or ought reasonably to have, come into the possession of CIMIC officers Michael Wright and Stefan Camphausen, and was therefore information of which it was aware within the meaning of ASX Listing Rule 19.12.

Michael Wright

It is to be inferred that Michael Wright had, or ought reasonably to have, come into possession of the February 2018 Middle East Information by reason of the fact that:

A. Michael Wright knew, or ought reasonably to have known, the following:

(a) the nature and extent of CIMIC's financial exposure to HLG as at 31 December 2017, as pleaded at paragraph 151 above;

(b) the deterioration of HLG's financial performance in FY17 from prior financial years, as pleaded at paragraphs 144 to 147 above;

(c) in FY17, HLG had not met the forecast for its performance in the FY16 Valuation Report, as pleaded at paragraph 163 above;

(d) HLG was reliant on CIMIC for financial support and for approving HLG's draw downs under the HSBC Syndicate Facility to fund some of HLG's operational expenses, as pleaded at paragraphs 149 and 150 above;

(e) the Legacy Project Receivables associated with HLG continued to be outstanding, as pleaded at paragraph 148 above;

(f) the HSBC Syndicated Facility was almost fully drawn and most of the available UNB facility had been frozen, as pleaded at paragraph 145 above;

(g) HLG's credit rating had been rated on a standalone basis as Caa3, the third lowest available rating, as pleaded at paragraph 155;

(h) HLG's performance and growth prospects were negatively impacted by the macroeconomic and market conditions in the Middle East, as stated in the CIMIC Presentation, IFRS 9 Financial Instruments – HLG Receivable Preliminary Impact Assessment dated January 2018 [**CIM.108.032.1902**]; and

(i) the FY17 HLG Valuation was based upon the FY17 Opening Position Error, the FY17 Unreasonable Assumptions and the further assumptions pleaded at paragraph 164 above as pleaded at paragraphs 162 to 164 above.

B. By reason of knowing the matters in (a) to (i) above, Michael Wright knew or ought reasonably to have known that:

(j) the FY17 HLG Valuation was incorrect and ought not be relied upon by CIMIC;

(k) the FY17 HLG Valuation ought to be adjusted for the FY17 Opening Position Error, the FY17 Unreasonable Assumptions and the further incorrect assumptions pleaded at paragraphs 162 to 164 above; and

(l) so adjusted, the FY17 HLG Valuation would have recorded the matters pleaded in paragraph 165(d) to (g) above;

C. By reason of knowing the matters in (j) to (l) above, Michael Wright knew or ought reasonably to have known that the appropriate accounting treatment in respect of HLG was as follows:

(m) by reason of the matters pleaded in paragraph 166, the fair value of CIMIC's equity investment in HLG in the amount of $245.6 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 171(a) of the February 2018 Middle East Information);

(n) by reason of the matters pleaded in paragraph 168, the Shareholder Loans in the amount of $1,046.3 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 171(b) of the February 2018 Middle East Information);

(o) by reason of the matters pleaded in paragraph 167, the Call Option in the amount of $69.2 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 171(c) of the February 2018 Middle East Information);

(p) by reason of the matters pleaded in paragraph 169, CIMIC was required to recognise a financial liability of $500.1 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 171(d) of the February 2018 Middle East Information); and

(q) by reason of the above matters in paragraphs (m) to (p), CIMIC was required to recognise a post-tax impact in the amount of ($1,302.8) million in FY17 in respect of its financial exposure to HLG and CIMIC's NPAT for the HLG related impact was ($600.7) million (paragraph 171(e) of the February 2018 Middle East Information); or

(r) alternatively to (q) above, by reason of the above matters in paragraphs (m) and (n) above, CIMIC was required to recognise a post-tax impact in the amount of ($904.33) million in FY17 in respect of its financial exposure to HLG and CIMIC's NPAT for the HLG related impact was ($202.23) million (paragraph 171(f) of the February 2018 Middle East Information).

D. Michael Wright knew or ought reasonably to have known the matters in (a) to (i) above by reason of:

(i) Michael Wright's receipt, in his then capacity as deputy CEO of CIMIC (as pleaded in paragraph 36), of an email from HLG's managing director, Moustafa Fahour on 3 November 2017 [CIM.100.032.3340] about BICC's work in hand and financial position;

(ii) Michael Wright's receipt, in his capacity as the CEO and managing director of CIMIC (as pleaded in paragraph 35) of:

a. the HLG Draft Business Plan [BIC.002.028.0456] received by email on 15 December 2017 [BIC.002.028.0455];

b. an email from Stefan Camphausen on 1 February 2018 [CIM.100.034.5130] about CIMIC's exposure under the CIMIC Guarantees;

c. the draft CIMIC Financial Report for the 12 month period to 31 December 2017 provided to ARMC in advance of the ARMC meeting on 6 February 2018 [CIM.004.001.3549], p.128 and 148;

d. the HLG Valuation Report dated 2 February 2018, provided to the ARMC in advance of the ARMC meeting on 6 February 2018 [CIM.004.001.3549], p.101-106;

e. the Deloitte report to the Audit and Risk Committee for the 12 month period to 31 December 2017 provided to the ARMC in advance of the ARMC meeting on 6 February 2018 [CIM.004.001.3549], p. 315, and provided to the Board in advance of the Board Meeting on 6 February 2018 [CIM.004.001.7202], p 105;

f. an email from Carlos Mendes to KPMG on 6 February 2018 [CIM.119.006.2283], attaching the FY17 VIU Model [CIM.119.006.2291], which states that "revenue and capex both slightly lifted per Michael Wright's request to see more growth in the business plan";

(iii) Michael Wright's receipt of the HLG Contracting Monthly Report for November 2017 [CIM.100.034.7959] received by email on 24 January 2018 [CIM.100.034.7958], in his capacity as a director of HLG (as pleaded in paragraph 21(b), in circumstances where he was under a duty to receive and communicate to CIMIC information acquired by him in the course of his role as a director of HLG which concerned HLG's financial performance, HLG's ability to satisfy its obligations to CIMIC under the Shareholder Loans, and/or HLG's ability to satisfy its obligations under the Guaranteed Facilities (together, the **HLG Financial Information**).

(iv) Michael Wright's receipt and approval, in his capacity as CEO and managing director of CIMIC, of HLG's draw down requests under the HSBC Syndicate Facility. Paragraphs 149 and 150 and the particulars subjoined thereto are referred to and repeated.

(v) Colin Young's receipt of the HLG Project Data Report for November 2017 [CIM.102.032.5332] received by email dated 31 January 2018 [CIM.102.032.5326] in circumstances where Colin Young had a duty to inform Michael Wright of the information in the document by reason of:

a. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(vi) Stefan Camphausen's receipt of information about the matters in paragraphs (a) to (i) above (as particularised below), in circumstances where Stefan Camphausen had a duty to inform Michael Wright of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

(vii) George Sassine's receipt of information about the matters in paragraphs (a), (b) and (d) to (f) above (as particularised below), in circumstances where George Sassine had a duty to inform Michael Wright of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

<u>Stefan Camphausen</u>

It is to be inferred that Stefan Camphausen had, or ought reasonably to have, come into possession of the February 2018 Middle East Information by reason of the fact that:

A. Stefan Camphausen knew, or ought reasonably to have known, the following:

(a) the nature and extent of CIMIC's financial exposure to HLG as at 31 December 2017, as pleaded at paragraph 151 above;

(b) the deterioration of HLG's financial performance in FY17 from prior financial years, as pleaded at paragraphs 144 to 147 above;

(c) in FY17, HLG had not met the forecast for its performance in the FY16 Valuation Report, as pleaded at paragraph 163 above;

(d) HLG was reliant on CIMIC for financial support and for approving HLG's draw downs under the HSBC Syndicate Facility to fund some of HLG's operational expenses, as pleaded at paragraphs 149 and 150 above;

(e) the Legacy Project Receivables associated with HLG continued to be outstanding, as pleaded at paragraph 148 above;

(f) the HSBC Syndicated Facility was almost fully drawn and most of the available UNB facility had been frozen, as pleaded at paragraph 145 above;

(g) HLG's credit rating had been rated on a standalone basis as Caa3, the third lowest available rating, as pleaded at paragraph 155;

(h) HLG's performance and growth prospects were negatively impacted by the macroeconomic and market conditions in the Middle East, as stated in the CIMIC Presentation, IFRS 9 Financial Instruments – HLG Receivable Preliminary Impact Assessment dated January 2018 [**CIM.108.032.1902**];

(i) the FY17 HLG Valuation was based upon the FY17 Opening Position Error, the FY17 Unreasonable Assumptions and the further assumptions pleaded at paragraph 164 above, as pleaded at paragraphs 162 to 164 above;

B. By reason of knowing the matters in (a) to (i) above, Stefan Camphausen knew or ought reasonably to have known that:

(j) the FY17 HLG Valuation was incorrect and ought not be relied upon by CIMIC;

(k) the FY17 HLG Valuation ought to be adjusted for the FY17 Opening Position Error. the FY17 Unreasonable Assumptions and the further incorrect assumptions pleaded at paragraphs 162 to 164 above; and

(l) so adjusted, the FY17 HLG Valuation would have recorded the matters pleaded in paragraph 165(d) to (g) above;

C. By reason of knowing the matters in (j) to (l) above, Stefan Camphausen knew or ought reasonably to have known that the appropriate accounting treatment in respect of HLG was as follows:

(m) by reason of the matters pleaded in paragraph 166, the fair value of CIMIC's equity investment in HLG in the amount of $245.6 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 171(a) of the February 2018 Middle East Information);

(n) by reason of the matters pleaded in paragraph 168, the Shareholder Loans in the amount of $1,046.3 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 171(b) of the February 2018 Middle East Information);

(o) by reason of the matters pleaded in paragraph 167, the Call Option in the amount of $69.2 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 171(c) of the February 2018 Middle East Information);

(p) by reason of the matters pleaded in paragraph 169, CIMIC was required to recognise a financial liability of $500.1 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 171(d) of the February 2018 Middle East Information); and

(q) by reason of the above matters in paragraphs (m) to (p) above, CIMIC was required to recognise a post-tax impact in the amount of ($1,302.8) million in FY17 in respect of its financial exposure to HLG and CIMIC's NPAT for the HLG related impact was ($600.7) million (paragraph 171(e) of the February 2018 Middle East Information); or

(r) alternatively to (q) above, by reason of the above matters in paragraphs (m) and (n) above, CIMIC was required to recognise a post-tax impact in the amount of ($904.33) million in FY17 in respect of its financial exposure to HLG and CIMIC's NPAT for the HLG related impact was ($202.23) million (paragraph 171(f) of the February 2018 Middle East Information).

D. Stefan Camphausen knew or ought reasonably to have known the matters in (a) to (i) above by reason of:

(i) Stefan Camphausen's receipt, in his capacity as the CFO of CIMIC (as pleaded in paragraphs 35 and 36) of:

a. an email from HLG's managing director, Moustafa Fahour about BICC's work in hand and financial position forwarded to Stefan Camphausen on 7 November 2017 [CIM.100.032.3671];

b. the HLG Draft Business Plan [BIC.002.028.0456] received by email on 15 December 2017 [BIC.002.028.0455];

c. an email from Scott McAlpine received on 31 January 2018 [CIM.118.020.3919] about HLG's reliance on CIMIC for financial support;

d. a draft presentation, "IFRS 9 Financial Instruments – HLG Receivable Preliminary Impact Assessment" dated January 2018 [CIM.108.032.1902] in which CIMIC management applied the conclusion of the KPMG Credit Report in its assessment of the expected credit loss of Shareholder Loans, received by email from Derek Kerr on 5 February 2018 [CIM.108.032.1899];

e. the HLG Valuation Report dated 2 February 2018, provided to ARMC in advance of the ARMC meeting on 6 February 2018 [CIM.004.001.3549], p.101-106;

f. the draft CIMIC Financial Report for the 12 month period to 31 December 2017 provided to the ARMC in advance of the ARMC meeting on 6 February 2018 [CIM.004.001.3549], p.128 and 148;

g. the Deloitte report to the ARMC for the 12 month period to 31 December 2017 provided to the ARMC in advance of the ARMC meeting on 6 February 2018 [CIM.004.001.3549], p. 315, and provided to the Board in advance of the Board Meeting on 6 February 2018 [CIM.004.001.7202], p 105;

h. the HLG Exposure Update [CIM.104.031.6241] dated 31 December 2017 received by email on 6 February 2018 [CIM.104.031.6240];

(ii) Stefan Camphausen's receipt of the HLG Contracting Monthly Report for November 2017 [CIM.100.034.7959], and the HLG Board Report dated 18 November 2017 [CIM.114.042.5241] received by email on 20 November 2017 [CIM.114.042.5239] in his capacity as an alternate director of HLG (as pleaded in paragraph 21(b)), in circumstances where he was under a duty to receive and communicate to CIMIC the HLG Financial Information;

(iii) Stefan Camphausen's receipt and approval, in his capacity as CFO of CIMIC, of HLG's draw down requests under the HSBC Syndicate Facility. Paragraphs 149 and 150 and the particulars subjoined thereto are referred to and repeated.

(iv) Carlos Mendes' receipt of the FY17 VIU Model [CIM.119.006.2291] on 6 February 2018 [CIM.119.006.2283] in circumstances where Carlos Mendes had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(v) Colin Young's receipt of the HLG Project Data Report for November 2017 [CIM.102.032.5332] received by email dated 31 January 2018 [CIM.102.032.5326], in circumstances where Colin Young had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(vi) Derek Kerr and Tamara Kidd’s receipt of the draft HLG consolidated financial statements for FY17 [CIM.122.002.6709] by email dated 9 January 2018 [CIM.122.002.6708] and Carlos Mendes’ receipt of the draft HLG consolidated financial statements for FY17 [CIM.119.006.2372] received no later than 3 February 2018 [CIM.119.006.2370], in circumstances where Tamara Kidd, Derek Kerr and Carlos Mendes each had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. their roles and responsibilities (as pleaded in paragraphs 17(b), and 38) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(vii) Scott McAlpine’s receipt of information about the matters in paragraphs (a), (b) and (d) to (f) above (as particularised below), in circumstances where Scott McAlpine had a duty to inform Stefan Camphausen of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

<u>Scott McAlpine</u>

It is to be inferred that Scott McAlpine knew, or ought reasonably to have known, the following:

(a) the nature and extent of CIMIC’s financial exposure to HLG as at 31 December 2017, as pleaded at paragraph 151 above;

(b) the deterioration of HLG’s financial performance in FY17 from prior financial years, as pleaded at paragraphs 144 to 147 above;

(c) HLG was reliant on CIMIC for financial support and for approving HLG’s draw downs under the HSBC Syndicate Facility to fund some of HLG’s operational expenses, as pleaded at paragraphs 149 and 150 above;

(d) the Legacy Project Receivables associated with HLG continued to be outstanding, as pleaded at paragraph 148 above; and

(e) the HSBC Syndicated Facility was almost fully drawn and most of the available UNB facility had been frozen, as pleaded at paragraph 145 above.

Scott McAlpine knew or ought reasonably to have known the matters in (a) to (e) above by reason of:

(ii) Scott McAlpine’s receipt, in his capacity as the Executive General Manager of Treasury of CIMIC (as pleaded in paragraphs 35 and 36), of:

a. emails from a Standard Chartered Bank employee on 5 January 2018 [CIM.118.014.3114] about SCB’s requirement that further loans to HLG be supported by a CIMIC guarantee.

b. the HLG Draft Business Plan [CIM.104.036.7186] received by email on 29 January 2018 [CIM.104.036.7184]

(iii) Scott McAlpine's sending of an email to George Sassine, Roman Garrido Sanchez and Stefan Camphausen on 31 January 2018 [CIM.118.020.3919] about HLG's reliance on CIMIC for financial support;

(iv) Scott McAlpine's receipt of HLG's draw down requests and subsequent approvals under the HSBC Syndicate Facility. Paragraphs 149 and 150 and the particulars subjoined thereto are referred to and repeated.

(v) Christopher Granda's receipt of the HLG Exposure Update [CIM.102.029.1264] dated 31 December 2017 on 5 February 2018 [CIM.102.029.1262] in circumstances where Christopher Granda had a duty to inform Scott McAlpine of the information in the document by reason of:

a. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(vi) Christopher Granda's receipt of the HLG Project Data Report for November 2017 [CIM.102.027.8359] received by email dated 6 February 2018 [CIM.102.027.8358], in circumstances where Christopher Granda had a duty to inform Scott McAlpine of the information in the document by reason of:

a. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

George Sassine

It is to be inferred that George Sassine knew, or ought reasonably to have known, the following:

(a) the nature and extent of CIMIC's financial exposure to HLG as at 31 December 2017, as pleaded at paragraph 151 above;

(b) the deterioration of HLG's financial performance in FY17 from prior financial years, as pleaded at paragraphs 144 to 147 above;

(c) HLG was reliant on CIMIC for financial support and for approving HLG's draw downs under the HSBC Syndicate Facility to fund some of HLG's operational expenses, as pleaded at paragraphs 149 and 150 above;

(d) the Legacy Project Receivables associated with HLG continued to be outstanding, as pleaded at paragraph 148 above; and

(e) the HSBC Syndicated Facility was almost fully drawn and most of the available UNB facility had been frozen as pleaded at paragraph 145 above.

George Sassine knew or ought reasonably to have known the matters in (a) to (e) above by reason of:

(i) George Sassine's receipt, in his capacity as the Executive General Manager of Investments and Group Property Services of CIMIC (as pleaded in paragraphs 35 and 36), of:

a. the HLG Board Report dated 18 November 2017 [CIM.100.066.3873] received by email on 6 December 2017 [CIM.100.066.3869];

b. the HLG Draft Business Plan [BIC.002.028.0456], received by email on 15 December 2017 [BIC.002.028.0455];

c. the HLG Contracting Monthly Report for November 2017 [CIM.100.034.7959] received by email on 24 January 2018 [CIM.100.034.7958];

d. an email from Scott McAlpine on 31 January 2018 [CIM.118.020.3919] about HLG's reliance on CIMIC for financial support;

e. the HLG Exposure Update [CIM.104.031.6241] dated 31 December 2017 received by email on 6 February 2018 [CIM.104.031.6240].

(ii) George Sassine's receipt of HLG's draw down requests and subsequent approvals under the HSBC Syndicate Facility. Paragraphs 149 and 150 and the particulars subjoined thereto are referred to and repeated.

(iii) Colin Young's receipt of the HLG Project Data Report for November 2017 [CIM.102.032.5332] received by email dated 31 January 2018 [CIM.102.032.5326], in circumstances where Colin Young had a duty to inform George Sassine of the information in the document by reason of:

a. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

172. The February 2018 Middle East Information was:

(a) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(b) not generally available; and

(c) not information to which Rule 3.1A of the ASX Listing Rules applied.

173. By reason of the matters pleaded in paragraphs 4(a), 5, 171 and 172, CIMIC was obliged by Rule 3.1 of the ASX Listing Rules and s 674(2) of the Corporations Act to immediately notify the ASX of the February 2018 Middle East Information from 7 February 2018.

174. Notwithstanding the matters alleged in paragraphs 171 to 173, CIMIC did not notify the ASX of the February 2018 Middle East Information at any time from 7 February 2018 until the end of

the Relevant Period.

175. By reason of the matters alleged in paragraphs 171 to 174, CIMIC contravened s 674(2) of the Corporations Act (**February 2018 Middle East Disclosure Contraventions**).

I.2 JULY 2018 MIDDLE EAST DISCLOSURE CONTRAVENTIONS

HLG's Performance

176. On or about 14 February 2018, CIMIC received the finalised HLG Business Plan (the **HLG 2018 Business Plan**), containing only immaterial changes to the HLG Draft Business Plan.

Particulars

(i) HLG 2018 Business Plan [**CIM.108.013.0461**]

(ii) The HLG 2018 Business Plan was sent to Michael Wright, Stefan Camphausen, Roman Garrido Sanchez, George Sassine, Michael Charlton on 16 April 2018 [CIM.100.034.7267] and Ignacio Segura Suriñach on 18 April 2018 [CIM.105.013.8483].

177. On or about 22 February 2018, CIMIC received a copy of the HLG monthly report for December 2017, which reported HLG's financial position as at 31 December 2017 as follows:

(a) year to date work in hand of AED 5,512 million;

(b) year to date margin in hand of AED 192 million;

(c) year to date revenue of AED 5,576 million;

(d) year to date profit (loss) of AED (1,246) million;

(e) total assets of AED 12,434 million and total liabilities of AED 12,436 million;

(f) total debt of AED 4,633 million;

(g) year to date negative cash flow from operations of AED (933) million;

(h) total debt of AED 5,718 million comprising:

(i) AED 277 million bank overdraft;

(ii) AED 2,261 million external borrowings of which AED 1,207 was current;

(iii) AED 3,028 million Shareholder Loans (including the portion reclassified as convertible equity).

Particulars

(iii) HLG Contracting Monthly Report for December 2017 [**CIM.122.002.1173**]

(iv) The report was sent to Stefan Camphausen, George Sassine, Emilio Grande, Colin Young and Christopher Granda on 21 and 22 February 2018 [**CIM.104.031.4115**] and [**CIM.104.031.4370**]

178. On or about 8 March 2018, CIMIC received a copy of the HLG monthly report for January 2018, which reported HLG's financial position as at 31 January 2018 as follows:

(a) year to date work in hand of AED 4,874 million;

(b) year to date margin in hand of AED 76 million;

(c) year to date revenue of AED 549 million;

(d) year to date profit of AED 2 million;

(e) total assets of AED 12,505 million and total liabilities of AED 12,496 million;

(f) total equity of AED 10 million;

(g) total debt of AED 4,723 million;

(h) year to date negative cash flow from operations of AED (137) million.

Particulars

(i) HLG Contracting Monthly Report for January 2018 [**CIM.102.027.7425**]

(ii) The report was sent to Michael Wright, Stefan Camphausen, Roman Garrido Sanchez, George Sassine, Michael Charlton, Colin Young and Christiana Ilinkovski on 8 March 2018 **[CIM.120.001.8247]**.

179. On or about 10 April 2018, CIMIC received a copy of the HLG monthly report for February 2018, which reported HLG's financial position as at 28 February 2018 as follows:

(a) year to date work in hand of AED 4,178 million;

(b) year to date margin in hand of AED 133 million;

(c) year to date revenue of AED 999 million;

(d) year to date profit of AED 3 million;

(e) total assets of AED 12,517 million and total liabilities of AED 12,492 million;

(f) total equity of AED 25 million;

(g) total debt of AED 4,820 million;

(h) year to date negative cash flow from operations of AED (213) million;

(i) total debt of AED 5,930 comprising:

(i) AED 477 million bank overdraft;

(ii) AED 2,400 million of external borrowings of which AED 1,041 was current;

(iii) AED 3,037 of Shareholder Loans.

Particulars

(i) HLG Contracting Monthly Report for February 2018 [**CIM.100.034.7603**]

(ii) The report was sent to Michael Wright, Stefan Camphausen, Roman Garrido Sanchez, George Sassine, Ignacio Segura Suriñach on 10 April 2018 [**CIM.100.157.3666**]

180. On or about 16 April 2018, CIMIC received a copy of the HLG Board Report for FY17 which relevantly stated:

(a) HLG had won only three new projects in 2017 valued at AED 467 million versus AED 2.7 billion in 2016 (p 4);

(b) work in hand was AED 5.2 billion at 31 December 2017 compared to AED 10.6 billion at 31 December 2016 (p 4);

(c) HLG’s cash position continued to remain under immense pressure and affect project progress, performance and delivery, triggering the risk of bond calls on a number of ongoing projects (p 4);

(d) the majority of HLG projects were loss making (p 4);

(e) uncertified revenue was AED 7.3 billion as at 31 December 2017 (p 4);

(f) current assets (AED 9,675) included net trade receivables of AED 8,718 million (p 9) with

85% of receivables identified as uncertified and at least 55% of which were in dispute (p15-16);

(g) it would be extremely difficult to obtain facilities from other banks given the current market conditions (p 4);

(h) existing banks remain unwilling to consider increasing credit limits due to their concerns on the HLG's balance sheet health and lack of progress on the recovery of receivables, unless CIMIC offers parent company guarantee (p 5);

(i) HLG's credibility with the banks continued to be affected due to court orders freezing HLG's bank accounts from time to time where legal cases were initiated by HLG's subcontractors due to non-payment of their dues (p 5).

Particulars

(i) The HLG Board Report for April 2018 [**CIM.100.034.7268**] was sent by Moustafa Fahour to Michael Wright, Stefan Camphausen, Roman Garrido Sanchez, George Sassine and Michael Charlton by email on 16 April 2018 [**CIM.100.034.7267**].

181. On or about 3 May 2018, CIMIC received a copy of the HLG monthly report for March 2018, which reported HLG's financial position as at 31 March 2018.

Particulars

(i) HLG Contracting Monthly Report for March 2018 [**CIM.100.034.6877**]

(ii) The report was sent to Michael Wright, Stefan Camphausen, Roman Garrido Sanchez, George Sassine, Emilio Grande, Colin Young and Carlos Mendes on 3 May 2018 [**CIM.102.027.5577**]

182. On or about 15 May 2018, CIMIC received a copy of HLG's audited consolidated financial statements for FY17, which reported HLG's financial position as at 31 December 2017.

Particulars

(i) HLG's audited consolidated financial statements for FY17 [**CIM.102.031.8198**] sent by Scott McAlpine to Stefan Camphausen, Emilio Grande and Colin Young on 15 May 2018 [**CIM.102.031.8196**]

(ii) HLG's audited consolidated financial statements for FY17 [**BIC.002.016.5045**] sent by Emilio Grande to Ignacio Segura Suriñach, Roman Garrido Sanchez, George Sassine and Colin Young on 29 June 2018 [**BIC.002.016.5032**]

(iii) a draft of HLG's audited consolidated financial statements financial statements for FY17 [**CIM.100.034.7515**] was also sent by Moustafa Fahour to Michael Wright, Stefan Camphausen, Roman Garrido Sanchez and George Sassine on 16 April 2018 [**CIM.100.034.7492**] ahead of the BICC board meeting.

183. On or about 5 June 2018, CIMIC received a copy of the BICC monthly report for April 2018, which reported BICC's financial position as at 30 April 2018.

Particulars

(i) BICC Monthly Report for April 2018 [**CIM.122.020.7324**]

(ii) The report was sent to Emilio Grande, Colin Young, Roman Garrido Sanchez, Christopher Granda and Tamara Kidd on 5 June 2018 [**CIM.122.020.7323**]

184. On or about 29 June 2018, CIMIC received a copy of the BICC monthly report for May 2018, which reported BICC's financial position as at 31 May 2018 as follows:

(a) year to date work in hand of AED 2,892 million;

(b) year to date margin in hand of AED 92 million;

(c) year to date revenue of AED 2,341 million;

(d) year to date profit of AED 9 million;

(e) total assets of AED 12,557 million and total liabilities of AED 12,524 million;

(f) total equity of AED 33 million;

(g) total debt of AED 5,143 million; and

(h) year to date negative cash flow from operations of AED (547) million.

Particulars

BICC Monthly Report for May 2018 [**CIM.122.020.3264**] sent to Christopher Granda, Colin Young and Tamara Kidd on 29 June 2018 [**CIM.122.018.5811**]

Legacy Project Receivables

185. On or about 22 February 2018, CIMIC received a copy of HLG's Project Data Report for December 2017, which stated, as was the fact, that HLG had a total of AED 2,453,469,000 (equivalent to approximately $855.9 million) in outstanding Legacy Project Receivables of which:

(a) AED 1,869,989,000 were uncertified; and

(b) AED 583,480,000 were certified.

Particulars

(i) HLG Project Data Report as at December 2017 [**CIM.102.032.5282**], provided by Vijay Divate (HLG) to Colin Young, and Christopher Granda at CIMIC on 22 February 2018 [**CIM.102.032.5280**]

186. On or about 9 March 2018, CIMIC received a copy of HLG's Project Data Report for January 2018, which stated, as was the fact, that HLG had a total of AED 2,356,637,000 (equivalent to approximately $822.1 million) in outstanding Legacy Project Receivables of which:

(a) AED 1,864,562,000 were uncertified; and

(b) AED 492,075,000 were certified.

Particulars

(i) HLG Project Data Report as at January 2018 [**CIM.102.027.7339**], provided by Christopher Granda to Emilio Grande and Colin Young at CIMIC on 9 March 2018 [**CIM.102.027.7336**]

187. On or about 5 June 2018, CIMIC received a copy of HLG's Project Data Report for March 2018, which stated, as was the fact, that HLG had a total of AED 3,452,177,000 (equivalent to approximately $1,252.4 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,913,501,000 were uncertified; and

(b) AED 538,676,000 were certified.

Particulars

(i) HLG Project Data Report as at March 2018 [**CIM.100.158.3552**], provided by Christopher Granda to Ignacio Segura Suriñach and Dianne Cassidy at CIMIC on 5 June 2018 [**CIM.100.158.3545**].

(ii) HLG Project Data Report as at March 2018 [**CIM.100.113.7685**], provided by Christopher Granda to Ignacio Segura Suriñach and Dianne Cassidy at CIMIC on 23 July 2019 [**CIM.100.113.7678**].

188. On or about 29 June 2018, CIMIC received a copy of BICC's Project Data Report for May 2018,

which stated, as was the fact, that BICC had a total of AED 3,447,057,000 (equivalent to approximately $1,250.6 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,917,287,000 were uncertified; and

(b) AED 529,770,000 were certified.

Particulars

(i) BICC Project Data Report as at May 2018 [**CIM.122.018.5829**], provided by Ram Kumar Paranjothi (BICC) to Colin Young and Christopher Granda then Tamara Kidd at CIMIC on 29 June 2018 [**CIM.122.018.5811**].

Cash Requests – March, April and May 2018

189. In or about March and April 2018, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for April 2018 (being a forecast cash deficit of AED 170.1 million); and

(b) made requests to CIMIC for funds which were stated to be for, among other things cash for operations including critical project payments, paying salaries and post-dated cheques and meeting separate loan obligations including repayments of bank debts and bank fees.

Particulars

(i) Email from Roman Garrido Sanchez to Michael Wright, Stefan Camphausen, Ignacio Segura Suriñach and Emilio Grande dated 28 March 2018 [**CIM.100.034.7636**] attaching a BICC liquidity report showing deficit of AED 170.1 million for April 2018 [**CIM.100.034.7637**]

(ii) Copy of April forecast cash deficit and request for AED 82.3 million made on or around 9 April 2018: email from David Wood (BICC) to Emilio Grande, Roman Garrido Sanchez and George Sassine dated 9 April 2018 [**CIM.100.034.7473**]

(iii) Email from Roman Garrido Sanchez to Michael Wright, Stefan Camphausen, Emilio Grande, George Sassine and Ignacio Segura Suriñach dated 11 April 2018 forwarding request for AED 82.3 million [**CIM.100.034.7471**].

190. In April 2018:

(a) BICC received AED 60 million (equivalent to approximately $20.69 million) from CIMIC's acquisition of BICC's share in Al Dhafra Recycling Plant, and BICC used these funds to pay salaries and HR settlements, post dated cheques and project payments;

(b) CIMIC approved the above requests from BICC in part;

(c) pursuant to which CIMIC transferred to BICC cash totalling AED 87 million (equivalent to approximately $30.35 million).

Particulars

(i) AED 60 million Payment details spreadsheet and extracts from BICC's bank statements [**CIM.100.034.7474**] sent in an email from David Wood (BICC) to Emilio Grande, Roman Garrido Sanchez and George Sassine on 9 April 2018 [**CIM.100.034.7473**], as confirmation of what payments were made following the AED 60 million injection.

(ii) Recommendation of Emilio Grande that Ignacio Segura Suriñach approve AED 20 million cash injection on 16 April 2018: email from Emilio Grande to Ignacio Segura Suriñach on 16 April 2018 [**CIM.105.006.7574**].

(iii) Confirmation that AED 67 million was paid to BICC: email from Nick Cain to George Sassine, Roman Garrido Sanchez, Emilio Grande, Christina Ilinkovski, Colin Young, Ignacio Segura Suriñach, Stefan Camphausen and Scott McAlpine [**CIM.102.028.5708**].

(iv) Email from Nick Cain to Colin Young confirming the dates and amounts of the payments sent to HLG in April [**CIM.102.028.5707**].

191. In May 2018, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for May 2018; and

(b) made requests to CIMIC for funds totalling AED 32 million, which funds were stated to be for, among other things, cash for operations including critical utility payments, paying salaries and post-dated cheques.

Particulars

(i) Copy of BICC cash request for May 2018: email from Roman Garrido Sanchez to Michael Wright, Stefan Camphausen, Ignacio Segura Suriñach, Emilio Grande and George Sassine on 28 May 2018; forwarded from Stefan Camphausen to Scott McAlpine and Michael Azzi on 29 May 2018 [**CIM.114.037.2436**].

192. In May 2018, CIMIC:

(a) approved the above requests from BICC;

(b) transferred to BICC cash totalling AED 32 million (equivalent to approximately $11.2 million).

Particulars

(i) Approval by Michael Wright on or around 29 May 2018: email from Michael Wright to Roman Garrido Sanchez, Stefan Camphausen, Ignacio Segura Suriñach, Emilio Grande and George Sassine [**CIM.100.023.3114**].

(ii) Confirmation that AED 32 million was to be treated, for accounting purposes, as a deposit for the acquisition of BICC receivables: email from Emilio Grande to George Sassine, Mira Sekartika, Tim Martel, Harnek Soor and Roman Garrido Sanchez [**CIM.104.029.0438**].

Amendments to UNB Facility Agreements

193. On or about 24 April 2018, BICC and UNB agreed to renew and amend the UNB Facility Agreements pursuant to which, among other matters:

(a) the UNB Facility Agreement was revised and renewed to specified reduced limits;

(b) HLG irrevocably and unconditionally undertook that in the event of default under the syndicated loan obtained by HLG, extended facilities from UNB would be considered defaulted and take precedence over other banks for early settlement;

(c) limits were to remain frozen for new business transactions until the issue of the ZADOC project was resolved;

(d) the existing corporate guarantee of Al Habtoor Holding LLC and personal guarantee of Mr Riad Tawfiq Al Sadek could be replaced with the existing corporate guarantee of CIMIC Group Limited covering the allocated limits under existing projects and outstanding exposure under general limits and subject to compliance with either the return of the project bonds under the terminated ZADCO project or confirmation from ZADCO that final accounts of the project were in surplus and there was no threat to the project bonds issued by UNB.

Particulars

Facility Offer letter dated 24 April 2018 [**BIC.006.047.4832**]

Additional debt–facilities – Greensill Facility A and Facility B

194. On or about 20 June 2018, BICC, as customer, entered into an accounts payable finance facility agreement with Greensill Capital (UK) Limited (**Greensill**), as the financial institution, (**Greensill Facility A Agreement** and a **Guaranteed Facility**).

Particulars

Facility A Customer Agreement dated 20 June 2018 [**CIM.118.007.0492**]

195. There were terms of the Greensill Facility A Agreement, among others, to the effect that:

(a) BICC may request Greensill to make payments to it, in order for BICC to fulfill its obligation to pay account payables arising out of commercial trade transactions which BICC may enter into with suppliers from time to time (paragraphs A and B);

(b) Greensill make available to BICC the Facility, capable of being utilised up to the relevant Available Facility Limit (defined as, at any time, the Total Facility Limit minus the Utilised Amount at that time) (cl 1.5.1; cl 1.1);

(c) the Total Facility Limit had the meaning given to it in the CIMIC Guarantee (as defined), being from 20 June 2018 until (but excluding) the fourth anniversary of the date of the agreement, USD 350,000,000 or such higher amount as agreed from time to time between CIMIC and Greensill, subject to any reduction or cancellation from time to time in accordance with the terms of any Transaction Document (as defined in the Greensill Facility A Agreement) (cl 1.1, CIMIC Guarantee cl 3.18);

(d) the Total Facility Limit may be reduced to zero at Greensill's election by notice to BICC where an Event of Default occurs (cl 1.5.2);

(e) BICC had obligations to pay the Designated Amount (as defined) in accordance with the terms of the agreement (cl 2);

(f) if an Event of Default was continuing, Greensill may, by notice to BICC, declare that all Payment Amounts then unpaid shall become immediately due and payable and the Total Facility Limit be reduced to zero (cl 2.5);

(g) an Event of Default meant the occurrence of any of the following events (cl 1.1):

(i) BICC or CIMIC fails to pay in the manner and currency when due any amount payable by it under any Transaction Document (defined as including the Greensill Facility A Agreement and CIMIC Guarantee) and any such amount is not paid within 7 calendar days after Greensill had notified CIMIC that such sum had not been paid;

(ii) Indebtedness Default Event, which meant:

i. any indebtedness, present or future, actual or contingent, in respect of moneys borrowed or raised or any financial accommodation whatsoever, including under or in respect of any guarantee or indemnity in respect of any such indebtedness or under any finance lease (defined as Financial Indebtedness) in excess of (in the case of CIMIC) $25,000,000 or (in the case of BICC) AED40,000,000 becomes due and payable prior to its stated maturity as a result of default and is not paid forthwith; or

ii. any Obligor (defined as BICC and CIMIC) fails to pay when due or upon expiration of any appliable grace period any Financial Indebtedness in excess of (in the case of CIMIC) $25,000,000 or (in the case of BICC) AED40,000,000;

(iii) an Event of Insolvency, which included the following:

i. an Obligor enters into or resolved to enter into a scheme of arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or calls a meeting to consider a reorganisation, moratorium or other administration involving any of them, other than for the purpose of a reconstruction or amalgamation on terms approved by Greensill;

ii. an Obligor is or state that it is unable to pay its debts when they fall due;

iii. anything analogous or having a substantially similar effect to any of the events specified above happens to an Obligor under the law of any applicable jurisdiction.

196. On or about 20 June 2018, CIMIC executed a deed of guarantee, as amended by a supplemental deed dated 25 June 2018, in favour of Greensill pursuant to which CIMIC guaranteed BICC's obligations to Greensill under the Greensill Facility A Agreement (**Greensill Facility A Guarantee** and a **CIMIC Guarantee**).

Particulars

Deed of Guarantee dated 20 June 2018 executed by CIMIC and Greensill [**CIM.118.007.0513**], and signed on behalf of CIMIC by Scott McAlpine and Louise Griffiths.

Supplemental Deed of Guarantee dated 25 June 2015 executed by CIMIC and Greensill [**CIM.118.007.0516**], and signed on behalf of CIMIC by Scott McAlpine and L Nikolopoulos.

The Greensill Facility A Guarantee was the "CIMIC Guarantee" referred to in the Greensill Facility A Agreement.

197. The terms of the Greensill Facility A Guarantee included terms to the effect that:

(a) CIMIC unconditionally and irrevocably guaranteed to Greensill the due and punctual performance by BICC of its obligations and satisfaction of its liabilities (including each obligation to pay money) under or in connection with the Greensill Facility A Agreement (defined as Guaranteed Obligations) (cl 3.1);

(b) CIMIC as principal obliger agreed to indemnify and keep indemnified Greensill in full from and against any losses, costs and expenses suffered or incurred by Greensill arising out of any failure of BICC to perform or discharge the Guaranteed Obligations (cl 3.2);

(c) any amount which CIMIC was liable to pay Greensill under cl 3.1 or 3.2 must be paid within 3 business days of a demand being made by Greensill on CIMIC (cl 3.3).

198. On or about 20 June 2018, BICC, as customer, entered into an accounts payable finance facility agreement with Greensill, as the financial institution, (**Greensill Facility B Agreement** and a **Guaranteed Facility**).

Particulars

Facility B Customer Agreement dated 20 June 2018 [**CIM.118.007.0499**]

199. The terms of the Greensill Facility B Agreement were relevantly identical to the terms of the Greensill Facility A Agreement as pleaded above, including a term to the effect that the Total Facility Limit had the meaning given to it in the CIMIC Guarantee (as defined), being from 20 June 2018 until (but excluding) the fourth anniversary of the date of the agreement, USD 350,000,000 or such higher amount as agreed from time to time between CIMIC and Greensill, subject to any reduction or cancellation from time to time in accordance with the terms of any Transaction Document (as defined in the Greensill Facility B Agreement) (cl 1.1, CIMIC Guarantee cl 3.18).

200. On or about 20 June 2018, CIMIC executed a deed of guarantee in favour of Greensill pursuant to which CIMIC guaranteed BICC's obligations to Greensill under the Greensill Facility B Agreement (**Greensill Facility B Guarantee** and a **CIMIC Guarantee**).

Particulars

Deed of Guarantee dated 20 June 2018 executed by CIMIC and Greensill [**CIM.118.007.0518**], and signed on behalf of CIMIC by Scott McAlpine and Louise Griffiths.

The Greensill Facility B Guarantee was the "CIMIC Guarantee" referred to in the Greensill Facility B Agreement.

201. The terms of the Greensill Facility B Guarantee included terms to the effect that:

(a) CIMIC unconditionally and irrevocably guaranteed to Greensill the due and punctual performance by BICC of its obligations and satisfaction of its liabilities (including each obligation to pay money) under or in connection with the Greensill Facility B Agreement (defined as Guaranteed Obligations) (cl 3.1);

(b) CIMIC as principal obliger agreed to indemnify and keep indemnified Greensill in full from and against any losses, costs and expenses suffered or incurred by Greensill arising out of any failure of BICC to perform or discharge the Guaranteed Obligations (cl 3.2);

(c) any amount which CIMIC was liable to pay Greensill under cl 3.1 or 3.2 must be paid within 3 business days of a demand being made by Greensill on CIMIC (cl 3.3).

Cash Requests – June 2018

202. In June 2018, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for June 2018; and

(b) made a request to CIMIC for funds totalling AED 66 million, which funds were stated to be for, among other things, cash for operations including cash for bank payments, post-dated cheques and labour wages.

Particulars

(i) Copy of BICC liquidity report and request for AED 66 million dated 21 June 2018: email from Moustafa Fahour to Emilio Grande, Roman Garrido Sanchez, George Sassine, Colin Young and Ignacio Segura Suriñach dated 21 June 2018 [**BIC.002.025.1660**].

203. In June 2018:

(a) CIMIC approved the above requests from BICC;

(b) pursuant to which:

(i) CIMIC transferred to BICC cash totalling AED 68.6 million (equivalent to approximately $24.9 million);

(ii) BICC drew down under the Greensill Facilities AED 198.5 million (equivalent to approximately $72 million) which was AED 189.2 million net of discount and fees (equivalent to approximately $68.6 million); and

(iii) BICC transferred to CIMIC cash totalling AED 187.6 million (equivalent to approximately $68.1 million).

Particulars

(i) Approval by Scott McAlpine of AED 46 million cash injection on or around 22 June 2018: email from Scott McAlpine to Nick Cain, Michael Azzi and Thai Dang dated 22 June 2018 [**CIM.118.012.3765**]; email from Emilio Grande to David Wood, Colin Young, Moustafa Fahour, Roman Garrido Sanchez and George Sassine dated 22 June 2018 [**CIM.104.028.5412**]

(ii) BICC Update recording the funding provided to BICC and the repayment of advances via the Greensill Facility [**CIM.100.030.0310**] attached to an email from Stefan Camphausen to Michael Wright and Ignacio Segura Suriñach dated 3 September 2018 [**CIM.100.030.0309**].

204. In July 2018, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for July 2018; and

(b) made requests to CIMIC for approval to draw down amounts totalling AED 143 million under the Greensill Facilities, which drawdowns were stated to be for, among other things, cash for operations including cash for bank payments, post-dated cheques, salary payments and critical project payments.

Particulars

(i) Copy of BICC liquidity report for July 2018 and request for AED 77 million to be sent urgently and an additional AED 48 million later in the month sent on or around 5 July 2018: email from Emilio Grande to Michael Wright, Ignacio Segura Suriñach, Stefan Camphausen, Roman Garrido Sanchez and George Sassine dated 5 July 2018 [**CIM.100.025.4288**].

(ii) Copy of BICC mid-month liquidity report for July 2018 and request for AED 66 million sent on or around 17 July 2018: email from David Wood (BICC) to Emilio Grande, Scott McAlpine, Colin Young, Roman Garrido Sanchez and George Sassine [**CIM.104.028.1650** and **CIM.104.028.1651**].

205. In July 2018:

(a) CIMIC approved the above requests from BICC in part;

(b) pursuant to which BICC drew down under the Greensill Facilities AED 150.7 million (equivalent to approximately $54.7 million) which was AED 144.4 million net of discount (equivalent to approximately $52.4 million).

Particulars

(i) Approval by Michael Wright of AED 77 million cash transfer on or around 6 July 2018: email from Michael Wright to Emilio Grande, Ignacio Segura Suriñach, Stefan Camphausen, Roman Garrido Sanchez and George Sassine [**CIM.100.025.4620**]. Approval also confirmed in email from Michael Wright to to Emilio Grande, Ignacio Segura Suriñach, Stefan Camphausen, Roman Garrido Sanchez and George Sassine dated 10 July 2018 [**CIM.100.025.4288**]

(ii) Approval by Michael Wright of AED 66 million drawdown on or around 24 July 2018: email from Roman Garrido Sanchez to Scott McAlpine, Ignacio Segura Suriñach, Stefan Camphausen, George Sassine, Emilio Grande and Michael Wright [**CIM.104.028.0170**].

(iii) Greensill funding on or around 6 July and 25 July 2018 totalling AED 150.7 million or AED 144.4 million net of discount, reported in the BICC update [**CIM.100.028.1053**] sent in an email from Stefan Camphausen to Michael Wright, Ignacio Segura Suriñach, Dianne Cassidy and Derek Kerr on 10 September 2018 [**CIM.100.028.0988**].

CIMIC's exposure to BICC

206. As at 30 June 2018, CIMIC's total financial exposure to BICC was approximately $1,496.8 million comprising:

(a) approximately $593.2 million under the Shareholder Loans (which as at 30 June 2018 had been adjusted down from $1,110.5 million after CIMIC applied an adjustment for ECL under AASB 9);

(b) approximately $831.6 million under the CIMIC Guarantees (being the UNB Guarantee, the HSBC Syndicated Guarantee, Greensill Facility A Guarantee and Greensill Facility B Guarantee);

(c) approximately $72 million under the Call Option.

Particulars

(i) the draft CIMIC Consolidated Interim Financial Report for the six months ended 30 June 2018 provided to ARMC in advance of the ARMC meeting on 18 July 2018 [**CIM.004.005.0246**] at p 152 and 156.

(ii) Spreadsheet entitled 'HLG Bonding_Jun-18 from FP&A-cy edit' [**CIM.102.028.4749**] sent from Colin Young to Derek Kerr on 9 July 2018 [**CIM.102.028.4748**]

(iii) BICC update [**CIM.100.028.1053**] sent in an email from Stefan Camphausen to Michael Wright, Ignacio Segura Suriñach, Dianne Cassidy and Derek Kerr on 10 September 2018 [**CIM.100.028.0988**].

(iv) BICC Exposure Estimate [**CIM.104.010.1083**] attached to an email from George Sassine to Emilio Grande and Colin Young dated 11 October 2019 [**CIM.104.010.1080**].

(v) Samuel Report at [163], [169], [173], [411]

Appropriate accounting treatment in respect of BICC

207. As at 18 July 2018:

(a) in 1H18, BICC had negative cash flows from operations, and its cash position was under immense pressure;

(b) in 1H18, BICC's performance had continued to deteriorate and it had not performed in line with the FY17 BICC Valuation forecasts and assumptions for FY18;

(c) BICC continued to face significant challenges to improving its performance in FY18 by reason that its work in hand had declined substantially to AED 2,892 million (from AED 5,512 million as at December 2017), its current margin in hand was AED 92 million and the majority of its projects were loss making;

(d) the Legacy Project Receivables associated with BICC continued to be critically degraded such that there was an escalating risk that BICC would not recover those outstanding amounts at all; and

(e) BICC was reliant upon CIMIC for financial support including making cash advances to fund BICC's basic operational expenses,

(**BICC's 1H18 Performance**)

Particulars

The Applicant refers to paragraphs 177 to 184.

208. By reason of BICC having negative equity value pursuant to the Adjusted FY17 HLG Valuation, and by reason of BICC's 1H18 Performance, as at 30 June 2018:

(a) the fair value of the Call Option was nil;

(b) in accordance with AASB 9, CIMIC was required to write down the fully impaired amount of the Call Option from $72 million to nil for 1H18.

Particulars

Samuel Report at [429] to [433]

Second Samuel Report at [16], [17]

209. By reason of BICC having negative cash flows from FY18 to FY21 pursuant to the Adjusted FY17 HLG Valuation, and by reason of BICC's 1H18 Performance, as at 30 June 2018:

(a) BICC was unable to cover all of its operating costs;

(b) BICC was unable to meet its short-term debt repayment commitments; and

(c) BICC was unable to repay any Shareholder Loans (which were subordinated to BICC's external debt (including the Guaranteed Facilities)),

such that:

(d) there was no reasonable expectation of recovery of the Shareholder Loans (in accordance with AASB 9); and

(e) CIMIC was required to write down the full amount of the carrying value of the Shareholder Loans from $593.2 to nil for 1H18.

Particulars

Samuel Report at [328] to [329], [335], [429] to [431], [433]

Second Samuel Report at [16], [17]

210. By reason of BICC having negative cash flows from FY18 to FY21 pursuant to the Adjusted FY17 HLG Valuation and by reason of BICC's 1H18 Performance, as at 30 June 2018:

(a) BICC's ability to continue as a going concern was reliant upon it obtaining alternative finance to enable it to meet the projected operating cash shortfalls and its existing debt repayment obligations;

(b) in the event BICC was unable to obtain alternative finance, it was probable that BICC would be placed into some form of insolvency administration, and all of the CIMIC Guarantees would be called;

(c) alternatively, in the event BICC was able to obtain alternative finance, BICC would be reliant on generating sufficient cash flow from operations after FY18 to meet all of its debt obligations as they fell due, however, under the Adjusted FY17 HLG Valuation it was probable that BICC would be unable to meet its debt obligations and all of the CIMIC Guarantees would be called;

(d) by reason of the above matters:

    (i) there was a high probability of an event of default on the Guarantees Facilities within 12 months;

    (ii) pursuant to AASB 9, CIMIC was required to assess the lifetime ECL on the CIMIC Guarantees, which could be estimated based on the probability of default under the independent credit rating for BICC, being 69.82% of the total of the CIMIC Guarantees (then in the amount of $831.6 million);

    (iii) CIMIC was required to recognise a provision of $580.7 million in 1H18 in relation to the amounts expected to be paid under the CIMIC Guarantees.

Particulars

Samuel Report at [329], [415] to [417], [429] to [433]

Second Samuel Report at [16], [17]

True Position – July 2018

211. In the premises of paragraphs 207 to 210, in respect of 1H18:

(a) the Shareholder Loans in the amount of $593.2 were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(b) the Call Option in the amount of $72 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(c) CIMIC was required by the applicable accounting standards to recognise a financial liability of $580.7 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees; and

(d) by reason of the above matters:

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($872.1) million in 1H18 in respect of its total financial exposure to BICC; and

(ii) CIMIC's 1H18 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($509.1) million; or

(e) alternatively to (b) to (d), by reason of the matters pleaded in (a):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($415.24) million in 1H18 in respect of its financial exposure to BICC; and

(ii) CIMIC's NPAT adjusted for the BICC related impact was ($52.24) million.

~~(f) alternatively to (d), in the event CIMIC had made the FY17 adjustments pleaded in paragraph 170 above, by reason of the above matters:~~

~~(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($80.4) million in 1H18 in relation to its increased financial exposure to BICC in the six months to 30 June 2018; and~~

~~(ii) CIMIC's 1H18 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was $282.6 million.~~

July 2018 Middle East Information

212. On and from 18 July 2018, CIMIC was aware, for the purposes of ASX Listing Rule 19.12 that, in respect of 1H18:

(a) the Shareholder Loans in the amount of $593.2 were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(b) the Call Option in the amount of $72 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(c) CIMIC was required by the applicable accounting standards to recognise a financial liability of $580.7 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees; and

(d) by reason of the above matters:

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($872.1) million in 1H18 in respect of its total financial exposure to BICC; and

(ii) CIMIC's 1H18 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($509.1) million; or

(e) alternatively to (b) to (d), by reason of the matters pleaded in (a):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($415.24) million in 1H18 in respect of its financial exposure to BICC; and

(ii) CIMIC's NPAT adjusted for the BICC related impact was ($52.24) million.

~~(e) alternatively to (d), in the event CIMIC had made the FY17 adjustments pleaded in paragraph 170 above, by reason of the above matters:~~

~~(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($80.4) million in 1H18 in relation to its increased financial exposure to BICC in the six months to 30 June 2018; and~~

~~(ii) CIMIC's 1H18 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was $282.6 million.~~

(**July 2018 Middle East Information**)

Particulars

Each of the items comprising the July 2018 Middle East Information was information which by 18 July 2018 had, or ought reasonably to have, come into the possession of CIMIC officers Michael Wright, Stefan Camphausen and Ignacio Segura Suriñach, and was therefore information of which it was aware within the meaning of ASX Listing Rule 19.12.

Michael Wright

It is to be inferred that Michael Wright had, or ought reasonably to have, come into possession of the July 2018 Middle East Information by reason of the fact that:

A. Michael Wright knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 7 February 2018, particularised in paragraph 171 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 June 2018, as pleaded at paragraph 206 above;

(c) the deterioration of BICC's financial performance since 31 December 2017, as pleaded at paragraphs 176 to 184 and 207 above;

(d) BICC was not performing in line with the forecasts and assumptions for FY18, contained in the FY17 Valuation Report, as pleaded at paragraphs 177 to 184 and 207 above;

(e) BICC had negative cash flows from operations for the year to date, and its cash position was under immense pressure, as pleaded at paragraph 180 above;

(f) BICC faced significant challenges to improving its performance in FY18 by reason that its work in hand had declined substantially to AED 2,892 million (from AED 5,512 million as at December 2017), its current margin in hand was AED 92 million and the majority of its projects were loss making, as pleaded at paragraphs 180, 184 and 207 above;

(g) BICC had won only three new projects in FY17 valued at AED 467 million compared to AED 2.7 billion in FY16, a decline of (83%), as pleaded at paragraph 180 above;

(h) BICC was reliant on CIMIC for financial support, including for cash advances for operational expenses, and for approving BICC's draw downs under the Greensill Facilities to fund some of BICC's operational expenses, as pleaded at paragraphs 189 to 205 above;

(i) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 185 to 188 above;

(j) a large portion of BICC's receivables were not certified, as pleaded at paragraphs 185 to 188 above; and

(k) BICC had obligations on bank debt that were due for repayment by 31 December 2018 totalling AED 1,027 million, as stated in the BICC Loan Repayment Schedule [**CIM.102.032.1841**] particularised below.

B. By reason of knowing the matters in (a) to (k) above, Michael Wright knew or ought reasonably to have known that:

(l) the FY17 HLG Valuation was incorrect and ought not be relied upon by CIMIC;

(m) the FY17 HLG Valuation ought to be adjusted for the FY17 Opening Position Error, the FY17 Unreasonable Assumptions and the further incorrect assumptions pleaded at paragraphs 162 to 164 above; and

(n) so adjusted, the FY17 HLG Valuation would have recorded the matters pleaded in paragraph 165(d) to (g) above;

C. By reason of knowing the matters in (l) to (n) above, and by reason of knowing BICC's 1H18 Performance pleaded at paragraph 207, Michael Wright knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(o) by reason of the matters pleaded in paragraph 209, the Shareholder Loans in the amount of $593.2 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 212(a) of the July 2018 Middle East Information);

(p) by reason of the matters pleaded in paragraph 208, the Call Option in the amount of $72 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 212(b) of the July 2018 Middle East Information);

(q) by reason of the matters pleaded in paragraph 210, CIMIC was required to recognise a financial liability of $580.7 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 212(c) of the July 2018 Middle East Information); and

(r) by reason of the above matters in paragraphs (o) to (q), CIMIC was required to recognise a post-tax impact in the amount of ($872.1) million in 1H18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($509.1) million (paragraph 212(d) of the July 2018 Middle East Information); or

(s) alternatively to (r), by reason of the above matters in paragraph (o), CIMIC was required to recognise a post-tax impact in the amount of ($415.24) million in 1H18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($52.24) million (paragraph 212(e) of the July 2018 Middle East Information).

D. Michael Wright knew or ought reasonably to have known the matters in (a) to (k) above by reason of:

(i) the matters particularised in respect of Michael Wright's knowledge of the February 2018 Middle East Information in paragraph 171 above;

(ii) Michael Wright's receipt, in his capacity as the CEO and managing director of CIMIC (as pleaded in paragraphs 35 to 36), of:

a. an email from Scott McAlpine on 18 March 2018 [CIM.104.036.1668] about the Guaranteed Facilities, BICC's reliance on CIMIC for financial support and CIMIC's financial exposure to BICC;

b. an email from Roman Garrido Sanchez on 22 March 2018 [CIM.100.034.7638] about BICC's reliance on CIMIC for financial support and BICC's deteriorating financial position;

c. an email from Roman Garrido Sanchez on 8 May 2018 [CIM.100.034.6831] about BICC's reliance on CIMIC for financial support;

d. the BICC Project Data Report as at March 2018 [CIM.100.158.3552] received by Dianne Cassidy (executive assistant to Michael Wright) on behalf of Michael Wright by email dated 5 June 2018 [CIM.100.158.3545];

e. the draft CIMIC Consolidated Interim Financial Report for the six months ended 30 June 2018 provided to the ARMC in advance of the ARMC meeting on 18 July 2018 [CIM.004.005.0246];

f. the general treasury and insurance update provided to the ARMC in advance of the ARMC meeting on 18 July 2018 [CIM.004.005.0246] p 279, 280;

(iii) Michael Wright's receipt, in his capacity as a director of BICC (as pleaded in paragraph 21(b)), of:

a. the BICC Contracting Monthly Report for January 2018 [CIM.120.001.8248] on 8 March 2018 [CIM.120.001.8247];

b. the BICC Contracting Monthly Report for February 2018 [CIM.100.157.3667] on 10 April 2018 [CIM.100.157.3666];

c. a draft of HLG's audited consolidated financial statements financial statements for FY17 [CIM.100.034.7515] on 16 April 2018 [CIM.100.034.7492];

d. the BICC Board Report for April 2018 [CIM.100.034.7268] on 16 April 2018 [CIM.100.034.7267]; and

e. the BICC Contracting Monthly Report for March 2018 [CIM.102.027.5578] on 3 May 2018 [CIM.102.027.5577];

in circumstances where:

f. he was under a duty to receive and communicate to CIMIC information acquired by him in the course of his role as a director of BICC which concerned BICC's financial performance, BICC's ability to satisfy its obligations to CIMIC under the Shareholder Loans, and/or BICC's ability to satisfy its obligations under the Guaranteed Facilities (together, the **BICC Financial Information**)

(iv) Michael Wright's receipt and approval of draw down requests from BICC. Paragraphs 189, 191, 192, 203, 204 and 205 and the particulars subjoined thereto are referred to and repeated.

(v) Stefan Camphausen's receipt of information about the matters in paragraphs (b) to (k) above (as particularised below), in circumstances where Stefan

Camphausen had a duty to inform Michael Wright of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

(vi) George Sassine's receipt of information about the matters in paragraphs (b), (c), (e) to (k) above (as particularised below), in circumstances where George Sassine had a duty to inform Michael Wright of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

Stefan Camphausen

It is to be inferred that Stefan Camphausen had, or ought reasonably to have, come into possession of the July 2018 Middle East Information by reason of the fact that:

A. Stefan Camphausen knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 7 February 2018, particularised in paragraph 171 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 June 2018, as pleaded at paragraph 206 above;

(c) the deterioration of BICC's financial performance since 31 December 2017, as pleaded at paragraphs 176 to 184 and 207 above;

(d) BICC was not performing in line with the forecasts and assumptions for FY18, contained in the FY17 Valuation Report as pleaded at paragraphs 177 to 184 and 207 above;

(e) BICC had negative cash flows from operations for the year to date, and its cash position was under immense pressure, as pleaded at paragraph 180 above;

(f) BICC faced significant challenges to improving its performance in FY18 by reason that its work in hand had declined substantially to AED 2,892 million (from AED 5,512 million as at December 2017), its current margin in hand was AED 92 million and the majority of its projects were loss making, as pleaded at paragraphs 180, 184 and 207 above;

(g) BICC had won only three new projects in FY17 valued at AED 467 million compared to AED 2.7 billion in FY16, a decline of (83%), as pleaded at paragraph 180 above;

(h) BICC was reliant on CIMIC for financial support, including for cash advances for operational expenses, and for approving BICC's draw downs under the

Greensill Facilities to fund some of BICC's operational expenses, as pleaded at paragraphs 189 to 205 above;

(i) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 185 to 188 above;

(j) a large portion of BICC's receivables were not certified as pleaded at paragraphs 185 to 188 above; and

(k) BICC had obligations on bank debt that were due for repayment by 31 December 2018 totalling AED 1,027 million, as stated in the BICC Loan Repayment Schedule [**CIM.102.032.1841**] particularised below.

B. By reason of knowing the matters in (a) to (k) above, Stefan Camphausen knew or ought reasonably to have known that:

(l) the FY17 HLG Valuation was incorrect and ought not be relied upon by CIMIC;

(m) the FY17 HLG Valuation ought to be adjusted for the FY17 Opening Position Error, the FY17 Unreasonable Assumptions and the further incorrect assumptions pleaded at paragraphs 162 to 164 above; and

(n) so adjusted the FY17 HLG Valuation would have recorded the matters pleaded in paragraph 165(d) to (g) above;

C. By reason of knowing the matters in (l) to (n) above, and by reason of knowing BICC's 1H18 Performance pleaded at paragraph 207, Stefan Camphausen knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(o) by reason of the matters pleaded in paragraph 209, the Shareholder Loans in the amount of $593.2 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 212(a) of the July 2018 Middle East Information);

(p) by reason of the matters pleaded in paragraph 208, the Call Option in the amount of $72 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 212(b) of the July 2018 Middle East Information);

(q) by reason of the matters pleaded in paragraph 210, CIMIC was required to recognise a financial liability of $580.7 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 212(c) of the July 2018 Middle East Information); and

(r) by reason of the above matters in paragraphs (o) to (q), CIMIC was required to recognise a post-tax impact in the amount of ($872.1) million in 1H18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($509.1) million (paragraph 212(d) of the July 2018 Middle East Information); or

(s) alternatively to (r), by reason of the above matters in paragraph (o), CIMIC was required to recognise a post-tax impact in the amount of ($415.24) million in 1H18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($52.24) million (paragraph 212(e) of the July 2018 Middle East Information).

D. Stefan Camphausen knew or ought reasonably to have known the matters in (a) to (k) above by reason of:

(i) the matters particularised in respect of Stefan Camphausen's knowledge of the February 2018 Middle East Information in paragraph 171 above;

(ii) Stefan Camphausen's receipt, in his capacity as the Chief Financial Officer of CIMIC (as pleaded in paragraphs 35 to 36) of:

a. an email from Scott McAlpine on 18 March 2018 [CIM.104.036.1668] about the Guaranteed Facilities, BICC's reliance on CIMIC for financial support and CIMIC's financial exposure to BICC;

b. an email from Roman Garrido Sanchez on 22 March 2018 [CIM.100.034.7638] about BICC's reliance on CIMIC for financial support and BICC's deteriorating financial position;

c. an email from Roman Garrido Sanchez on 8 May 2018 [CIM.100.034.6831] about BICC's reliance on CIMIC for financial support;

d. HLG's audited consolidated financial statements for FY17 [CIM.102.031.8198] received on 15 May 2018 [CIM.102.031.8196];

e. the BICC Project Data Report as at March 2018 [CIM.102.028.6343] on 22 May 2018 [CIM.102.028.6334];

f. an email from Scott McAlpine to a Greensill official on 25 May 2018, copied to Camphausen [CIM.118.013.4715], about the Greensill facilities and Greensill guarantees;

g. an email from Scott McAlpine on 3 June 2018 [CIM.105.007.0876] about the Greensill facilities and Greensill guarantees;

h. the FY17 VIU Model [CIM.108.027.1834] received by email on 20 June 2018 [CIM.108.027.1788];

i. an email from Scott McAlpine on 27 June 2018 [CIM.108.027.3809] about the Greensill facilities and Greensill guarantees, and CIMIC's financial exposure to BICC;

(iii) Stefan Camphausen's sending of a presentation entitled 'BICC – Project Ford' [CIM.102.030.8434] with supporting materials [CIM.102.030.8421 and CIM.102.030.8433] on 24 May 2018 to Colin Young and Emilio Grande [CIM.102.030.8419].

(iv) Stefan Camphausen's receipt, in his capacity as an alternate director of BICC (as pleaded in paragraph 21(b), of:

a. the BICC Contract Monthly Report for December 2018 [CIM.104.031.4372] on 22 February 2018 [CIM.104.041.4370];

b. the BICC Contracting Monthly Report for January 2018 [CIM.120.001.8248] on 8 March 2018 [CIM.120.001.8247];

c. the BICC Contracting Monthly Report for February 2018 [CIM.100.157.3667] on 10 April 2018 [CIM.100.157.3666];

d. the BICC Board Report for April 2018 [CIM.100.034.7268] on 16 April 2018 [CIM.100.034.7267];

e. a draft of HLG's audited consolidated financial statements financial statements for FY17 [CIM.100.034.7515] on 16 April 2018 [CIM.100.034.7492]; and

f. the BICC Contracting Monthly Report for March 2018 [CIM.102.027.5578] on 3 May 2018 [CIM.102.027.5577];

in circumstances where he was under a duty to receive and communicate to CIMIC information acquired by him in the course of his role as an alternate director of BICC which concerned the BICC Financial Information.

(v) Stefan Camphausen's receipt of BICC's draw down requests and approval of same. Paragraphs 189, 190, 191, 192, 202, 203, 204 and 205 and the particulars subjoined thereto are referred to and repeated.

(vi) Colin Young's receipt of the BICC Project Data Report as at December 2017 [CIM.102.032.5282] on 22 February 2018 [CIM.102.032.5280] and the BICC Loan Repayment Schedule [CIM.102.032.1841] from David Wood (BICC) on 6 March 2018 [CIM.102.032.1837] in circumstances where Colin Young had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. His role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(vii) Colin Young and Emilio Grande's receipt of the BICC Project Data Report as at January 2018 [CIM.102.027.7339] on 9 March 2018 [CIM.102.027.7336] in circumstances where Colin Young and Emilio Grande each had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. their role and responsibilities (as pleaded in paragraph 38) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(viii) Emilio Grande, Colin Young and Tamara Kidd's receipt of the BICC Contracting Monthly Report for April 2018 [CIM.122.020.7324] on 5 June 2018 [CIM.122.020.7323] in circumstances where Emilio Grande, Colin Young and Tamara Kidd each had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. their role and responsibilities (as pleaded in paragraph 38) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(ix) Emilio Grande's receipt of the BICC Exposure Update for April 2018 [CIM.102.028.5480] by email from Colin Young dated 8 June 2018 [CIM.102.028.5479], in circumstances where Colin Young and Emilio Grande had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. their role and responsibilities (as pleaded in paragraph 38) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(x) Colin Young and Tamara Kidd's receipt of the BICC Monthly Report for May 2018 [CIM.122.018.5815] and the BICC Project Data Report as at May 2018 [CIM.122.018.5829] on 29 June 2018 [CIM.122.018.5811] in circumstances where Colin Young and Tamara Kidd each had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. their roles and responsibilities (as pleaded in paragraph 38) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(xi) Colin Young and Derek Kerr's receipt of a spreadsheet entitled 'HLG Bonding_Jun-18 from FP&A-cy edit' [CIM.102.028.4749] on 9 July 2018 [CIM.102.028.4748]] in circumstances where Colin Young and Derek Kerr each had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. their roles and responsibilities (as pleaded in paragraphs 17 and 38) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(xii) Scott McAlpine's receipt of information about the matters in paragraphs (b), (c), (e) to (i) above (as particularised below), in circumstances where Scott McAlpine had a duty to inform Stefan Camphausen of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

<u>Ignacio Segura Suriñach</u>

It is to be inferred that Ignacio Segura Suriñach had, or ought reasonably to have, come into possession of the July 2018 Middle East Information by reason of the fact that:

A. Ignacio Segura Suriñach knew, or ought reasonably to have known, the following:

(a) the nature and extent of CIMIC's financial exposure to BICC as at 30 June 2018, as pleaded at paragraph 206 above;

(b) the deterioration of BICC's financial performance since 31 December 2017, as pleaded at paragraphs 176 to 184 and 207 above;

(c) BICC was not performing in line with the forecasts and assumptions for FY18, contained in the FY17 Valuation Report, as pleaded at paragraphs 177 to 184 and 207 above;

(d) BICC had negative cash flows from operations for the year to date, and its cash position was under immense pressure, as pleaded at paragraph 180 above;

(e) BICC faced significant challenges to improving its performance in FY18 by reason that its work in hand had declined substantially to AED 2,892 million (from AED 5,512 million as at December 2017), its current margin in hand was AED 92 million and the majority of its projects were loss making, as pleaded at paragraphs 180, 184 and 207 above;

(f) BICC had won only three new projects in FY17 valued at AED 467 million compared to AED 2.7 billion in FY16, a decline of (83%), as pleaded at paragraph 180 above;

(g) BICC was reliant on CIMIC for financial support, including for cash advances for operational expenses, and for approving BICC's draw downs under the Greensill Facilities to fund some of BICC's operational expenses, as pleaded at paragraphs 189 to 205 above;

(h) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 185 to 188 above;

(i) a large portion of BICC's receivables were not certified, as pleaded at paragraphs 185 to 188 above;

(j) BICC had obligations on bank debt that were due for repayment by 31 December 2018 totalling AED 1,027 million, as stated in the BICC Loan Repayment Schedule [**CIM.102.032.1841**] particularised below; and

(k) the FY17 HLG Valuation was based upon the FY17 Opening Position Error, the FY17 Unreasonable Assumptions and the further assumptions pleaded at paragraph 164 above, as pleaded at paragraphs 162 to 164 above;

B. By reason of knowing the matters in (a) to (k) above, Ignacio Segura Suriñach knew or ought reasonably to have known that:

(l) the FY17 HLG Valuation was incorrect and ought not be relied upon by CIMIC;

(m) the FY17 HLG Valuation ought to be adjusted for the FY17 Opening Position Error, the FY17 Unreasonable Assumptions and the further incorrect assumptions pleaded at paragraphs 162 to 164 above; and

(n) so adjusted, the FY17 HLG Valuation would have recorded the matters pleaded in paragraph 165(d) to (g) above;

C. By reason of knowing the matters in (l) to (n) above, and by reason of knowing BICC's 1H18 Performance pleaded at paragraph 207, Ignacio Segura Suriñach knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(o) by reason of the matters pleaded in paragraph 209, the Shareholder Loans in the amount of $593.2 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 212(a) of the July 2018 Middle East Information);

(p) by reason of the matters pleaded in paragraph 208, the Call Option in the amount of $72 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 212(b) of the July 2018 Middle East Information);

(q) by reason of the matters pleaded in paragraph 210, CIMIC was required to recognise a financial liability of $580.7 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 212(c) of the July 2018 Middle East Information); and

(r) by reason of the above matters in paragraphs (o) to (q), CIMIC was required to recognise a post-tax impact in the amount of ($872.1) million in 1H18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($509.1) million (paragraph 212(d) of the July 2018 Middle East Information); or

(s) alternatively to (r), by reason of the above matters in paragraph (o), CIMIC was required to recognise a post-tax impact in the amount of ($415.24) million in 1H18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($52.24) million (paragraph 212(e) of the July 2018 Middle East Information).

D. Ignacio Segura Suriñach knew or ought reasonably to have known the matters in (a) to (k) above by reason of:

(i) Ignacio Segura Suriñach's receipt, in his capacity as the Deputy Chief Executive Officer and Chief Operating Officer of CIMIC (as pleaded in paragraphs 35 to 36), of:

a. an email from Scott McAlpine on 18 March 2018 [CIM.104.036.1668] about the Guaranteed Facilities, BICC's reliance on CIMIC for financial support and CIMIC's financial exposure to BICC;

b. an email from Roman Garrido Sanchez on 22 March 2018 [CIM.100.034.7638] about BICC's reliance on CIMIC for financial support and BICC's deteriorating financial position;

c. the BICC Contracting Monthly Report for February 2018 [CIM.100.157.3667] received on 10 April 2018 [CIM.100.157.3666]

d. an email from Roman Garrido Sanchez on 11 April 2018 [CIM.100.034.7471] about BICC's reliance on CIMIC for financial support and BICC's deteriorating financial position;

e. the BICC Board Report for April 2018 [CIM.105.013.8484] on 16 April 2018 [CIM.105.013.8483];

f. an email from Roman Garrido Sanchez on 8 May 2018 [CIM.100.034.6831] about BICC's reliance on CIMIC for financial support;

g. an email from Scott McAlpine on 3 June 2018 [CIM.105.007.0876] about the Greensill facilities and Greensill guarantees;

h. the BICC Contracting Monthly Report for April 2018 [CIM.105.011.3528] on 5 June 2018 [CIM.105.011.3522];

i. the BICC Project Data Report as at March 2018 [CIM.100.158.3552] received on 5 June 2018 [CIM.100.158.3545];

j. the BICC Exposure Update for April 2018 [CIM.105.012.3718] received on 8 June 2018 [CIM.105.012.3717];

k. HLG's audited consolidated financial statements for FY17 [BIC.002.016.5045] on 29 June 2018 [BIC.002.016.5032];

l. the draft CIMIC Consolidated Interim Financial Report for the six months ended 30 June 2018 provided to ARMC in advance of the ARMC meeting on 18 July 2018 [CIM.004.005.0246];

m. the general treasury and insurance update provided to ARMC in advance of the ARMC meeting on 18 July 2018 [CIM.004.005.0246] p 279, 280;

(ii) Ignacio Segura Suriñach's receipt of BICC's draw down requests. Paragraphs 189, 190, 191, 192, 202, 203, 204 and 205 and the particulars subjoined thereto are referred to and repeated.

(iii) Stefan Camphausen's receipt of information about the matters in paragraphs (a) to (k) above (as particularised above), as well as the matters Stefan Camphausen knew, or which he ought reasonably to have known, as of 7 February 2018, particularised in paragraph 171 above, in circumstances where Stefan Camphausen had a duty to inform Ignacio Segura Suriñach of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

(iv) George Sassine's receipt of information about the matters in paragraphs (a), (b), (d) to (j) above (as particularised above), in circumstances where George Sassine had a duty to inform Ignacio Segura Suriñach of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

Scott McAlpine

It is to be inferred that Scott McAlpine knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 7 February 2018, particularised in paragraph 171 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 June 2018 as pleaded at paragraph 206 above;

(c) the deterioration of BICC's financial performance since 31 December 2017 as pleaded at paragraphs 176 to 184 above;

(d) BICC had negative cash flows from operations for the year to date, and its cash position was under immense pressure, as pleaded at paragraph 180 above;

(e) BICC faced significant challenges to improving its performance in FY18 by reason that its work in hand had declined substantially to AED 2,892 million (from AED 5,512 million as at December 2017), its current margin in hand was AED 92 million and the majority of its projects were loss making, as pleaded at paragraphs 180, 184 and 207 above;

(f) BICC had won only three new projects in FY17 valued at AED 467 million compared to AED 2.7 billion in FY16, a decline of (83%), as pleaded at paragraph 180 above;

(g) BICC was reliant on CIMIC for financial support, including for cash advances for operational expenses, and for approving BICC's draw downs under the Greensill Facilities to fund some of BICC's operational expenses, as pleaded at paragraphs 189 to 205 above;

(h) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 185 to 188 above; and

(i) a large portion of BICC's receivables were not certified, as pleaded at paragraphs 185 to 188 above.

Scott McAlpine knew or ought reasonably to have known the matters in (a) to (i) above by reason of:

(i) the matters particularised in respect of Scott McAlpine's knowledge in paragraph 171 above;

(ii) Scott McAlpine's receipt, in his capacity as the Executive General Manager Treasury of CIMIC (as pleaded in paragraphs 35 to 36) of:

   a. an email from Stefan Camphausen on 22 March 2018 [CIM.114.037.4492] about BICC's deteriorating financial position and its reliance on CIMIC for financial support;

   b. HLG's audited consolidated financial statements for FY17 [CIM.102.031.8198] on 15 May 2018 [CIM.102.031.8196];

(iii) Scott McAlpine, in his capacity as the Executive General Manager Treasury of CIMIC (as pleaded in paragraphs 35 to 36), sending:

a. an email about the Guaranteed Facilities, BICC's reliance on CIMIC for financial support and CIMIC's financial exposure to BICC, sent to Michael Wright, Stefan Camphausen, Ignacio Segura Suriñach, George Sassine, Emilio Grande, Colin Young, Carlos Mendes and Christopher Granda on 18 March 2018 [CIM.104.036.1668];

b. an email to a Greensill employee on 25 May 2018 [CIM.118.013.4715] about the Greensill facilities and Greensill guarantees;

c. an email about the Greensill facilities and Greensill guarantees sent to Ignacio Segura Suriñach, Roman Garrido Sanchez, Emilio Grande, Christopher Granda, George Sassine and Stefan Camphausen on 3 June 2018 [CIM.105.007.0876];

d. an email to a Greensill employee on 24 June 2018 **[**CIM.118.012.3761] forwarding emails about drawdowns on the Greensill facilities and CIMIC's cash transfers to BICC in 1H18;

e. an email about the Greensill facilities and Greensill guarantees, and CIMIC's financial exposure to BICC, sent to Stefan Camphausen and others on 27 June 2018 [CIM.108.027.3809];

(iv) Scott McAlpine signing, on behalf of CIMIC, the Greensill Facility A Guarantee and the Greensill Facility B Guarantee. Paragraphs 196 and 200 and the particulars subjoined thereto are referred to and repeated;

(v) Scott McAlpine's preparation of the general treasury and insurance update provided to ARMC in advance of the ARMC meeting on 18 July 2018 [CIM.004.005.0246] p 279, 280 and his oral presentation to the ARMC regarding same;

(vi) Scott McAlpine's receipt of BICC's draw down requests and approvals of same. Paragraphs 190, 191, 203 and 204 and the particulars subjoined thereto are referred to and repeated;

(vii) Christopher Granda's receipt of:

a. the BICC Project Data Report as at December 2017 [CIM.102.032.5282] on 22 February 2018 [CIM.102.032.5280];

b. the BICC Contract Monthly Report for December 2017 [CIM.104.031.4372] on 22 February 2018 [CIM.104.031.4370];

c. the BICC Contracting Monthly Report for January 2018 [CIM.120.001.8248] on 8 March 2018 [CIM.120.001.8247];

d. BICC Board Report for April 2018 [CIM.102.028.7826] on 17 April 2018 [CIM.102.028.7827];

e. the BICC Contracting Monthly Report for April 2018 [CIM.122.020.7324] on 5 June 2018 [CIM.122.020.7323];

f. the BICC Monthly Report for May 2018 [CIM.122.018.5815] on 29 June 2018 [CIM.122.018.5811]; and

g. the BICC Project Data Report as at May 2018 [CIM.122.018.5829] on 29 June 2018 [CIM.122.018.5811];

in circumstances where Christopher Granda had a duty to inform Scott McAlpine of the information in the document by reason of:

h. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

i. the nature of significance of the information in the documents.

(viii) Christopher Granda's sending of:

a. the BICC Project Data Report as at January 2018 [CIM.102.027.7339] on 9 March 2018 [CIM.102.027.7336]; and

b. the BICC Project Data Report as at March 2018 [CIM.120.001.5563] on 8 May 2018 [CIM.120.001.5559],

in circumstances where Christopher Granda had a duty to inform Scott McAlpine of the information in the documents by reason of:

c. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

d. the nature of significance of the information in the documents.

George Sassine

It is to be inferred that George Sassine knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 7 February 2018, particularised in paragraph 171 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 June 2018 as pleaded at paragraph 206 above;

(c) the deterioration of BICC's financial performance since 31 December 2017 as pleaded at paragraphs 176 to 184 above;

(d) BICC had negative cash flows from operations for the year to date, and its cash position was under immense pressure, as pleaded at paragraph 180 above;

(e) BICC faced significant challenges to improving its performance in FY18 by reason that its work in hand had declined substantially to AED 2,892 million (from AED 5,512 million as at December 2017), its current margin in hand was AED 92 million and the majority of its projects were loss making, as pleaded at paragraphs 180, 184 and 207 above;

(f) BICC had won only three new projects in FY17 valued at AED 467 million compared to AED 2.7 billion in FY16, a decline of (83%), as pleaded at paragraph 180 above;

(g) BICC was reliant on CIMIC for financial support, including for cash advances for operational expenses, and for approving BICC's draw downs under the Greensill Facilities to fund some of BICC's operational expenses, as pleaded at paragraphs 189 to 205 above;

(h) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 185 to 188 above;

(i) a large portion of BICC's receivables were not certified, as pleaded at paragraphs 185 to 188 above; and

(j) BICC had obligations on bank debt that were due for repayment by 31 December 2018 totalling AED 1,027 million, as stated in the BICC Loan Repayment Schedule [**CIM.102.032.1841**] particularised below.

George Sassine knew or ought reasonably to have known the matters in (a) to (j) above by reason of:

(i) the matters particularised in respect of George Sassine's knowledge in paragraph 171 above;

(ii) George Sassine's receipt, in his capacity as Executive General Manager of Investments and Group Property Services of CIMIC (as pleaded in paragraphs 35 to 36), of:

  a. the BICC Contracting Monthly Report for December 2017 [CIM.104.031.4372 and CIM.104.031.4117] on 21 and 22 February 2018 [CIM.104.031.4370 and CIM.104.031.4115];

  b. the BICC Contracting Monthly Report for January 2018 [CIM.120.001.8248] on 8 March 2018 [CIM.120.001.8247];

  c. an email from Scott McAlpine on 18 March 2018 [CIM.104.036.1668] about the Guaranteed Facilities, BICC's reliance on CIMIC for financial support and CIMIC's financial exposure to BICC;

  d. an email from Roman Garrido Sanchez on 22 March 2018 [CIM.100.034.7638] about BICC's reliance on CIMIC for financial support and BICC's deteriorating financial position;

  e. the BICC Contracting Monthly Report for February 2018 [CIM.100.157.3667] on 10 April 2018 [CIM.100.157.3666];

  f. an email from Roman Garrido Sanchez on 11 April 2018 [CIM.100.034.7471] about BICC's reliance on CIMIC for financial support and BICC's deteriorating financial position;

  g. the BICC Board Report for April 2018 [CIM.100.034.7268] on 16 April 2018 [CIM.100.034.7267];

  h. the BICC Contracting Monthly Report for March 2018 [CIM.102.027.5578] on 3 May 2018 [CIM.102.027.5577];

i. an email from Roman Garrido Sanchez on 8 May 2018 [CIM.100.034.6831] about BICC's reliance on CIMIC for financial support;

j. an email from Scott McAlpine on 3 June 2018 [CIM.105.007.0876] about the Greensill facilities and Greensill guarantees;

k. HLG's audited consolidated financial statements for FY17 [BIC.002.016.5045] on 29 June 2018 [BIC.002.016.5032];

(iii) George Sassine's receipt of BICC's draw down requests. Paragraphs, 189, 190, 191, 192, 202, 203, 204 and 205 and the particulars subjoined thereto are referred to and repeated;

(iv) Colin Young's receipt of:

a. of the BICC Project Data Report as at December 2017 [CIM.102.032.5282] on 22 February 2018 [CIM.102.032.5280];

b. the BICC Loan Repayment Schedule [CIM.102.032.1841] on 6 March 2018 [CIM.102.032.1837];

c. the BICC Project Data Report as at January 2018 [CIM.102.027.7339] on 9 March 2018 [CIM.102.027.7336];

d. the BICC Project Data Report as at March 2018 [CIM.102.028.6343] on 22 May 2018 [CIM.102.028.6334];

e. the BICC Contracting Monthly Report for April 2018 [CIM.122.020.7324] on 5 June 2018 [CIM.122.020.7323];

f. the BICC Exposure Update for April 2018 [CIM.102.028.5480] on 8 June 2018 [CIM.102.028.5479];

g. the BICC Project Data Report as at May 2018 [CIM.122.018.5829] on 29 June 2018 [CIM.122.018.5811];

h. the BICC Monthly Report for May 2018 [CIM.122.018.5815] on 29 June 2018 [CIM.122.018.5811]; and

i. a spreadsheet entitled 'HLG Bonding_Jun-18 from FP&A-cy edit' [CIM.102.028.4749] on 9 July 2018 [CIM.102.028.4748]

in circumstances where Colin Young had a duty to inform George Sassine of the information in the documents by reason of:

j. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

k. the nature of significance of the information in the documents.

213. The July 2018 Middle East Information was:

(a) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(b) not generally available; and

(c) not information to which Rule 3.1A of the ASX Listing Rules applied.

214. By reason of the matters pleaded in paragraphs 4(a), 5, 212 and 213, CIMIC was obliged by Rule 3.1 of the ASX Listing Rules and s 674(2) of the Corporations Act to immediately notify the ASX of the July 2018 Middle East Information from 18 July 2018.

215. Notwithstanding the matters alleged in paragraphs 212 to 214, CIMIC did not notify the ASX of the July 2018 Middle East Information at any time from 18 July 2018 until the end of the Relevant Period.

216. By reason of the matters alleged in paragraphs 212 to 215, CIMIC contravened s 674(2) of the Corporations Act (**July 2018 Middle East Disclosure Contraventions**).

I.3 FEBRUARY 2019 MIDDLE EAST DISCLOSURE CONTRAVENTIONS

Amendments to UNB Facilities Agreements

217. On or about 15 August 2018, BICC and UNB agreed to renew and amend the UNB Facility Agreements pursuant to which, among other matters:

(a) the UNB Facility Agreement was revised and renewed at specified limits;

(b) UNB offered a new commercial loan facility (**OCL**) in the amount of up to AED 108,193,000 for a term of 6 months from the disbursement date on specified terms;

(c) BICC irrevocably and unconditionally undertook that in the event of default under the syndicated loan obtained by BICC, the extended facilities from UNB were to be considered as defaulted and to take precedence over other banks for early settlement;

(d) limits were to remain frozen for new business transactions until the issue of the ZADOC project was resolved;

(e) the existing corporate guarantee of Al Habtoor Holding LLC and personal guarantee of Mr Riad Tawfiq AlSadek could be released subject to a corporate guarantee of CIMIC covering the total facilities amount, settlement of the OCL facility and BICC and ZADCO reaching an amical arrangement acceptable to UNB for the ZADCO project.

Particulars

Facility offer letter dated 15 August 2018 [**BIC.006.045.7997**]

BICC's performance – August to October

218. On or about 5 August 2018, CIMIC received a copy of the BICC monthly report for June 2018, which reported BICC's financial position as at 30 May 2018.

Particulars

BICC Monthly Report for June 2018 [**CIM.122.020.0969**], sent by email to Christopher Granda, Colin Young and Tamara Kidd on 5 August 2018 [**CIM.122.020.0966**]

219. On or about 2 September 2018, CIMIC received a copy of the BICC monthly report for July 2018, which reported BICC's financial position as at 31 July 2018.

Particulars

BICC Monthly Report for July 2018 [**CIM.122.019.7159**], sent by email to Christopher Granda, Colin Young and Tamara Kidd on 2 September 2018 [**CIM.122.019.7156**]

220. On or about 26 September 2018, CIMIC received a copy of the BICC monthly report for August 2018, which reported BICC's financial position as at 31 August 2018 as follows:

(a) year to date work in hand of AED 2,077 million;

(b) year to date margin in hand of AED 63 million;

(c) year to date revenue of AED 3,214 million;

(d) year to date profit of AED 11 million;

(e) total assets of AED 12,222 million and total liabilities of AED 12,186 million YTD – August 2018;

(f) total equity of AED 36 million;

(g) total debt of AED 5,524 million;

(h) year to date negative cash flow from operations of AED (747) million.

Particulars

BICC Monthly Report for August 2018 [**CIM.122.019.4382**], sent by email to Christopher Granda, Colin Young and Tamara Kidd on 26 September 2018 [**CIM.102.026.1825**]

221. On or about 25 October 2018, CIMIC received a copy of the BICC monthly report for September 2018, which reported BICC's financial position as at 30 September 2018 as follows:

(a) year to date work in hand of AED 2,036 million;

(b) year to date margin in hand of AED 59 million;

(c) year to date revenue of AED 3,380 million;

(d) year to date profit of AED 13 million;

(e) total assets of AED 11,960 million and total liabilities of AED 11,922 million;

(f) total equity of AED 38 million;

(g) total debt of AED 5,451 million;

(h) year to date negative cash flow from operations of AED (503) million.

Particulars

BICC Monthly Report for September 2018 [**CIM.122.019.1970**], sent to Christopher Granda, Colin Young and Tamara Kidd on 25 October 2018 [**CIM.122.019.1969**]

222. On or about 25 October 2018, CIMIC received a copy of the BICC Board Report for the year to date as of 30 September 2018, which relevantly stated:

(a) year to date revenue was AED 3.4 billion (FY17 AED 5.4 billion) (p 4);

(b) the drop in revenue in 2018 was mainly due to slow progress and no new work (p 4);

(c) work in hand was AED 2 billion, down from AED 5.2 billion on 31 December 2017, with lower work in hand in 2018 was mainly due to lack of new wins and completion of current jobs (p 5);

(d) BICC secured a new facility line from Greensill which had improved project progress on some of the key ongoing projects. But BICC continued to face cash challenges not only due to non-settlement of legacy project dues but also due to outstanding claims/variations on projects near completion (p 4);

(e) due to the majority of BICC projects being loss making and some terminated pending settlements, BICC's cash position continued to be severely stressed and affect project delivery and performance, with a high risk of bond calls by the client via a via increase cost to complete and application of liquidated damages (p 5);

(f) BICC turned to shareholder support for funding at the start of the year and this was routed through Greensill who advanced USD 171 million AED (628) million to date (p 5);

(g) BICC continued to rely on funding from shareholders in order to complete the existing projects (p 5);

(h) existing banks remained unwilling to consider increasing credit limits due to their concerns on the BICC's balance sheet health and lack of progress on the recovery of receivables, unless CIMIC offered parent company guarantees (p 5).

Particulars

The BICC Board Report dated November 2018 [**CIM.100.018.0877**] was sent by Moustafa Fahour to Michael Wright and Stefan Camphausen by email on 25 October 2018 [**CIM.100.018.0874**].

Cash Requests – July to October 2018

223. In or about late July and August 2018, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for August 2018;

(b) made requests to CIMIC for approval to draw down amounts totalling AED 126 million under the Greensill Facilities, which were stated to be for the purposes of, among other things, cash for operations including cash for bank payments, post-dated cheques, salary payments and critical project payments.

Particulars

(i) Copy of BICC liquidity report for August 2018 and request for AED 55 million on 1 August 2018 and AED 71 million on 15 August 2018 sent on or around 27 July 2018: email from David Wood (BICC) to Ignacio Segura Suriñach, Roman Garrido Sanchez, Emilio Grande, George Sassine, Scott McAlpine and Colin Young [**CIM.114.026.5125**].

(ii) Copy of BICC mid-month liquidity report for August 2018 and request for AED 38 million sent on or around 20 August 2018: email from David Wood (BICC) to Ignacio Segura Suriñach, Roman Garrido Sanchez, Emilio Grande, George Sassine, Scott McAlpine and Colin Young [**CIM.105.010.1536**].

224. In August 2018:

(a) CIMIC approved the above requests from BICC in part; and

(b) pursuant to which BICC drew down under the Greensill Facilities AED 58.1 million (equivalent to approximately $21.1 million), which was AED 55.6 million net of discount (equivalent to approximately $20.2 million).

Particulars

(i) Confirmation of approval of AED 55 million drawdown sent by Scott McAlpine on or around 7 August 2018: email from Scott McAlpine to David Wood (BICC), Ignacio Segura Suriñach, Roman Garrido Sanchez, Emilio Grande, George Sassine, Colin Young, Moustafa Fahour (BICC) and Nick Cain [**CIM.105.007.3441**].

(ii) Approval by Michael Wright of AED 38 million drawdown on or around 30 August 2018: email Michael Wright to Roman Garrido Sanchez, Stefan Camphausen, Ignacio Segura Suriñach, Emilio Grande and George Sassine [**CIM.100.025.1002**].

(iii) Drawdowns from Greensill Facility on or around 15 August 2018 totalling AED 58.1 million which was AED 55.6 million net of discount, and drawdown requested on or around 31 August 2018 totalling AED 39.7 million or AED 37.9 million net of discount, but not settled until the first week of September 2018, reported in the BICC update [**CIM.100.028.1053**] sent in an email from Stefan Camphausen to Michael Wright, Ignacio Segura Suriñach, Dianne Cassidy and Derek Kerr on 10 September 2018 [**CIM.100.028.0988**].

225. In September 2018, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for September 2018;

(b) made requests to CIMIC for approval to draw down amounts totalling AED 219 million under the Greensill Facilities, which drawdowns were stated to be for the purposes of, among other things, cash for operations including cash for bank payments, post-dated cheques, salary payments and critical project payments.

Particulars

Copy of BICC liquidity report for September 2018 and request for AED 125 million for first half of September and AED 94 million for the second half of September 2018, sent on or around 6 September 2018: email from David Wood (BICC) to Colin Young, Ignacio Segura Suriñach, Roman Garrido Sanchez, George Sassine, Scott McAlpine and Christopher Granda [**CIM.105.009.8685**].

226. In September 2018:

(a) CIMIC approved the above request from BICC in part;

(b) pursuant to the August 2018 and September 2018 approvals, BICC drew down a total of AED 133.4 million (equivalent to approximately $50.4 million) which was AED 127.7 million net of discount under the Greensill Facilities.

Particulars

(i) Approval by Michael Wright of AED 90.4 million drawdown on or around 14 September 2018: email from Michael Wright to Roman Garrido Sanchez, Ignacio Segura Suriñach, Stefan Camphausen and George Sassine [**CIM.100.024.8859**].

(ii) Drawdown from Greensill Facility requested on or around 31 August 2018 totalling AED 39.7 million which was AED 37.9 million net of discount, but not settled until 6 September 2018 and drawdown transferred to BICC on or around 25 September 2018 totalling AED 93.7 million or AED 89.8 million net of discount [**CIM.102.023.5935**].

227. In October 2018, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for October 2018; and

(b) made a request to CIMIC for funds totalling AED 88.6 million which were stated to be for the purposes of, among other things, cash for operations including cash for bank payments, post-dated cheques, salary payments and critical project payments.

Particulars

(i) Copy of revised BICC liquidity report and request for October 2018 for AED 88.6 million sent on or around 4 October 2018: email from David Wood (BICC) to Roman Garrido Sanchez, George Sassine, Colin Young and Christopher Granda [**CIM.104.026.4771**].

228. In October 2018:

(a) CIMIC approved the above request; and

(b) pursuant to which BICC drew down under the Greensill Facilities AED 88.2 million (equivalent to approximately $33.3 million) which was AED 84.4 million net of discount (equivalent to approximately $31.9 million).

Particulars

(i) Approval by Michael Wright of AED 88.6 million draw down on or around 8 October 2018: email from Michael Wright to Roman Garrido Sanchez, Ignacio Segura Suriñach, Stefan Camphausen and George Sassine [**CIM.100.019.7656**].

(ii) Draw down request for USD 24 million (equivalent to AED 88.2 million) dated 9 October 2018 executed by Scott McAlpine [**CIM.104.026.4075**] and data file [**CIM.104.026.4075**].

(iii) Drawdown from Greensill Facility transferred to BICC on or around 17 October 2018 totalling AED 88.2 million or AED 84.4 million net of discount [**CIM.102.023.5935**].

Additional Debt Facilities – HSBC Multi-Option Facility

229. On or about 30 October 2018, BICC (as borrower) entered into a multi-option facility agreement with HSBC (as the original financier) pursuant to which, on the terms of the agreement, HSBC granted:

(a) Tranche A Facility: a revolving credit facility under which HSBC would issue for the account of each Tranche A Borrower (defined as BICC and any Additional Borrower), Guarantee Instruments during the Availability Period (being the period from the date of the agreement until one month before the Termination Date); and

(b) Tranche B Facility: a revolving cash advance facility under which HSBC would make advances to the Tranche B Borrowers (defined as BICC and any Additional Borrowers) during the Availability Period,

in total up to an amount not exceeding the Facility Limit, which was USD100,000,000 (**HSBC Multi-Option Facility Agreement** and a **Guaranteed Facility**).

Particulars

Multi-Option Facility Agreement between BICC and HSBC dated 30 October 2018 [**CIM.118.008.8023**]

230. There were terms of the HSBC Multi-Option Facility Agreement, among others, that:

(a) Purpose (cl 2.3):

(i) the Tranche A Facility may only be used to support the contractual obligations of a member of the Borrower Group incurred by a member of the Borrower Group in the course of its ordinary business;

(ii) the Tranche B Facility may only be used for the general corporate purposes and working capital requirements of the Borrower Group including, but not limited to, the refinancing of existing Financial Indebtedness;

(iii) the Facility may not be used to repay any Shareholder Loans (as defined) or to fund any capital reductions, share buy backs or dividend payments by any member of the Borrower Group.

(b) each Facility terminates on the Termination Date, being the earlier of date four years from the date of the document (30 October 2022) and any date on which the Facility is terminated or cancelled in full in accordance with the agreement, subject to HSCB agreeing to extend the termination on the terms of the agreement (cl 2.4, cl 1.1);

(c) Interest on each Advance accrued daily at the Prescribed Rate, being the rate per annum which was the sum of the Base Rate applicable to that Interest Period (being the greater of zero and, for amounts denominated in QAR and USD, the LIBOR; for amounts denominated in AED, the EIBOR) and the Margin (1.70% p.a.) applicable to that Advance on that day (cl 7.2);

(d) Repayment (cl 6):

(i) each Tranche A Borrower must repay to HSBC the Outstanding Liability Amount of each Guarantee Instrument issued at its request on the Termination Date;

(ii) each Tranche B Borrower must repay to HSBC each Advance made to it in full on the last day of the Interest Period (as defined) relating to that Advance;

(e) each of the following was an Event of Default, among others (cl 17):

(i) Non-payment (cl 17.2): an Obliger (defined to include BICC as borrower and CIMIC as guarantor) does not pay on the due date any amount payable pursuant to a Transaction Document (defined to include the HSBC Multi-Option Facility Agreement and the CIMIC Group Guarantee) at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error or a Disruption Event (as defined therein) payment is made within three Business Days.

(ii) Cross-default (cl 17.7):

A. any Financial Indebtedness (defined to include any indebtedness for or in respect of any moneys borrowed by way of a financing arrangement) of any Relevant Entity (defined as the Borrower and any member of the Borrower Group) is not paid when due nor within any originally applicable grace period;

B. any Financial Indebtedness of any Relevant Entity is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default, however described;

C. any commitment for any Financial Indebtedness of any Relevant Entity is cancelled or suspended by a creditor of any Relevant Entity as a result of an event of default, however described;

D. any creditor of any Relevant Entity becomes entitled to declare any Financial Indebtedness of any Relevant Entity due and payable prior to its specified maturity as a result of an event of default, however described;

(iii) Insolvency (cl 17.8):

A. a Relevant Entity is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally with a view to rescheduling any of its indebtedness;

B. the value of the assets of any Relevant Entity is less than its liabilities (taking into account contingent and prospective liabilities but excluding specified shareholder loans) or any Relevant Entity is or is deemed or presumed to be insolvent under the relevant laws of its jurisdiction of incorporation;

C. a moratorium is declared in respect of any indebtedness of any Relevant Entity.

(f) If an Event of Default has occurred and is subsisting, HSBC may by written notice to the Borrowers declare (cl 17.14):

   (i) all moneys owing under any Transaction Document (whether actually or contingently) to be due and payable either immediately or as specified in the notice;

   (ii) that all or part of the Facility (including the Facility Limit) is cancelled;

   (iii) where HSBC makes a declaration under clause 17.14, the Borrowers must pay all moneys set out in the notice as and when required by the notice.

231. On or about 30 October 2018, CIMIC and subsidiaries of CIMIC (each defined as Original Guarantors) executed a Deed of Guarantee in favour of HSBC in relation to the HSBC Multi-Option Facility (**HSBC MOFA Guarantee** and a **CIMIC Guarantee**).

Particulars

Deed of Guarantee – HSBC Multi-option Facility between CIMIC, the CIMIC subsidiaries listed in Schedule 1 to the Deed (**Original Guarantors**), and HSBC, dated 30 October 2018 [**CIM.118.008.8128**].

The HSBC MOFA Guarantee was signed on behalf of CIMIC by Scott McAlpine and L Nikolopoulos, and signed on behalf of the subsidiaries of CIMIC by Scott McAlpine and Michael Azzi.

232. There were terms of the HSBC MOFA Guarantee, among others, that:

(a) each Guarantor irrevocably and unconditionally guaranteed to HSBC the punctual performance by BICC of all of BICC's obligations to HSBC under the Finance Documents (defined to include the HSBC Multi-Option Facility Agreement) (cl 3.1(a)(i));

(b) each Guarantor undertook to HSBC that whenever BICC did not pay any amount when due under or in connection with any Finance Document, it shall within 5 business days of demand by HSBC pay that amount, or deliver to HSBC such property or asset which BICC liable to pay or deliver in connection with the Finance Documents and which BICC has failed to pay or deliver, as if it were principal obliger (cl 3.1(a)(ii)).

Cash Requests – November 2018 to January 2019

233. In November 2018, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for November 2018; and

(b) made a request to CIMIC for approval to drawdown under the Greensill Facilities AED 160 million, which drawdowns were stated to be for the purposes of, among other things, cash for operations including cash for bank payments, post-dated cheques, salary payments and critical project payments.

Particulars

(i) Copy of BICC liquidity report for November 2018 and request for AED 152.8 million in funds sent on or around 2 November 2018: email from Roman Garrido Sanchez to Michael Wright [**CIM.104.022.3731**].

(ii) Draw down request for USD 43.5 million (equivalent to AED 160 million) dated 5 November 2018: email from Harihan Srinivasan (BICC) to Scott McAlpine, George Sassine, Colin Young, Stefan Camphausen and others dated 5 November 2018 [**CIM.104.025.6992**].

234. In November 2018:

(a) CIMIC approved the above request from BICC;

(b) pursuant to which BICC drew down under the Greensill Facilities AED 159.9 million (equivalent to approximately $60.4 million) which was AED 152.9 million net of discount (equivalent to approximately $57.8 million).

Particulars

(i) Approval by Michael Wright of AED 152.8 million Greensill drawdown on or around 5 November 2018: email from Michael Wright to Roman Garrido Sanchez, Stefan Camphausen, Ignacio Segura Suriñach and George Sassine [**CIM.104.022.3731**].

(ii) Approval by George Sassine of an additional USD 1.8 million (equivalent AED 6.6 million) of Greensill drawdown on or around 5 November 2018: email from George Sassine [**CIM.104.022.3731**].

(iii) Draw down request for USD 43.5 million (equivalent to AED 160 million) dated 5 November 2018 executed by Michael Azzi [**CIM.104.025.6977**] and data file [**CIM.104.025.6988**].

(iv) Drawdowns from Greensill Facility transferred to BICC on or around 9 November 2018 totalling AED 159.9 million which was AED 152.9 million net of discount [**CIM.102.023.5935**].

235. In or about December 2018, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for December 2018; and

(b) made a request to CIMIC for approval to drawdown under the Greensill Facilities AED 85.3 million, which drawdowns were stated to be for the purposes of, among other things, cash for operations including cash for bank payments, post-dated cheques, salary payments and critical project payments.

Particulars

(i) Copy of BICC liquidity report and request for December 2018 sent on or around 11 December 2018: email from David Wood to Roman Garrido Sanchez, George Sassine and Christopher Granda on 11 December 2018 [CIM.104.024.6129].

(ii) Draw down request for USD3.2 million (equivalent to AED 11.8 million) dated 22 November 2018 executed by Scott McAlpine [**CIM.118.004.3425**] and data file [**CIM.118.004.3424**].

(iii) Draw down request for USD20 million (equivalent to AED 73.5 million) dated 12 December 2018 executed by Scott McAlpine [**CIM.118.004.1927**] and data file [**CIM.118.004.1929**].

236. In or about December 2018:

(a) CIMIC approved the above request from BICC;

(b) pursuant to which BICC made drawdowns under the Greensill Facilities totalling AED 85.3 million (equivalent to approximately $32.7 million) which was AED 81.4 million net of discount (equivalent to approximately $31.2 million); and

(c) BICC made a repayment of the first maturity under the Greensill Facilities of AED 11 million.

Particulars

(i) Approval by Michael Wright of AED 69.7 million cash transfer on or around 12 December 2018: email from Michael Wright to Roman Garrido Sanchez, Stefan Camphausen, Ignacio Segura Suriñach, George Sassine and Scott McAlpine [**CIM.100.015.6762**].

(ii) Draw down request for USD3.2 million (equivalent to AED 11.8 million) dated 22 November 2018 executed by Scott McAlpine [**CIM.118.004.3425**] and data file [**CIM.118.004.3424**].

(iii) Draw down request for USD20 million (equivalent to AED 73.5 million) dated 12 December 2018 executed by Scott McAlpine [**CIM.118.004.1927**] and data file [**CIM.118.004.1929**].

(iv) Drawdowns from Greensill Facility on or around 9 December and 18 December 2018 totalling AED 85.3 million or AED 81.4 million net of discount and AED 11 million repayment to Greensill of first maturity of USD 3 million [**CIM.102.023.5935**].

237. In January 2019, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for January 2019; and

(b) made requests to CIMIC for approval to drawdown amounts totalling AED 115.1 million, which drawdowns were stated to be for, among other things, cash for operations including critical project payments, project settlement payments, paying salaries and post-dated cheques.

Particulars

(i) Copy of January forecast cash deficit and request for AED 107 million made on or about 9 January 2019: email from email from Moustafa Fahour (BICC) to Stefan Camphausen, Roman Garrido Sanchez, George Sassine, David Wood (BICC) and Colin Young [**CIM.120.005.2084**]

(ii) Draw down request for USD 2.2 million (equivalent to AED 8.1 million) dated 7 January 2019 executed by Michael Azzi [**CIM.104.019.5286**] and email from Michael Azzi dated 8 January 2019 [**CIM.104.019.5284**].

238. In January 2019:

(a) CIMIC approved the above requests from BICC in part;

(b) pursuant to which BICC made drawdowns under the Greensill Facilities totalling AED 120.2 million (equivalent to approximately $46.06 million); and

(c) BICC made a repayment of maturity under the Greensill Facility of AED 7.4 million.

Particulars

(i) Drawdowns from Greensill Facilities on or around 9 January and 21 January 2019 totalling AED 120.2 million and AED 7.4 million repayment of maturity to Greensill on 18 January 2019 [**CIM.104.018.0661**]

(ii) Draw down request for USD 2.2 million (equivalent to AED 8.1 million) dated 7 January 2019 executed by Michael Azzi [**CIM.104.019.5286**] and data file [**CIM.118.004.1929**].

Legacy Project Receivables

239. On or about 5 August 2018, CIMIC received a copy of BICC's Project Data Report for June 2018, which stated, as was the fact, that BICC had a total of AED 3,440,003,0000 (equivalent to

approximately $1,248.0 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,918,049,000 were uncertified; and

(b) AED 521,954,000 were certified.

Particulars

(i) BICC Project Data Report as at June 2018 [**CIM.122.020.0968**], provided by Qaisir Mahmood (BICC) to Colin Young and Christopher Granda then to Tamara Kidd at CIMIC on 5 August 2018 [**CIM.122.020.0966**].

240. On or about 2 September 2018, CIMIC received a copy of BICC's Project Data Report for July 2018, which stated, as was the fact, that BICC had a total of AED 3,442,413,000 (equivalent to approximately $1,300.9 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,920,525,000 were uncertified; and

(b) AED 521,888,000 were certified.

Particulars

(i) BICC Project Data Report as at July 2018 [**CIM.122.019.7172**], provided by Ram Kumar Paranjothi (BICC) to Colin Young and Christopher Granda then Tamara Kidd at CIMIC on 2 September 2018 [**CIM.122.019.7156**].

241. On or about 30 September 2018, CIMIC received a copy of BICC's Project Data Report for August 2018, which stated, as was the fact, that BICC had a total of AED 3,432,060,000 (equivalent to approximately $1,297.1 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,917,413,000 were uncertified; and

(b) AED 514,647,000 were certified.

Particulars

(i) BICC Project Data Report as at August 2018 [**CIM.122.019.4368**], provided by Ram Kumar Paranjothi (BICC) to Colin Young, Roman Garrido Sanchez and Christopher Granda at CIMIC on 30 September 2018 [**CIM.122.019.4365**].

242. On or about 25 October 2018, CIMIC received a copy of BICC's Project Data Report for September 2018, which stated, as was the fact, that BICC had a total of AED 3,435,600,000 (equivalent to approximately $1,298.4 million) in outstanding Legacy Project Receivables of

which:

(a) AED 2,940,276,000 were uncertified; and

(b) AED 495,324,000 were certified.

Particulars

(i) BICC Project Data Report as at September 2018 [**CIM.122.019.1983**], provided by Ram Kumar Paranjothi (BICC) to Colin Young and Christopher Granda then to Tamara Kidd at CIMIC on 25 October 2018 [**CIM.122.019.1969**].

243. On or about 28 November 2018, CIMIC received a copy of BICC’s Project Data Report for October 2018, which stated, as was the fact, that BICC had a total of AED 3,432,145,000 (equivalent to approximately $1,297.1 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,937,463,000 were uncertified; and

(b) AED 494,682,000 were certified.

Particulars

(i) BICC Project Data Report as at October 2018 [**CIM.122.018.7568**], provided by Ram Kumar Paranjothi (BICC) to Colin Young and Christopher Granda then to Tamara Kidd at CIMIC on 28 November 2018 [**CIM.122.018.7567**].

244. On or about 23 January 2019, CIMIC received a copy of BICC’s Project Data Report for November 2018, which stated, as was the fact, that BICC had a total of AED 2,913,721,000 (equivalent to approximately $1,116.6 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,143,210,000 were uncertified; and

(b) AED 770,511,000 were certified.

Particulars

(i) BICC Project Data Report as at November 2018 [**CIM.119.003.8739**], provided by Ram Kumar Paranjothi (BICC) to Carlos Mendes at CIMIC on 23 January 2019 [**CIM.119.003.8748**].

(ii) BICC Project Data Report as at November 2018 [**CIM.102.020.1788**] also provided by Carlos Mendes to Colin Young at CIMIC on 30 January 2019 [**CIM.102.020.1797]**.

245. On or about 1 February 2019, CIMIC received a copy of HLG's Project Data Report for December 2018, which stated, as was the fact, that BICC had a total of AED 2,622,377,000 (equivalent to approximately $1,005.0 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,144,181,000 were uncertified; and

(b) AED 478,196,000 were certified.

Particulars

(i) BICC Project Data Report as at December 2018 [**CIM.102.014.2242**], provided by Qaisir Mahmood (BICC) to Christopher Granda at CIMIC on 22 September 2019 [**CIM.102.014.2238**].

(ii) BICC Project Data Report as at December 2018 [**CIM.102.020.1787**] also provided by Qaisir Mahmood (BICC) to Christopher Granda and Colin Young at CIMIC on 1 February 2019 [**CIM.102.020.1768]**.

BICC's performance – as of late 2018

246. On or about 28 November 2018, CIMIC received a copy of the BICC monthly report for October 2018, which reported BICC's financial position as at 31 October 2018.

Particulars

BICC Monthly Report for October 2018 [**CIM.122.018.7569**], sent to Christopher Granda, Colin Young and Tamara Kidd on 28 November 2018 [**CIM.122.018.7567**]

247. On or about 18 January 2019, CIMIC received a copy of the BICC monthly report for November 2018, which reported BICC's financial position as at 30 November 2018.

Particulars

BICC Monthly Report for November 2018 [**CIM.102.020.1833**], sent to Christopher Granda, Colin Young and Tamara Kidd on 18 January 2019 [**CIM.102.020.1830**]

248. On or about 1 February 2019, CIMIC received a copy of the BICC monthly report for December 2018, which reported BICC's financial position as at 31 December 2018 as follows:

(a) year to date work in hand of AED 2,807 million;

(b) year to date margin in hand of AED 54 million;

(c) year to date revenue of AED 4,010 million;

(d) year to date profit (loss) of AED (268) million;

(e) total assets of AED 10,206 million and total liabilities of AED 9,795 million;

(f) total equity of AED 410 million;

(g) total debt of AED 3,615 million;

(h) year to date negative cash flow from operations of AED (910 million).

Particulars

BICC Monthly Report for December 2018 [**CIM.102.020.1773**], sent to Christopher Granda and Colin Young on 1 February 2019 [**CIM.102.020.1768**]

CIMIC's exposure to BICC

249. As at 31 December 2018, CIMIC's total financial exposure to BICC was approximately $1,839.3 million comprising:

(a) approximately $640.7 million under the Shareholder Loans (which as at 31 December 2018 had been adjusted down from $1,199.3 million after CIMIC applied an adjustment for ECL under AASB 9);

(b) approximately $1,122.5 million (equivalent to approximately AED 2,929 million) under the CIMIC Guarantees (being the UNB Guarantee, the HSBC Syndicated Guarantee, Greensill Facility A Guarantee, Greensill Facility B Guarantee and HSBC MOFA Guarantee);

(c) approximately $76.1 million under the Call Option.

Particulars

(i) draft BICC Exposure Update dated 16 January 2019 [**CIM.102.023.5935**] attached to email from Colin Young to Stefan Camphausen dated 16 January 2019 [**CIM.102.023.5934**].

(ii) the draft CIMIC Financial Report for the 12 month period to 31 December 2018 provided to ARMC in advance of the ARMC meeting on 5 February 2019 [CIM.004.001.4251], p.134 and 152.

(iii) BICC Exposure Update [**CIM.104.018.0661**] attached to email from Colin Young to Stefan Camphausen, George Sassine, Roman Garrido Sanchez, and Christopher Granda dated 11 March 2019 [**CIM.104.018.0660**].

(iv) BICC Exposure Estimate [**CIM.104.010.1083**] attached to an email from George Sassine to Emilio Grande and Colin Young dated 11 October 2019 [**CIM.104.010.1080**].

(v) Samuel Report at [163], [169], [173], [448].

Valuation of BICC

250. In or around January 2019, CIMIC prepared a valuation of BICC as at 31 December 2018 (**FY18 BICC Valuation**).

Particulars

(i) Value in use model [**CIM.102.023.6162**].

(ii) BICC Valuation Report of January 2019, provided to the ARMC in advance of the ARMC meeting on 5 February 2019 [**CIM.004.001.4251**], p 98-104.

251. The FY18 BICC Valuation:

(a) was calculated using a five year discounted cash flow model of free cash flow to equity;

(b) was stated to have been derived from a proposed 5-year BICC business plan;

(c) made the following assumptions and forecasts:

(i) BICC's revenue: BICC would achieve significant revenue growth with revenue approximately doubling in 5 years (**FY18 Revenue Growth Assumption**);

(ii) BICC's EBITDA: BICC would achieve positive EBITDA across the five years;

(iii) BICC's PBT: the losses in FY17 and FY18 would be reversed to produce a positive PBT and net profit margin from FY19 onwards;

(iv) BICC would achieve substantial improvements in Debtor Days over the five year estimate (**FY18 Debtor Days Assumption**), and relative improvements in Debtor Days to Creditor Days, the difference of which (**Net Working Capital Days**) would be positive from FY18 onwards;

(v) Legacy Cash Flows: BICC would achieve positive Legacy Cash Flows in FY19 and FY20;

(vi) BICC repayment of the Shareholder Loans: BICC would repay a portion of the shareholder debt by 30 September 2021 with AED1,018 remaining outstanding; and

(vii) BICC's debt repayments: there would be a reduction in BICC's external debt outstanding from AED 3,297 at 31 December 2018 to AED 2,817 at 31 December 2023;

(d) concluded that the equity value of BICC as at 31 December 2018 was USD 464.1 million of which CIMIC's 45% share was valued at USD 209 million (equivalent to $294 million).

Particulars

(i) Value in use model [**CIM.102.023.6162**]

(ii) BICC Valuation Report of January 2019, provided to the ARMC in advance of the ARMC meeting on 5 February 2019 [**CIM.004.001.4251**], p 98-104.

252. In January 2019, KPMG assessed BICC's indicative credit rating on a stand alone basis as at the end of FY18 and using the Moody's rating methodology for the global construction industry, as Caa3, being the third lowest available rating.

Particulars

KPMG report: "BIC Contracting LLC – Credit Rating and Peer Benchmarking Analysis Report dated January 2019" [**CIM.108.064.8167**]

253. In January 2019, CIMIC received an external valuation report in which the Call Option was valued, as at 31 December 2018, in the range of $56 million and $85 million with a mid-point of $67 million.

Particulars

Grant Thornton report: "BIC Contractual Limited – Option valuation report" [**CIM.108.005.5062**]

Errors and unreasonable assumptions in the FY18 BICC Valuation

254. The FY18 BICC Valuation did not include information about BICC's actual results and performance in 4Q18 and relevantly included as BICC's opening position:

(a) assumed cash balances of AED 585 million, in place of BICC's actual cash balance as at 31 December 2018 of AED 238 million;

(b) assumed total outstanding debt of AED 3,297 in place of BICC's actual total outstanding debts as at 31 December 2018 of AED 3,616.

(**FY18 Opening Position Error**)

Particulars

BICC Monthly Report for December 2018 [**CIM.102.020.1773**]

Samuel Report at [301]

Value in use model [**CIM.102.023.6162**]

255. The assumptions and forecasts in the FY18 BICC Valuation pleaded in paragraphs 251(c)(i) to (c)(v) (**FY18 Unreasonable Assumptions**) were unreasonably optimistic having regard to:

(a) BICC's historical performance and results, including its actual FY18 results;

(b) the extent to which the FY17 HLG Valuation, summarised in the FY18 BICC Valuation, contained optimistic forecasts and assumptions which were not achieved in FY18;

(c) the absence of any reasonable plan or strategy pursuant to which BICC's results would improve as forecast.

Particulars

Samuel Report [303] to [318]

The Applicant refers to paragraphs 218 to 222 and 246 to 248

Appropriate accounting treatment in respect of BICC

256. In the premises of paragraphs 254 and 255 above, the FY18 BICC Valuation:

(a) ought not to have included the FY18 Opening Position Error;

(b) in place of the FY18 Revenue Growth Assumption, ought to have included the assumption that revenue would remain constant at FY18 levels with zero growth or decline; and

(c) in place of the FY18 Debtor Days Assumption, ought to have included the assumption that Debtor Days would remain at FY18 levels of 584 with no change thereafter,

and so adjusted the valuation (**Adjusted FY18 BICC Valuation**) ought to have recorded that:

(d) HLG had a negative equity value of USD (74) million;

(e) in FY19, BICC's cash flows from operations would be approximately AED (645) million;

(f) BICC's cash flow from operations would continue to be negative in FY19, FY21 and FY22; and

(g) HLG would require funding of up to AED 2.6 billion by FY23 to fund its operations and cover interest on external debt.

Particulars

Samuel Report at [330] to [335], [469]

257. In the premises of paragraph 256, by reason of BICC having negative equity value pursuant to the Adjusted FY18 BICC Valuation, as at 31 December 2018:

(a) the fair value of the Call Option was nil; and

(b) in accordance with AASB 9, CIMIC was required to write down the fully impaired amount of the Call Option from $76.1 million to nil for 1H19.

Particulars

Samuel Report at [334] to [335], [469] to [470], [472]

258. In the premises of paragraph 256, by reason of BICC having negative cash flows in FY19, FY20 and FY22 pursuant to the Adjusted FY18 BICC Valuation, as at 31 December 2018:

(a) BICC was unable to cover all of its operating costs;

(b) BICC was unable to meet its short-term debt repayment commitments; and

(c) BICC was unable to repay any Shareholder Loans (which were subordinated to HLG's external debt (including the Guaranteed Facilities)),

such that:

(d) there was no reasonable expectation of recovery of the Shareholder Loans (in accordance with AASB 9); and

(e) CIMIC was required to write down the full amount of the carrying value of the Shareholder Loans from $640.7 to nil for 1H18.

Particulars

Samuel Report at [334] to [335], [469] to [470], [472]

259. In the premises of paragraph 256, by reason of BICC having negative cash flows in FY19, FY21 and FY22 pursuant to the Adjusted FY18 BICC Valuation, as at 31 December 2018:

(a) BICC's ability to continue as a going concern was reliant upon it obtaining alternative finance to enable it to meet the projected operating cash shortfalls and its existing debt repayment obligations;

(b) in the event BICC was unable to obtain alternative finance, it was probable that BICC would be placed into some form of insolvency administration, and all of the CIMIC Guarantees would be called;

(c) alternatively, in the event BICC was able to obtain alternative finance, BICC would be reliant on generating sufficient cash flow from operations after FY18 to meet all of its debt obligations as they fell due, however, under the Adjusted FY18 BICC Valuation it was probable that BICC would be unable to meet its debt obligations and all of the CIMIC Guarantees would be called;

(d) by reason of the above matters:

(i) there was a high probability of an event of default on the Guaranteed Facilities within 12 months;

(ii) pursuant to AASB 9, CIMIC was required to assess the lifetime ECL on the CIMIC Guarantees, which could be estimated based on the probability of default under the independent credit rating for BICC, being 69.82% of the total of the amount guaranteed under the CIMIC Guarantees (then in the amount of $1,122.5 million);

(iii) CIMIC was required to recognise a provision of $783.8 million in FY18 in relation to the amounts expected to be paid under the CIMIC Guarantees.

Particulars

Samuel Report at [334] to [335], [469] to [472]

True Position – February 2019

260. In the premises of paragraphs 256 to 259, in respect of the FY18 financial year:

(a) the Shareholder Loans in the amount of $640.7 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(b) the Call Option in the amount of $76.1 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(c) CIMIC was required by the applicable accounting standards to recognise a financial liability of $783.8 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees; and

(d) by reason of the above matters:

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,050.4) million in FY18 in respect of its total financial exposure to BICC; and

(ii) CIMIC's FY18 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($269.8) million; or

(e) alternatively to (b) to (d), by reason of the matters pleaded in (a):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($448.49) million in FY18 in respect of its financial exposure to BICC; and

(ii) CIMIC's NPAT adjusted for the BICC related impact was $332.11 million.

~~(f) alternatively to (d), in the event CIMIC had made the FY17 and 1H18 adjustments pleaded in paragraphs 170 and 211 above, by reason of the above matters:~~

~~(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($175.4) million in FY18 in relation to its increased financial exposure to BICC in the six months to 31 December 2018; and~~

~~(ii) CIMIC's FY18 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was $605.2 million.~~

February 2019 Middle East Information

261. On and from 5 February 2019, CIMIC was aware, for the purposes of ASX Listing Rule 19.12 that, in respect of the FY18 financial year:

(a) the Shareholder Loans in the amount of $640.7 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(b) the Call Option in the amount of $76.1 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(c) CIMIC was required by the applicable accounting standards to recognise a financial liability of $783.8 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees; and

(d) by reason of the above matters:

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,050.4) million in FY18 in respect of its total financial exposure to BICC; and

(ii) CIMIC's FY18 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was $(269.8) million; or

(e) alternatively to (b) to (d), by reason of the matters pleaded in (a):

(iii) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($448.49) million in FY18 in respect of its financial exposure to BICC; and

(iv) CIMIC's NPAT adjusted for the BICC related impact was $332.11 million.

~~(f) alternatively to (d), in the event CIMIC had made the FY17 and 1H18 adjustments pleaded in paragraphs 170 and 211 above , by reason of the above matters:~~

~~(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($175.4) million in FY18 in relation to its increased financial exposure to BICC in the six months to 31 December 2018; and~~

~~(ii) CIMIC's FY18 results would be negatively impacted such that CIMIC's NPAT adjusted for the HLG related impact was $605.2 million.~~

(**February 2019 Middle East Information**)

Particulars

Each of the items comprising the February 2019 Middle East Information was information which by 5 February 2019 had, or ought reasonably to have, come into the possession of CIMIC officers Michael Wright, Stefan Camphausen and Ignacio Segura Suriñach, and was therefore information of which it was aware within the meaning of ASX Listing Rule 19.12.

Michael Wright

It is to be inferred that Michael Wright had, or ought reasonably to have, come into possession of the February 2019 Middle East Information by reason of the fact that:

A. Michael Wright knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 18 July 2018, particularised in paragraphs 212 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 31 December 2018, as pleaded at paragraph 249 above;

(c) the deterioration of BICC's financial performance since 30 June 2018, as pleaded at paragraphs 218 to 222 and 246 to 248 above;

(d) BICC had recorded a loss of AED 268 million for FY18, as pleaded at paragraph 248 above;

(e) BICC had negative cash flow from operations of AED 910 million for FY18, as pleaded at paragraph 248 above;

(f) in FY18, BICC had not met the forecast for its performance in the FY17 Valuation Report, as was apparent from the summary of BICC's FY18 Performance in the presentation entitled 'Project Dune – Initial Analysis' (particularised below), when compared with the forecast for its performance in the FY17 Valuation Report (as pleaded in paragraph 153(c)(i));

(g) BICC faced significant challenges to improving its performance in FY19 by reason that:

(i) BICC's work in hand had declined further to AED 2,322 million as at 31 August 2018 (from AED 5,512 million as at December 2017), its current margin in hand was AED 78 million as at 31 August 2018 and the majority of its projects were loss making, as pleaded at paragraph 222 above;

(ii) BICC's work in hand had declined further to AED 2,807 million as at 31 December 2018 (from AED 5,512 million as at December 2017), it current margin in hand was AED 54 million as at 31 December 2018 and the majority of its projects were loss making, as pleaded in paragraph 248 above.

(h) BICC's cash position continued to be severely stressed and affect project delivery and performance, as pleaded at paragraph 222 above;

(i) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 239 to 245 above;

(j) a large portion of BICC's receivables were uncertified, as pleaded at paragraphs 239 to 245 above;

(k) BICC was reliant on CIMIC for financial support, including for cash advances for operational expenses, and for approving BICC's draw downs under the Greensill Facilities to fund some of BICC's operational expenses, as pleaded at paragraphs 223 to 238 above;

(l) existing lenders were unwilling to loan additional money to BICC unless CIMIC offered parent company guarantees, as pleaded at paragraph 222 above; and

(m) the FY18 BICC Valuation was based upon the FY18 Opening Position Error and the FY18 Unreasonable Assumptions, as pleaded at paragraphs 254 to 255 above;

A. By reason of knowing the matters in (a) to (m) above, Michael Wright knew or ought reasonably to have known that:

(n) the FY18 BICC Valuation was incorrect and ought not be relied upon by CIMIC;

(o) the FY18 BICC Valuation ought to be adjusted for the FY18 Opening Position Error and the FY18 Unreasonable Assumptions pleaded at paragraphs 254 to 255 above; and

(p) so adjusted, the FY18 BICC Valuation would have recorded the matters pleaded in paragraph 256(d) to (g) above;

B. By reason of knowing the matters in (n) to (p) above, Michael Wright knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(q) by reason of the matters pleaded in paragraph 258, the Shareholder Loans in the amount of $640.7 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 261(a) of the February 2019 Middle East Information);

(r) by reason of the matters pleaded in paragraph 257, the Call Option in the amount of $76.1 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 261(b) of the February 2019 Middle East Information);

(s) by reason of the matters pleaded in paragraph 259, CIMIC was required to recognise a financial liability of $783.8 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 261(c) of the February 2019 Middle East Information); and

(t) by reason of the above matters in paragraphs (q) to (s), CIMIC was required to recognise a post-tax impact in the amount of ($1,050.4) million in FY18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($269.8) million (paragraph 261(d) of the February 2019 Middle East Information); or

(u) alternatively to (t), by reason of the above matters in paragraph (q), CIMIC was required to recognise a post-tax impact in the amount of ($448.49) million in FY18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was $332.11 million (paragraph 261(e) of the February 2019 Middle East Information).

C. Michael Wright knew or ought reasonably to have known the matters in paragraphs (a) to (m) above by reason of:

(i) the matters particularised in respect of Michael Wright's knowledge of the July 2018 Middle East Information in paragraph 212 above;

(ii) Michael Wright's receipt, in his capacity as the CEO and managing director of CIMIC (as pleaded in paragraph 35), of:

a. an email from Roman Garrido Sanchez on 25 July 2018 [CIM.100.027.7567] about BICC's deteriorating financial performance, BICC's negative cash flows and BICC's decreasing work in hand;

b. a document entitled 'BICC recap analysis_v10' [CIM.100.027.7027] about BICC's receivables and CIMIC's exposure to BICC, sent by Stefan Camphausen on 14 September 2018 [CIM.100.027.7010];

c. an email from a Siemens Mobility GmbH employee on 11 December 2018 [CIM.100.011.8720] about BICC's cash position and delivery of a project;

d. the draft CIMIC Financial Report for the 12-month period to 31 December 2018 provided to the ARMC in advance of the ARMC meeting on 5 February 2019 [CIM.004.001.4251], p.134 and 152;

e. the BICC Valuation Report of January 2019, provided to the ARMC in advance of the ARMC meeting on 5 February 2019 [CIM.004.001.4251], p 98-104.

(iii) Michael Wright's updates to the Board of CIMIC Directors about BICC, recorded in the minutes of meetings held on 18 July 2018 (CIM.004.001.4717, p. 6) and 23 October 2018 (CIM.004.001.4724, p 3);

(iv) Michael Wright's receipt of the BICC Board Report dated November 2018 [CIM.100.018.0877] on 25 October 2018 [CIM.100.018.0874], in his capacity as a director of BICC (as pleaded in paragraph 21(b)), in circumstances where he was under a duty to receive and communicate to CIMIC information acquired by him in the course of his role as a director of BICC which concerned the BICC Financial Information;

(v) Michael Wright's receipt and approval of BICC's draw down requests under the Greensill Facilities. Paragraphs 223 to 228 and 233 to 238 and the particulars subjoined thereto are referred to and repeated;

(vi) Stefan Camphausen's receipt of information about the matters in paragraphs (b) to (m) above (as particularised below), in circumstances where Stefan Camphausen had a duty to inform Michael Wright of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

(vii) George Sassine's receipt of information about the matters in paragraphs (b), (c), (g) to (l) above (as particularised below), in circumstances where George Sassine had a duty to inform Michael Wright of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

<u>Stefan Camphausen</u>

It is to be inferred that Stefan Camphausen had, or ought reasonably to have, come into possession of the February 2019 Middle East Information by reason of the fact that:

A. Stefan Camphausen knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 18 July 2018, particularised in paragraph 212 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 31 December 2018, as pleaded at paragraph 249 above;

(c) the deterioration of BICC's financial performance since 30 June 2018, as pleaded at paragraphs 218 to 222 and 246 to 248 above;

(d) BICC had recorded a loss of AED 268 million for FY18, as pleaded at paragraph 248 above;

(e) BICC had negative cash flow from operations of AED 910 million for FY18, as pleaded at paragraph 248 above;

(f) in FY18, BICC had not met the forecast for its performance in the FY17 Valuation Report, as was apparent from the summary of BICC's FY18 Performance in the presentation entitled 'Project Dune – Initial Analysis' (particularised below), when compared with the forecast for its performance in the FY17 Valuation Report (as pleaded in paragraph 153(c)(i));

(g) BICC faced significant challenges to improving its performance in FY19 by reason that its BICC's work in hand had declined further to AED 2,807 million (from AED 5,512 million as at December 2017) as at 31 December 2018, its current margin in hand was AED 54 million as at 31 December 2018 and the majority of its projects were loss making, as pleaded at paragraph 248 above;

(h) BICC's cash position continued to be severely stressed and affect project delivery and performance, as pleaded at paragraph 222 above;

(i) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 239 to 245 above;

(j) a large portion of BICC's receivables were uncertified, as pleaded at paragraphs 239 to 245 above;

(k) BICC was reliant on CIMIC for financial support, including for cash advances for operational expenses, and for approving BICC's draw downs under the Greensill Facilities to fund some of BICC's operational expenses, as pleaded at paragraphs 223 to 238 above;

(l) existing lenders were unwilling to loan additional money to BICC unless CIMIC offered parent company guarantees, as pleaded at paragraph 222 above; and

(m) the FY18 BICC Valuation was based upon the FY18 Opening Position Error and the FY18 Unreasonable Assumptions, as pleaded at paragraphs 254 to 255 above;

B. By reason of knowing the matters in (a) to (m) above, Stefan Camphausen knew or ought reasonably to have known that:

(n) the FY18 BICC Valuation was incorrect and ought not be relied upon by CIMIC;

(o) the FY18 BICC Valuation ought to be adjusted for the FY18 Opening Position and the FY18 Unreasonable Assumptions pleaded at paragraphs 254 to 255 above; and

(p) so adjusted, the FY18 BICC Valuation would have recorded the matters pleaded in paragraph 256(d) to (g) above;

C. By reason of knowing the matters in (n) to (p) above, Stefan Camphausen knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(q) by reason of the matters pleaded in paragraph 258, the Shareholder Loans in the amount of $640.7 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 261(a) of the February 2019 Middle East Information);

(r) by reason of the matters pleaded in paragraph 257, the Call Option in the amount of $76.1 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 261(b) of the February 2019 Middle East Information);

(s) by reason of the matters pleaded in paragraph 259, CIMIC was required to recognise a financial liability of $783.8 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 261(c) of the February 2019 Middle East Information); and

(t) by reason of the above matters in paragraphs (q) to (s), CIMIC was required to recognise a post-tax impact in the amount of ($1,050.4) million in FY18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($269.8) million (paragraph 261(d) of the February 2019 Middle East Information); or

(u) alternatively to (t), by reason of the above matters in paragraph (q), CIMIC was required to recognise a post-tax impact in the amount of ($448.49) million in FY18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was $332.11 million (paragraph 261(e) of the February 2019 Middle East Information).

D. Stefan Camphausen knew or ought reasonably to have known the matters in (a) to (m) above by reason of:

(i) the matters particularised in respect of Stefan Camphausen's knowledge of the July 2018 Middle East Information in paragraph 212 above;

(ii) Stefan Camphausen's receipt, in his capacity as the Chief Financial Officer of CIMIC (as pleaded in paragraph 35) of:

a. an email from Roman Garrido Sanchez on 25 July 2018 [CIM.100.027.7567] about BICC's deteriorating financial performance, BICC's negative cash flows and BICC's decreasing work in hand;

b. an email from a Siemens Mobility GmbH employee on 11 December 2018 [CIM.100.011.8720] about BICC's cash position and delivery of a project;

c. an email from Colin Young on 20 December 2018 [CIM.102.023.6326] about BICC's loan covenants and the proposal to convert accrued interest on shareholder loans to BICC;

d. the HLG Exposure Update dated 16 January 2019 [CIM.102.023.5935] on 16 January 2019 [CIM.102.023.5935];

e. a presentation entitled 'Project Dune – Initial Analysis [CIM.104.019.1066] on 1 February 2019 [CIM.104.019.1065];

f. the draft CIMIC Financial Report for the 12-month period to 31 December 2018 provided to the ARMC in advance of the ARMC meeting on 5 February 2019 [CIM.004.001.4251], p.134 and 152; and

g. the BICC Valuation Report of January 2019, provided to the ARMC in advance of the ARMC meeting on 5 February 2019 [CIM.004.001.4251], p 98-104.

(iii) Stefan Camphausen, in his capacity as the Chief Financial Officer of CIMIC (as pleaded in paragraph 35), sending a document entitled 'BICC recap analysis_v10' [CIM.100.027.7027] about BICC's receivables and CIMIC's exposure to BICC, on 14 September 2018 [CIM.100.027.7010];

(iv) Stefan Camphausen's receipt, in his capacity as an alternate director of BICC (as pleaded in paragraphs 21(b)), of the BICC Board Report dated November 2018 [CIM.100.018.0877] on 25 October 2018 [CIM.100.018.0874], in circumstances where he was under a duty to receive and communicate to CIMIC information acquired by him in the course of his role as an alternate director of BICC which concerned the BICC Financial Information;

(v) Stefan Camphausen's receipt of BICC's draw down requests under the Greensill Facilities and approvals of same. Paragraphs 223 to 228 and 233 to 238 and the particulars subjoined thereto are referred to and repeated;

(vi) Colin Young and Tamara Kidd's receipt of:

a. the BICC Contracting Monthly Report for June 2018 [CIM.122.020.0969] on 5 August 2018 [CIM.122.020.0966];

b. the BICC Contracting Monthly Report for July 2018 [CIM.122.019.7159] on 2 September 2018 [CIM.122.019.7156;

c. the BICC Monthly Report for August 2018 [CIM.122.019.4382], on 26 September 2018 [CIM.102.026.1825];

d. the BICC Monthly Report for September 2018 [CIM.122.019.1970 on 25 October 2018 [CIM.122.019.1969];

e. the BICC Monthly Report for October 2018 [CIM.122.018.7569] on 28 November 2018 [CIM.122.018.7567];

f. the BICC Monthly Report for November 2018 [CIM.102.020.1833] on 18 January 2019 [CIM.102.020.1830];

g. the BICC Project Data Report as at June 2018 [CIM.122.020.0968 on 5 August 2018 [CIM.122.020.0966];

h. the BICC Project Data Report as at July 2018 [CIM.122.019.7172] on 2 September 2018 [CIM.122.019.7156];

i. the BICC Project Data Report as at September 2018 [CIM.122.019.1983] on 25 October 2018 [CIM.122.019.1969]; and

j. the BICC Project Data Report as at October 2018 [CIM.122.018.7568] on 28 November 2018 [CIM.122.018.7567],

in circumstances where Colin Young and Tamara Kidd had a duty to inform Stefan Camphausen of the information in the documents by reason of:

k. their roles and responsibilities (as pleaded in paragraph 38) and their duties to CIMIC of fidelity, loyalty and good faith; and

l. the nature of significance of the information in the documents.

(vii) Colin Young and Carlos Mendes' receipt of the FY18 VIU Model [CIM.102.023.6162] received by email on 20 December 2018 [CIM.102.023.6161] in circumstances where Colin Young and Carlos Mendes had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. their roles and responsibilities (as pleaded in paragraph 38) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(viii) Carlos Mendes and Colin Young's receipt of the HLG Project Data Report as at November 2018 [CIM.102.020.1788] on 30 January 2019 [CIM.102.020.1797] in circumstances where Colin Young and Carlos Mendes had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. their roles and responsibilities (as pleaded in paragraph 38) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(ix) Colin Young's receipt of:

a. the BICC Project Data Report as at August 2018 [CIM.122.019.4368] on 30 September 2018 [CIM.122.019.4365];

b. the BICC Project Data Report as at December 2018 [CIM.102.020.1787] on 1 February 2019 [CIM.102.020.1768]; and

c. the BICC Monthly Report for December 2018 [CIM.102.020.1773]

in circumstances where Colin Young had a duty to inform Stefan Camphausen of the information in the documents by reason of:

d. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

e. the nature of significance of the information in the documents.

(x) Scott McAlpine's receipt of information about the matters in paragraphs (b) to (e) and (g) to (l) above (as particularised below), in circumstances where Scott McAlpine had a duty to inform Stefan Camphausen of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

Ignacio Segura Suriñach

It is to be inferred that Ignacio Segura Suriñach had, or ought reasonably to have, come into possession of the February 2019 Middle East Information by reason of the fact that:

A. Ignacio Segura Suriñach knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 18 July 2018, particularised in paragraph 212 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 31 December 2018, as pleaded at paragraph 249 above;

(c) the deterioration of BICC's financial performance since 30 June 2018, as pleaded at paragraphs 218 to 222 and 246 to 248 above;

(d) BICC had recorded a loss of AED 268 million for FY18, as pleaded at paragraph 248 above;

(e) BICC had negative cash flow from operations of AED 910 million for FY18, as pleaded at paragraph 248 above;

(f) in FY18, BICC had not met the forecast for its performance in the FY17 Valuation Report, as was apparent from the summary of BICC's FY18 Performance in the presentation entitled 'Project Dune – Initial Analysis' (particularised below), when compared with the forecast for its performance in the FY17 Valuation Report (as pleaded in paragraph 153(c)(i));

(g) BICC faced significant challenges to improving its performance in FY19 by reason that:

i. BICC's work in hand had declined further to AED 2,322 million as at 31 August 2018 (from AED 5,512 million as at December 2017), its current margin in hand was AED 78 million as at 31 August 2018 and the majority of its projects were loss making, as pleaded at paragraph 222 above;

ii. BICC's work in hand had declined further to AED 2,807 million as at 31 December 2018 (from AED 5,512 million as at December 2017), it current margin in hand was AED 54 million as at 31 December 2018 and the majority of its projects were loss making, as pleaded in paragraph 248 above.

(h) BICC's cash position continued to be severely stressed and affect project delivery and performance, as pleaded at paragraph 222 above;

(i) The Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 239 to 245 above;

(j) a large portion of BICC's receivables were uncertified, as pleaded at paragraphs 239 to 245 above;

(k) BICC was reliant on CIMIC for financial support, including for cash advances for operational expenses, and for approving BICC's draw downs under the Greensill Facilities to fund some of BICC's operational expenses, as pleaded at paragraphs 223 to 238 above;

(l) existing lenders were unwilling to loan additional money to BICC unless CIMIC offered parent company guarantees, as pleaded at paragraph 222 above; and

(m) the FY18 BICC Valuation was based upon the FY18 Opening Position Error and the FY18 Unreasonable Assumptions, as pleaded at paragraphs 254 to 255 above;

B. By reason of knowing the matters in (a) to (m) above, Ignacio Segura Suriñach knew or ought reasonably to have known that:

(n) the FY18 BICC Valuation was incorrect and ought not be relied upon by CIMIC;

(o) the FY18 BICC Valuation ought to be adjusted for the FY18 Opening Position Error and the FY18 Unreasonable Assumptions pleaded at paragraphs 254 to 255 above; and

(p) so adjusted, the FY18 BICC Valuation would have recorded the matters pleaded in paragraph 256(d) to (g) above;

C. By reason of knowing the matters in (n) to (p) above, Ignacio Segura Suriñach knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(q) by reason of the matters pleaded in paragraph 258, the Shareholder Loans in the amount of $640.7 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 261(a) of the February 2019 Middle East Information);

(r) by reason of the matters pleaded in paragraph 257, the Call Option in the amount of $76.1 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 261(b) of the February 2019 Middle East Information);

(s) by reason of the matters pleaded in paragraph 259, CIMIC was required to recognise a financial liability of $783.8 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 261(c) of the February 2019 Middle East Information); and

(t) by reason of the above matters in paragraphs (q) to (s), CIMIC was required to recognise a post-tax impact in the amount of ($1,050.4) million in FY18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($269.8) million (paragraph 261(d) of the February 2019 Middle East Information); <u>or</u>

(u) <u>alternatively to (t) by reason of the above matters in paragraph (q), CIMIC was required to recognise a post-tax impact in the amount of ($448.49) million in FY18 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was $332.11 million (paragraph 261(e) of the February 2019 Middle East Information).</u>

D. Ignacio Segura Suriñach knew or ought reasonably to have known the matters in (a) to (m) above by reason of:

(i) the matters particularised in respect of Ignacio Segura Suriñach's knowledge of the July 2018 Middle East Information in paragraph 212 above;

(ii) Ignacio Segura Suriñach's receipt, in his capacity as the Deputy Chief Executive Officer and Chief Operating Officer of CIMIC (as pleaded in paragraph 35), of:

a. a document entitled 'BICC recap analysis_v10' [CIM.100.027.7027] about BICC's receivables and CIMIC's exposure to BICC, on 14 September 2018 [CIM.100.027.7010];

b. the BICC Board Report dated November 2018 [CIM.100.011.0104] on 1 November 2018 [CIM.100.011.0101] (as pleaded in paragraph 222);

c. an email from a Siemens Mobility GmbH employee about BICC's cash position and delivery of a project, forwarded to Ignacio Segura Suriñach by Michael Wright on 11 December 2018 [CIM.100.018.0715];

d. the draft CIMIC Financial Report for the 12-month period to 31 December 2018 provided to the ARMC in advance of the ARMC meeting on 5 February 2019 [CIM.004.001.4251], p.134 and 152;

e. the BICC Valuation Report of January 2019, provided to the ARMC in advance of the ARMC meeting on 5 February 2019 [CIM.004.001.4251], p 98-104.

(iii) Ignacio Segura Suriñach's receipt of BICC's draw down requests under the Greensill Facilities. Paragraphs 223 to 228 and 233 to 238 and the particulars subjoined thereto are referred to and repeated.

(iv) Stefan Camphausen's receipt of information about the matters in paragraphs (b) to (m) above (as particularised above), in circumstances where Stefan Camphausen had a duty to inform Ignacio Segura Suriñach of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

(v) George Sassine's receipt of information about the matters in paragraphs (b), (c), (g) to (l) above (as particularised above), in circumstances where George Sassine had a duty to inform Ignacio Segura Suriñach of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

<u>Scott McAlpine</u>

It is to be inferred that Scott McAlpine knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 18 July 2018, particularised in paragraph 212 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 31 December 2018, as pleaded at paragraph 249 above;

(c) the deterioration of BICC's financial performance since 30 June 2018, as pleaded at paragraphs 218 to 222 and 246 to 248 above;

(d) BICC had recorded a loss of AED 268 million for FY18, as pleaded at paragraph 248 above;

(e) BICC had negative cash flow from operations of AED 910 million for FY18, as pleaded at paragraph 248 above;

(f) BICC faced significant challenges to improving its performance in FY19 by reason that its BICC's work in hand had declined further to AED 2,807 million (from AED 5,512 million as at December 2017) and its current margin in hand was AED 54 million, as pleaded at paragraph 248 above;

(g) BICC's cash position continued to be severely stressed and affect project delivery and performance, as pleaded at paragraph 222 above;

(h) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 239 to 245 above;

(i) a large portion of BICC's receivables were uncertified, as pleaded at paragraphs 239 to 245 above;

(j) BICC was reliant on CIMIC for financial support, including for cash advances for operational expenses, and for approving BICC's draw downs under the Greensill Facilities to fund some of BICC's operational expenses, as pleaded at paragraphs 223 to 238 above; and

(k) existing lenders were unwilling to loan additional money to BICC unless CIMIC offered parent company guarantees, as pleaded at paragraph 222 above.

Scott McAlpine knew or ought reasonably to have known the matters in (a) to (k) above by reason of:

(i) the matters particularised in respect of Scott McAlpine's knowledge in paragraph 212 above;

(ii) Scott McAlpine's receipt, in his capacity as the Executive General Manager Treasury of CIMIC (as pleaded in paragraph 35) of:

a. an email from Colin Young on 17 August 2018 [CIM.102.028.3785] about CIMIC's cash transfers to BICC and BICC's drawdowns on the Greensill Facilities;

b. an email from an HSBC employee dated 4 September 2018 [CIM.118.009.6269] about the requirement for a CIMIC guarantee;

c. an email from Colin Young on 20 December 2018 [CIM.102.023.6326] about BICC's loan covenants and the proposal to convert accrued interest on shareholder loans to BICC;

(iii) Scott McAlpine signing, on behalf of CIMIC, the HSBC MOFA Guarantee. Paragraph 231 and the particulars subjoined thereto are referred to and repeated;

(iv) Scott McAlpine's receipt of BICC's draw down requests under the Greensill Facilities. Paragraphs 223 to 228 and 233 to 238 and the particulars subjoined thereto are referred to and repeated;

(v) Christopher Granda's receipt of:

a. the BICC Project Data Report as at June 2018 [CIM.122.020.0968 on 5 August 2018 [CIM.122.020.0966];

b. the BICC Contracting Monthly Report for June 2018 [CIM.122.020.0969] on 5 August 2018 [CIM.122.020.0966];

c. the BICC Project Data Report as at July 2018 [CIM.122.019.7172] on 2 September 2018 [CIM.122.019.7156;

d. the BICC Contracting Monthly Report for July 2018 [CIM.122.019.7159] on 2 September 2018 [CIM.122.019.7156];

e. the BICC Monthly Report for August 2018 [CIM.122.019.4382], on 26 September 2018 [CIM.102.026.1825];

f. the BICC Project Data Report as at August 2018 [CIM.122.019.4368] on 30 September 2018 [CIM.122.019.4365];

g. the BICC Project Data Report as at September 2018 [CIM.122.019.1983] on 25 October 2018 [CIM.122.019.1969];

h. the BICC Monthly Report for September 2018 [CIM.122.019.1970 on 25 October 2018 [CIM.122.019.1969];

i. the BICC Monthly Report for October 2018 [CIM.122.018.7569] on 28 November 2018 [CIM.122.018.7567];

j. the BICC Project Data Report as at October 2018 [CIM.122.018.7568] on 28 November 2018 [CIM.122.018.7567];

k. the BICC Monthly Report for November 2018 [CIM.102.020.1833] on 18 January 2019 [CIM.102.020.1830];

l. the BICC Monthly Report for December 2018 [CIM.102.020.1773] on 1 February 2019 [CIM.102.020.1768]; and

m. the BICC Project Data Report as at December 2018 CIM.102.020.1787] on 1 February 2019 [CIM.102.020.1768]

in circumstances where Christopher Granda had a duty to inform Scott McAlpine of the information in the documents by reason of:

n. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

o. the nature of significance of the information in the documents.

<u>George Sassine</u>

It is to be inferred that George Sassine knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 18 July 2018, particularised in paragraph 212 above;

(b) the nature and extent of CIMIC’s financial exposure to BICC as at 31 December 2018, as pleaded at paragraph 249 above;

(c) the deterioration of BICC’s financial performance since 30 June 2018, as pleaded at paragraphs 218 to 222 and 246 to 248 above;

(d) BICC faced significant challenges to improving its performance in FY19 by reason that its BICC’s work in hand had declined further to AED 2,322 million as at 31 August 2018 (from AED 5,512 million as at December 2017), its current margin in hand was AED 78 million as at 31 August 2018 and the majority of its projects were loss making, as pleaded at paragraph 222 above;

(e) BICC’s cash position continued to be severely stressed and affect project delivery and performance, as pleaded at paragraph 222 above;

(f) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 239 to 245 above;

(g) a large portion of BICC's receivables were uncertified, as pleaded at paragraphs 239 to 245 above;

(h) BICC was reliant on CIMIC for financial support, including for cash advances for operational expenses, and for approving BICC's draw downs under the Greensill Facilities to fund some of BICC's operational expenses, as pleaded at paragraphs 223 to 238 above; and

(i) existing lenders were unwilling to loan additional money to BICC unless CIMIC offered parent company guarantees, as pleaded at paragraph 222 above.

George Sassine knew or ought reasonably to have known the matters in (a) to (i) above by reason of:

(i) the matters particularised in respect of George Sassine's knowledge in paragraph 212 above;

(ii) George Sassine's receipt, in his capacity as Executive General Manager of Investments and Group Property Services of CIMIC (as pleaded in paragraph 35), of:

a. an email from Roman Garrido Sanchez on 25 July 2018 [CIM.100.027.7567] about BICC's deteriorating financial performance, BICC's negative cash flows and BICC's decreasing work in hand;

b. the BICC Board Report dated November 2018 [CIM.100.011.0104] on 1 November 2018 [CIM.100.011.0101];

c. an email from a Siemens Mobility GmbH employee about BICC's cash position and delivery of a project, forwarded to him by Roman Garrido Sanchez on 11 December 2018 [CIM.104.035.6234];

d. a presentation entitled 'Project Dune – Initial Analysis [CIM.104.019.1066] on 1 February 2019 [CIM.104.019.1065];

(iii) George Sassine's receipt of BICC's draw down requests under the Greensill Facilities and approvals of same. Paragraphs 223 to 228 and 233 to 238 and the particulars subjoined thereto are referred to and repeated.

262. The February 2019 Middle East Information was:

(a) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(b) not generally available; and

(c) not information to which Rule 3.1A of the ASX Listing Rules applied.

263. By reason of the matters pleaded in paragraphs 4(a), 5, 261 and 262, CIMIC was obliged by Rule

3.1 of the ASX Listing Rules and s 674(2) of the Corporations Act to immediately notify the ASX of the February 2019 Middle East Information from 5 February 2019.

264. Notwithstanding the matters alleged in paragraphs 261 to 263, CIMIC did not notify the ASX of the February 2019 Middle East Information at any time from 5 February 2019 until the end of the Relevant Period.

265. By reason of the matters alleged in paragraphs 261 to 264, CIMIC contravened s 674(2) of the Corporations Act (**February 2019 Middle East Disclosure Contraventions**).

I.4 JULY 2019 MIDDLE EAST DISCLOSURE CONTRAVENTIONS

Amended Debt Facility

266. On about 9 December 2018, BICC and UNB entered into a facility agreement pursuant to which, on the terms of the agreement:

(a) the UNB Facility Agreements were revised and renewed at specified limits; and

(b) UNB offered a new commercial loan facility in the amount of AED 108,193,000 for a term of 9 months;

(c) BICC irrevocably and unconditionally undertook that in the event of default under the syndicated loan obtained by BICC, the extended facilities from UNB were to be considered as defaulted and to take precedence over other banks on pari-passu basis for early settlement;

(d) future utilisation of limits was subject to improvement in financial performance / position of BICC and UNB’s further clearance of the same based on credible financial results;

(e) a corporate guarantee from CIMIC covering facilities up to AED 850 million was to be provided upfront;

(f) the personal guarantee of Mr Riad Tawfiq AlSadek and corporate guarantee of Al Habtoor Holding LLC were reduced to cover facilities up to AED 330 million each, with a further reduction in those guarantees to be allowed on a pro rata basis in line with the reduction in the OCL facility outstanding amount, and to be fully released on the return or cancellation of letters of guarantee related to the ZADCO project or on reaching an amicable settlement on ZADCO project to UNB’s satisfaction.

(**Revised UNB Facility Agreement** and a **Guaranteed Facility**).

Particulars

Facility Offer Letter/Agreement from UNB to BICC dated 9 December 2018 [**CIM.100.008.4386**].

267. On or about 28 February 2019, and subsequently on or about 5 April 2019, CIMIC provided a Letter of Guarantee to UNB pursuant to which CIMIC guaranteed BICC's obligations to UNB under the Revised UNB Facility Agreements (**Second UNB Guarantee** and a **CIMIC Guarantee**).

Particulars

Letter of Guarantee dated 28 February 2019 provided by CIMIC to UNB [**CIM.102.021.2494**], signed on behalf of CIMIC by Stefan Camphausen and Shelly Maxwell-Smith.

Letter of Guarantee dated 5 April 2019 provided by CIMIC to UNB [**CIM.100.008.4393**], signed on behalf of CIMIC by Stefan Camphausen and Michael Charlton.

268. There were terms of the Second UNB Guarantee, among others, to the effect that:

(a) CIMIC guaranteed to UNB punctual performance of the Guaranteed Obligations, being all present and future obligations and liabilities, whether actual or contingent, of BICC (excluding specified obligations) to UNB under or arising out of a claim under or breach of the UNB Facility Agreements (defined to include the Revised UNB Facility Agreement) (cl 1);

(b) if and when BICC defaults in the payment of any sum due and payable by it to UNB pursuant to the provisions of any of the UNB Facility Agreements, CIMIC shall forthwith with 5 business days of UNB's first demand make good the default and pay to UNB all sums that are due and payable but unpaid by BICC that form part of the Guaranteed Obligations (cl 2);

(c) the maximum recoverable amount from CIMIC was the aggregate of the principal sum of AED835,000,000 (and up to a maximum of that sum) and any interest, costs, charges and expenses that comprise part of the Guaranteed Obligations (as defined) that accrue on the principal sum (definitions);

(d) the Second UNB Guarantee superseded and replaced any previous guarantees that CIMIC may have provided to UNB in connection with the UNB Facility Agreements (preamble).

Cash Requests – February to March 2019

269. In February 2019, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for February 2019; and

(b) made requests to CIMIC for approval to draw down amounts totalling of AED 267.4 million, later revised to AED 189 million, which drawdowns were stated to be for the purposes of, among other things, banking repayments, post-dated cheques, court orders and legal fees, payment of salaries and wages, critical project payments, payment of plant and fuel supplies and overheads.

Particulars

(i) Copy of February forecast cash deficit and request for AED210.9 million made on or about 6 February 2019: email from email from David Wood (BICC) to Roman Garrido Sanchez, George Sassine, Colin Young and Christopher Granda [**CIM.102.023.8952**]

(ii) Copy of additional request for AED 56.5 million made on or about 22 February 2019: email from David Wood (BICC) to George Sassine, Roman Garrido Sanchez, Gavan Williams (BICC), Christopher Granda and Colin Young [**CIM.104.018.3463**].

270. In February 2019:

(a) CIMIC approved the above requests from BICC in part;

(b) pursuant to which BICC drew down a total of AED 205.1 million (equivalent to approximately $78.6 million) comprised of:

(i) AED 146.3 million (equivalent to approximately $56.06 million) under the Greensill Facilities; and

(ii) AED 58.8 million (equivalent to approximately $22.5 million) under the HSBC Multi-Option Facility Agreement.

Particulars

(i) Approval by Michael Wright on or about 8 February 2019: Email dated 8 February 2019 from Michael Wright to Roman Garrido Sanchez, Stefan Camphausen and Ignacio Segura Suriñach [**CIM.104.021.0359**].

(ii) Approval by Michael Wright on or about 27 February 2019: Email dated 27 February 2019 from Michael Wright to Roman Garrido Sanchez, Stefan Camphausen, Ignacio Segura Suriñach and George Sassine [**CIM.104.018.3463**].

(iii) Drawdowns from Greensill Facilities on or around 5 February and 7 February 2019 totalling AED 146.3 million and AED 9.6 million repayment of maturity to Greensill on 15 February 2019 [**CIM.104.018.0661**].

(iv) Drawdown from HSBC MOFA Facility on or around 27 February 2019 totalling AED 58.8 million [**CIM.104.018.0661**].

271. In March 2019, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for March 2019; and

(b) made requests to CIMIC for approval to draw down amounts totalling AED 199 million, later revised to AED 204 million, which were stated to be for the purposes of, among other things, banking repayments, post-dated cheques, court orders and legal fees, payment of salaries and wages, critical project payments and settlements, payment of plant and fuel supplies and overheads.

Particulars

(i) Copy of March forecast cash deficit and request for AED 108 million made on or about 7 March 2019: email from email from David Wood (BICC) to George Sassine, Gavin Robert Williams (BICC), Roman Garrido Sanchez, George Sassine, Colin Young and Christopher Granda [**CIM.100.055.4840**].

(ii) Copy of additional request for AED 91 million made on or about 20 March 2019: email from David Wood (BICC) to George Sassine, Moustafa Fahour (BICC), Roman Garrido Sanchez, Gavan Williams (BICC), Christopher Granda and Colin Young [**CIM.100.058.5818**].

272. In March 2019:

(a) CIMIC approved the above requests from BICC in part;

(b) pursuant to which BICC drew down a total of AED 203.2 million (equivalent to approximately $77.87 million), comprised of:

(i) AED 78.3 million (equivalent to approximately $30.0 million) under the Greensill Facilities; and

(ii) AED 124.9 million (equivalent to approximately $47.86 million) under the HSBC Multi-Option Facility Agreement.

Particulars

(i) Approval by Michael Wright on or about 20 March 2019: Email dated 20

March 2019 from Michael Wright to George Sassine, Stefan Camphausen, Roman Garrido Sanchez and Dianne Cassidy [**CIM.100.058.5818**].

(ii) Drawdown from Greensill Facilities on or around 21 March 2019 totalling AED 78.3 million and drawdowns on HSBC MOFA Facility on 14 March and 21 March 2019 totalling AED 124.9 [**CIM.104.016.5619**].

Greensill Facilities and HSBC Multi-Option Facility

273. By the end of March 2019, the Greensill Facility A, Greensill Facility B and the HSBC Multi-Option Facility had been exhausted.

Particulars

(i) Email from Scott McAlpine to David Wood, George Sassine, Michael Azzi, Colin Young, Stefan Camphausen on 21 March 2019 [**CIM.104.017.7686**]

BICC's performance

274. On or about 25 February 2019, CIMIC received a copy of the BICC Board Report for Year Ended December 2018, which relevantly stated:

(a) work in hand as at 31 December 2018 was AED 2.8 billion versus AED 5.2 billion at 31 December 2017. Lower work in hand was mainly due to lack of new wins and completion of current jobs (p 5);

(b) revenue for the year in 2018 was AED 4 billion versus AED 5.4 billion for FY17. Revenue dropped mainly due to closing out of jobs and lack of new work (p 5);

(c) due to the majority of BICC past projects being loss making and some terminated pending settlements, BICC's cash position continued to be severely stressed and affecting project delivery and performance with a high risk of bond calls by clients vis a vis increase cost to complete and application of LDs (p 5);

(d) BICC continued to face cash challenges not only due to non-settlement of legacy projects dues but also due to outstanding claims/variations on projects near completion, with AED 5.8 billion of working capital tied up in uncertified debtors (AED 5 billion) and certified debtors (AED 829 million) (p 4);

(e) BICC had turned to shareholder support for funding at the start of the year which was routed through Greensill; obtaining facilities from other banks would be extremely difficult given the current market conditions (p 5);

(f) BICC continued to rely on funding from shareholder in order to complete existing projects (p 6).

Particulars

(i) The BICC Board Report dated March 2019 [**CIM.100.018.0160**] was sent by Moustafa Fahour to Michael Wright and Stefan Camphausen by email on 25 February 2019 [**CIM.100.018.0159**].

275. On or about 25 February 2019, CIMIC received from BICC a copy of the BICC 2019 Business Plan which:

(a) contained the same five year forecasts as the FY18 BICC Valuation (p 16), including:

(i) forecast revenue of AED 4,750 million for FY19;

(ii) forecast profit before tax of AED 50 million for FY19;

(b) identified those forecasts as an "indicative 5-year financial plan ("Stretch Plan")", which was subject to further discussion and review with BICC's board;

(c) summarised BICC's FY18 performance as including (p 5):

(i) contract revenue of AED 4,010 million;

(ii) earnings before interest and tax (**EBIT)** of AED 81 million; and

(iii) NPAT of AED (268) million.

Particulars

(i) BICC 2019 Business Plan dated February 2019 [**CIM.104.018.4243**] provided to Michael Wright, Stefan Camphausen, Roman Garrido Sanchez, George Sassine and Christina Ilinkovski on 25 February 2019 [**CIM.104.108.4114**].

276. On or about 19 March 2019, CIMIC received a copy of the BICC monthly report for January 2019, which reported BICC's financial position as at 31 January 2019.

Particulars

(i) BICC Monthly Report for January 2019 [**CIM.102.020.1713**]

(ii) The report was sent to Christopher Granda and Colin Young on 19 March 2019 [**CIM.102.020.1712**]

277. On or about 1 April 2019, CIMIC received a copy of the BICC monthly report for February 2019,

which reported BICC's financial position as at 28 February 2019 as follows:

(a) year to date work in hand of AED 2,544 million;

(b) year to date margin in hand of AED 46 million;

(c) year to date revenue of AED 705 million;

(d) year to date profit of AED 1 million;

(e) total assets of AED 10,761 million and total liabilities of AED 10,352 million;

(f) total equity of AED 409 million;

(g) total debt of AED 3,846 million; and

(h) year to date negative cash flow from operations of AED (153) million.

Particulars

BICC Monthly Report for February 2019 [CIM.102.020.1453].

The report was sent to Christopher Granda and Colin Young on 1 April 2019 [**CIM.102.020.1451**].

278. On or about 7 May 2019, CIMIC received a copy of the BICC monthly report for March 2019, which reported BICC's financial position as at 31 March 2019.

Particulars

BICC Monthly Report for March 2019 [**CIM.102.020.1337**]

The report was sent to Christopher Granda and Colin Young on 7 May 2019 [**CIM.102.020.1336**]

279. On or about 28 May 2019, CIMIC received a copy of the BICC monthly report for April 2019, which reported BICC's financial position as at 30 April 2019, as follows:

(a) year to date work in hand of AED 2,373 million;

(b) year to date margin in hand of AED 40 million;

(c) year to date revenue of AED 969 million;

(d) year to date profit of AED 1 million;

(e) total assets of AED 10,791 million and total liabilities of AED 10,386 million;

(f) total equity of AED 405 million;

(g) total debt of AED 4,200 million;

(h) year to date negative cash flow from operations of AED (361) million.

Particulars

(i) BICC Monthly Report for April 2019 [**CIM.102.020.1290**]

(ii) The report was sent to Christopher Granda and Colin Young on 28 May 2019 [**CIM.102.020.1287**]

Restructured Shareholders Loan

280. On or about 12 March 2019, LMENA and BICC entered into an amendment agreement (**Fourth Restructured Shareholder Loan Agreement)** pursuant to which they agreed to amend the terms applicable to AED 116,371,332 (equivalent to $45 million) of accrued interest on amounts loaned under the Second Shareholders Loan Agreement (defined therein as "Accrued Interest") in the period between 30 December 2017 and 31 December 2018, such that BICC was not obliged to pay the Accrued Interest in accordance with the Second Shareholders Loan Agreement and BICC could pay the Accrued Interest at any time at its discretion.

Particulars

(i) Amendment Agreement between LMENA and BICC dated 12 March 2019 [**BIC.006.028.2574**]

Legacy Project Receivables

281. On or about 19 March 2019, CIMIC received a copy of BICC's Project Data Report for January 2019, which stated, as was the fact, that BICC had a total of AED 2,620,370,000 (equivalent to approximately $1,004.2 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,145,247,000 were uncertified; and

(b) AED 475,123,000 were certified.

Particulars

(i) BICC Project Data Report as at January 2019 [**CIM.102.020.1727**], provided by Qaisir Mahmood (BICC) to Christopher Granda at CIMIC on 19 March 2019 [**CIM.102.020.1712**].

282. On or about 1 April 2019, CIMIC received a copy of BICC's Project Data Report for February 2019, which stated, as was the fact, that BICC had a total of AED 2,622,359,000 (equivalent to approximately $1,005.0 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,147,236,000 were uncertified; and

(b) AED 475,123,000 were certified.

Particulars

(i) BICC Project Data Report as at February 2019 [**CIM.102.020.1467**], provided by Qaisir Mahmood (BICC) to Christopher Granda and Colin Young at CIMIC on 1 April 2019 [**CIM.102.020.1451**].

283. On or about 7 May 2019, CIMIC received a copy of BICC's Project Data Report for March 2019, which stated, as was the fact, that BICC had a total of AED 2,622,716,000 (equivalent to approximately $1,005.1 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,147,593,000 were uncertified; and

(b) AED 475,123,000 were certified.

Particulars

(i) BICC Project Data Report as at March 2019 [**CIM.102.020.1351**], provided by Qaisir Mahmood (BICC) to Christopher Granda and Colin Young at CIMIC on 7 May 2019 [**CIM.102.020.1336**].

Cash Requests – April to July 2019

284. In April 2019, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for April 2019; and

(b) made requests to CIMIC for cash injections of AED 267 million, later revised to AED 224 million, which were stated to be for the purposes of, among other things:

(i) cash for operations, including cash for bank payments, court orders, paying critical project payments (including supplies and fuel), and paying salaries and wages; and

(ii) meeting separate loan repayments and obligations.

Particulars

(i) Copy of April forecast cash deficit and request made on or about 2 April 2019:

email from David Wood (BICC) to George Sassine, Colin Young, Christopher Granda [**CIM.100.058.4022**].

(ii) Copy of revised April forecast cash deficit and request for AED 267 million revised down to AED 224 million made on or about 4 April 2019: email from David Wood (BICC) to George Sassine, Colin Young, Christopher Granda dated 4 April 2019 [**CIM.100.055.4595**].

(iii) Copy of revised April 2nd half forecast cash deficit and request for AED 91 million revised down to AED 79 million made on or about 23 April 2019: Email from David Wood (BICC) to Colin Young, George Sassine, Christopher Granda [**CIM.100.058.3279**].

285. In April 2019, CIMIC:

(a) approved the above requests from BICC for cash injections in part; and

(b) pursuant to those approvals, made cash transfers to BICC totalling AED 211.5 million (equivalent to approximately $81.1 million).

Particulars

(i) Approval by Michael Wright of AED 37.5 million on or about 3 April 2019: email dated 3 April 2019 from Michael Wright to Moustafa Fahour (BICC), George Sassine, Stefan Camphausen, Ignacio Segura Suriñach, Paul Russell (BICC), Brad Davey and David Wood (BICC) [**CIM.100.058.4756**].

(ii) Approval by Michael Wright of AED 37.6 million on or about 5 April 2019: email dated 5 April 2019 from Michael Wright to George Sassine, Stefan Camphausen, Ignacio Segura Suriñach, Dianne Cassidy [**CIM.100.058.4022**].

(iii) Approval by Michael Wright of AED 20 million on or about 15 April 2019: email dated 15 April 2019 from Michael Wright to George Sassine, Stefan Camphausen, Ignacio Segura Suriñach, Dianne Cassidy [**CIM.100.058.4022**].

(iv) Approval by Michael Wright of AED 116.4 million on or about 26 April 2019: email dated 26 April 2019 from Michael Wright to George Sassine, Stefan Camphausen, Ignacio Segura Suriñach, Dianne Cassidy [**CIM.100.058.3279**].

(v) CIMIC April cash advances totalling AED 211.5 million [**CIM.104.016.5619**].

286. In May 2019, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for May 2019; and

(b) made requests to CIMIC for cash injections of AED 292 million, later revised to AED 255 million which were stated to be for the purposes of, among other things, mandatory banking repayments, court orders, post-dated cheques, salaries and wages, critical project payments and overheads.

Particulars

(i) Copy of May forecast cash deficit and request made on or about 2 May 2019: email from David Wood (BICC) to George Sassine, Colin Young, Christopher Granda [**CIM.102.023.8298**].

(ii) Copy of revised May forecast cash deficit and request made on or about 6 May 2019: email from David Wood (BICC) to George Sassine, Colin Young, Christopher Granda [**CIM.102.023.8298**].

(iii) Copy of revised May 2nd half forecast cash deficit and request made on or about 19 May 2019: email from David Wood (BICC) to Colin Young, George Sassine, Christopher Granda [**CIM.100.058.1057**].

287. In May 2019, CIMIC:

(a) approved the above requests from BICC in part; and

(b) pursuant to those approvals, made cash transfers to BICC of totalling AED 255 million (equivalent to approximately $97.7 million).

Particulars

(i) Approval by Michael Wright of AED 148 million on or about 10 May 2019; email dated 10 May 2019 from Michael Wright to George Sassine, Stefan Camphausen, Ignacio Segura Suriñach, Brad Davey and Dianne Cassidy [**CIM.100.058.2571**].

(ii) Approval by Michael Wright of AED 107 million on or about 24 May 2019: email dated 24 May 2019 from Michael Wright to George Sassine, Stefan Camphausen, Ignacio Segura Suriñach, Brad Davey and Dianne Cassidy [**CIM.100.058.1057**].

(iii) Cash transfers on or about 14 May 2019 and 28 May 2019 totalling AED 255 million [**CIM.104.010.1083** Greensill tab].

288. In June 2019, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for June 2019; and

(b) made requests to CIMIC for cash injections totalling AED 293 million, later revised to AED 193 million, which were stated to be for the purposes of, among other things, banking repayments, post-dated cheques, court orders and legal fees; payment of salaries and wages, settlements, critical project payments, payment of plant and fuel supplies and overheads.

Particulars

(i) Copy of June Forecast cash deficit and request made on or about 10 June 2019: email from David Wood (BICC) to George Sassine, Colin Young, Christopher Granda [**CIM.100.054.4470**].

(ii) Copy of revised June Forecast cash deficit and request made on or about 12 June 2019: email from David Wood (BICC) to George Sassine, Colin Young, Christopher Granda [**CIM.100.054.4470**].

289. In or about June 2019:

(a) CIMIC approved the above requests from BICC in part;

(b) pursuant to which:

(i) CIMIC made cash transfers to BICC totalling AED 192.0 million (equivalent to $75.7 million);

(ii) BICC drew down under the SCB Facility AED 367.5 million (equivalent to $144.9 million); and

(iii) BICC made a repayment of AED 361.6 million (equivalent to $142.6 million) to CIMIC for the April, May and June 2019 cash advances.

Particulars

(i) approval by Michael Wright of AED 30 million on or about 30 May 2019: email dated 30 May 2019 from Michael Wright to Khalaf Ahmad Al Habtoor (Habtoor), Yusef Shalabi (Habtoor), Hadi El Kadi (Habtoor), Paul Russell (BICC), George Sassine [**CIM.105.015.4899**].

(ii) approval by Michael Wright of AED 162 million on or about 14 June 2019; email dated 14 June 2019 from Michael Wright to George Sassine, Stefan Camphausen, Ignacio Segura Suriñach, Brad Davey and Dianne Cassidy [**CIM.100.054.4470**].

(iii) BICC Exposure Update recording the CIMIC cash advances to BICC, the BICC drawdowns on Greensill Facility to fund rollover of maturities, the BICC drawdown of the SCB Bilateral Facility and the partial repayment from BICC to CIMIC of the April, May and June cash advances from the SCB Bilateral proceeds [**CIM.104.012.6002**] attached to an email from Colin Young to George Sassine and Stefan Camphausen dated 9 July 2019 [**CIM. 104.012.6001**].

290. In July 2019, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for July 2019; and

(b) made requests to CIMIC for cash injections totalling AED 296 million, later revised to AED 278.1 million, which were stated to be for the purposes of, among other things, banking repayments, post-dated cheques, court orders and legal fees; payment of salaries and wages, settlements and project works, critical project payments, payment of plant and fuel supplies and overheads.

Particulars

(i) Copy of July forecast cash deficit and request for AED 278.1 million made on or about 1 July 2019: email from David Wood (BICC) to George Sassine, Colin Young, Christopher Granda [**CIM.102.023.8101**].

(ii) Copy of revised July forecast cash deficit and request made on or about 3 July 2019: email from David Wood (BICC) to George Sassine, Colin Young, Christopher Granda [**CIM.102.023.8101**].

291. In July 2019, CIMIC:

(a) approved the above requests from BICC in part; and

(b) pursuant to those approvals, made cash transfers to BICC totalling AED 265.4 million (equivalent to $104.7 million).

Particulars

(i) Approval by Michael Wright of AED 197.4 million on or about 8 July 2019; email dated 8 July 2019 from Michael Wright to George Sassine, and Dianne Cassidy [**CIM.100.052.6536**].

(ii) Approval by Ignacio Segura Suriñach of AED 68 million on or about 22 July 2019: email dated 22 July 2019 from Ignacio Segura Suriñach to Michael Wright, George Sassine, Stefan Camphausen, Brad Davey and Dianne Cassidy [**CIM.100.048.8364**].

(iii) BICC Exposure Update recording the CIMIC cash advances to BICC and BICC draw downs on Greensill Facility to fund rollover of maturities [**CIM.105.004.8299**] attached to an email from Colin Young to Ignacio Segura Suriñach, Stefan Camphausen, Scott McAlpine, George Sassine, Emilio Grande and Michael Cooper dated 25 July 2019 [**CIM. 105.004.8298**].

Additional Debt Facility – SCB

292. On or about 28 June 2019, BICC (as borrower) entered into a facility agreement with SCB (as the original financier) pursuant to which, on the terms of the agreement, SCB granted a cash advance facility to BICC with a Facility Limit of USD 100,000,000 (**SCB Facility Agreement** and a **Guaranteed Facility**).

Particulars

Facility Agreement between BICC and SCB dated 28 June 2019 [**CIM.100.008.4072**]

293. There were terms of the SCB Facility Agreement, among others, to the effect that:

(a) the Facility may be used for the general corporate purposes and working capital requirements of the Borrower Group (being BICC and its subsidiaries), including but not limited to, the refinancing of existing Financial Indebtedness (cl 2.3);

(b) the Facility terminates on the Termination Date, being the earlier of date three years from the date of the document (28 June 2022) and any date on which the Facility is terminated or cancelled in full in accordance with the agreement, subject to SCB agreeing to extend the termination date on the terms of the agreement (cl 2.4, cl 1.1);

(c) Interest on each Advance accrued daily at the Prescribed Rate, being the rate per annum which was the sum of the Base Rate applicable to that Interest Period (being the greater of zero and the LIBOR) and the Margin (1.70% p.a.) applicable to that Advance on that day (cl 6.2);

(d) each Borrower (being BICC and any Additional Borrower) must pay to SCB the interest that accrues in relation to each Advance made to it over an Interest Period on the last day of the Interest Period (cl 6.3);

(e) each Borrower must repay to SCB each Advance made it in in full on the Termination Date (cl 5.1);

(f) each of the following was an Event of Default, among others (cl 16.1):

(i) Non-payment (cl 16.2): an Obliger (defined to include BICC as borrower and CIMIC as guarantor) does not pay on the due date any amount payable pursuant to a Transaction Document (defined to include the SCB Facility Agreement and the CIMIC Group Guarantee) at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error or a Disruption Event (as defined) payment is made within three Business Days.

(ii) Cross-default (cl 16.7):

A. any Financial Indebtedness (defined to include any indebtedness for or in respect of any moneys borrowed by way of a financing arrangement) of any

Relevant Entity (defined as the Borrower and any member of the Borrower Group) is not paid when due nor within any originally applicable grace period;

B. any Financial Indebtedness of any Relevant Entity is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default, however described;

C. any commitment for any Financial Indebtedness of any Relevant Entity is cancelled or suspended by a creditor of any Relevant Entity as a result of an event of default, however described;

D. any creditor of any Relevant Entity becomes entitled to declare any Financial Indebtedness of any Relevant Entity due and payable prior to its specified maturity as a result of an event of default, however described;

(iii) Insolvency (cl 16.8):

A. a Relevant Entity is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally with a view to rescheduling any of its indebtedness;

B. the value of the assets of any Relevant Entity is less than its liabilities (taking into account contingent and prospective liabilities but excluding specified shareholder loans) or any Relevant Entity is or is deemed or presumed to be insolvent under the relevant laws of its jurisdiction of incorporation.

C. a moratorium is declared in respect of any indebtedness of any Relevant Entity.

(iv) If an Event of Default has occurred and is subsisting, SCB may by written notice to the Borrowers declare (cl 16.14):

A. all moneys owing under any Transaction Document (whether actually or contingently) to be due and payable either immediately or as specified in the notice;

B. that all or part of the Facility (including the Facility Limit) is immediately cancelled; and/or

C. where SCB makes a declaration under clause 16.14, the Borrowers must pay all moneys set out in the notice as and when required by the notice.

294. On or about 28 June 2019, CIMIC and subsidiaries of CIMIC executed a Deed of Guarantee in favour of SCB in relation to the SCB Facility Agreement (**SCB Guarantee** and a **CIMIC Guarantee**), pursuant to which CIMIC guaranteed to SCB the punctual performance by BICC of BICC's obligations to SCB under the SCB Facility Agreement.

Particulars

Deed of Guarantee – Cash Facility between CIMIC and SCB dated 28 June 2019 [**BIC.006.016.2368**] (CIMIC counterpart signed by Scott McAlpine and Michael Azzi) and [**BIC.006.016.2085**] (SCB counterpart).

Authorised Officer Certificate – Original Guarantors Cash Facility provided by CIMIC and CIMIC subsidiaries to SCB on or about 28 June 2019, signed by Scott McAlpine and Michael Azzi on or about 28 June 2019 [**CIM.100.008.4223**].

295. On or after 28 June 2019, BICC drew down under the SCB Facility and transferred AED 361.6 million to CIMIC (equivalent to approximately $143 million) in repayment for some of the cash injections made by CIMIC, so that net of those repayments, the cash injections provided by CIMIC to BICC in 1H19 were approximately $117.1 million.

Particulars

BICC Exposure Estimate [**CIM.104.010.1083]**

BICC's performance – May and June 2019

296. On or about 25 June 2019, CIMIC prepared a revised BICC Business Plan FY19 which:

(a) forecast FY19 revenue of AED 2,249 million (revised down from AED 4,750 million in the FY19 Financial Plan adopted by the BICC Board in February 2019) and FY19 profit (loss) before tax of AED (278) million (revised down from profit of AED 50 million in the FY19 Financial Plan adopted by the BICC Board in February 2019);

(b) considered three business plan scenarios for FY20 to FY23 under each of which:

(i) BICC was estimated to have a cash shortfall until at least FY23;

(ii) BICC still required external funding from banks or shareholders to meet its existing debt obligations.

Particulars

(i) "2019 Business Plan [DRAT] [sic] June 2019" [**BIC.003.011.2463**] and "BICC Business Plan Scenarios June 2019" [**BIC.003.011.2458**], circulated in an email from Colin Young to Stefan Camphausen, George Sassine, David Wood (BICC), Paul Russell (BICC), and Carlos Mendes on 25 June 2019 [**BIC.003.011.2457**].

(ii) "2019 Business Plan [DRAT] [sic] June 2019" [**CIM.100.114.5877**] and "BICC Business Plan Scenarios [DRAT] [sic] June 2019" [**CIM.100.114.5895**], circulated in an email from Sarah Cooper-Woolley (Executive Assistant to Stefan Camphausen) to Dianne Cassidy on behalf of Michael Wright, Stefan Camphausen and Derek Kerr on 26 June 2019 [**CIM.100.114.5876**].

297. On or about 9 July 2019, CIMIC received a copy of the BICC monthly report for May 2019, which reported BICC's financial position as at 31 May 2019 as follows:

(a) year to date work in hand of AED 2,160 million;

(b) year to date margin in hand of AED 30 million;

(c) year to date revenue of AED 870 million;

(d) year to date profit (loss) of AED (27) million ;

(e) total assets of AED 10,421 million and total liabilities of AED 10,045 million;

(f) total equity of AED 376 million;

(g) total debt of AED 4,386 million;

(h) year to date negative cash flow from operations of AED (692) million.

Particulars

(i) BICC Monthly Report for May 2019 [**CIM.102.020.1143**]

(ii) The report was sent to Christopher Granda and Colin Young on 9 July 2019 [**CIM.102.020.1142**]

298. On or about 10 July 2019, CIMIC prepared a draft strategic options paper for BICC (**Draft July 2019 Strategic Options Paper**) which:

(a) stated that:

(i) BICC continued to need significant shareholder support to fund its operations, with a monthly cash shortfall of approximately AED 200 to 250 million;

(ii) Most of BICC's projects were coming to an end with losses still emerging; and

(iii) BICC's balance sheet remained very stretched with limited options remaining other than direct funding by the shareholders;

(b) identified three potential alternatives to continued operations:

(i) immediate closure and exit

(ii) transfer/sale to existing partners;

(iii) combination transaction,

(the **July 2019 Strategic Options**).

Particulars

CIMIC presentation entitled "2019 Strategic Options" dated 10 July 2019 [**CIM.104.012.7853; CIM.102.023.0641**] sent by Colin Young to George Sassine on 15 July 2019 [**CIM.104.012.7847**] and to Emilio Grande on 16 July 2019 [**CIM.102.023.0640**]

299. Each of the July 2019 Strategic Options was stated to trigger a write-off of up to $2.35 billion against CIMIC's book position, consisting of:

(a) non-cash profit and loss impact from the Call Option ($78 million) and Shareholders Loans (up to $674 million); and

(b) a cash profit and loss charge of AUD1.6 billion in relation to BICC guaranteed debts and bonds.

Particulars

CIMIC presentation entitled "2019 Strategic Options" dated 10 July 2019 [**CIM.104.012.7853; CIM.102.023.0641**] sent by Colin Young to George Sassine on 15 July 2019 [**CIM.104.012.7847**] and to Emilio Grande on 16 July 2019 [**CIM.102.023.0640**]

CIMIC's exposure to BICC

300. As at 30 June 2019, CIMIC's total financial exposure to BICC was approximately $2,345.7 million comprising:

(a) approximately $673.9 million under the Shareholder Loans (which as at 30 June 2019 had been adjusted down from $1,261.6 million after CIMIC applied an adjustment for ECL under AASB 9);

(b) approximately $117.1 million pursuant to the CIMIC cash advances, which was purportedly classified by CIMIC as a prepayment;

(c) approximately $1,476.4 million under the CIMIC Guarantees (being the UNB Guarantee, the HSBC Syndicated Guarantee, Greensill Facility A Guarantee, Greensill Facility B Guarantee, HSBC MOFA Guarantee, the Second UNB Guarantee and the SCB Guarantee);

(d) approximately $78.3 million under the Call Option.

Particulars

(i) BICC Exposure Update [**CIM.104.012.6002**] attached to email from Colin Young to George Sassine and Stefan Camphausen dated 9 July 2019 [**CIM.104.012.6001**].

(ii) BICC Exposure Estimate [**CIM.104.010.1083**] attached to an email from George Sassine to Emilio Grande and Colin Young dated 11 October 2019 [**CIM.104.010.1080**].

(iii) 1H19 Half Year Report, Note 11 p 26, Note 13 p 30.

(iv) the draft CIMIC Consolidated Interim Financial Report for the six months ended 30 June 2019 provided to ARMC in advance of the ARMC meeting on 17 July 2019 [**CIM.004.005.0246**] at p 122 and 126.

(v) Samuel Report at [163], [169], [173], [488].

Appropriate accounting treatment in respect of BICC

301. As at 17 July 2019:

(a) in 1H19, BICC was operating at a loss, it had negative cash flows from operations, and its cash position was under immense pressure;

(b) in 1H19, BICC's performance had continued to deteriorate and it had not performed in line with the FY18 BICC Valuation forecasts and assumptions for FY19;

(c) BICC was experiencing severe liquidity issues resulting in total cash injections from CIMIC of $260 million in the second quarter of 2019 reporting period (**2Q19**);

(d) BICC was reliant on support from CIMIC and additional external funding to complete existing projects;

(e) the Legacy Project Receivables associated with BICC continued to be critically degraded such that there was an escalating risk that BICC would not recover those outstanding amounts at all;

(f) CIMIC had restructured a further $45 million of the amounts owing by BICC under its Shareholder Loans, so that BICC was not obliged to pay interest on those amount for five years and could repay those amounts at its discretion;

(g) CIMIC had revised its forecasts for BICC for FY19, forecasting substantially reduced revenue and a before tax loss of approximately AED (278) million; and

(h) BICC was forecast to have a cash shortfall until at least 2023, being after the dates that all of the Guaranteed Facilities were to become due and payable.

(**BICC's 1H19 Performance**)

Particulars

The Applicant refers to paragraphs 274 to 279 and 296 to 297.

302. By reason of BICC having negative equity value pursuant to the Adjusted FY18 BICC Valuation, and by reason of BICC's 1H19 Performance, as at 30 June 2019:

(a) the fair value of the Call Option was nil;

(b) in accordance with AASB 9, CIMIC was required to write down the fully impaired amount of the Call Option from $78.3 million to nil for 1H19.

Particulars

Samuel Report at [512], [513] and [516]

303. By reason of BICC having negative cash flows in FY19, FY21 and FY22 pursuant to the Adjusted FY18 BICC Valuation, and by reason of BICC's 1H19 Performance, as at 30 June 2019:

(a) BICC was unable to cover all of its operating costs;

(b) BICC was unable to meet its short-term debt repayment commitments; and

(c) BICC was unable to repay any Shareholder Loans (which were subordinated to BICC's external debt (including the Guaranteed Facilities)),

such that:

(d) there was no reasonable expectation of recovery of the Shareholder Loans (in accordance with AASB 9); and

(e) CIMIC was required to write down the full amount of the carrying value of the Shareholder Loans from $673.9 to nil for 1H19.

Particulars

Samuel Report at [334] to [335], [512], [513] and [516]

304. By reason of BICC having negative cash flows in FY19, FY21 and FY22 pursuant to the Adjusted FY18 BICC Valuation, and by reason of BICC's 1H19 Performance, as at 30 June 2019:

(a) BICC was unable to cover all of its operating costs;

(b) BICC was unable to meet its short-term debt repayment commitments; and

(c) BICC was unable to repay any cash advances,

such that:

(d) there was no reasonable expectation of recovery of the amounts of the cash advances which were treated as prepayments (in accordance with AASB 9); and

(e) CIMIC was required to write down the full amount of the carrying value of the cash advances from $117.1 million to nil for 1H19.

Particulars

Samuel Report at [334] to [335], [572] to [575]

305. By reason of BICC having negative cash flows in at least FY19, FY21 and FY22 pursuant to the Adjusted FY18 BICC Valuation, and by reason of BICC's 1H19 Performance, as at 31 June 2019;

(a) BICC's ability to continue as a going concern was reliant upon it obtaining alternative finance and/or further support from CIMIC to enable it to meet the projected operating cash shortfalls and interest expenses;

(b) in the event BICC was unable to obtain alternative finance, by reason of the extent of BICC's projected cash shortfalls it was probable that BICC would be placed into some form of insolvency administration, and all of the CIMIC Guarantees would be called;

(c) alternatively, in the event BICC was able to obtain alternative finance and/or further support from CIMIC, BICC would be reliant on generating sufficient cash flow from operations after FY19 to meet all of its debt obligations (including under the Guaranteed Facilities) as they fell due, however, by reason of the extent of the further financing and support required under the Adjusted FY18 BICC Valuation, it was probable that BICC would be unable to meet its debt obligations and all of the CIMIC Guarantees would be called;

(d) by reason of the above matters:

(i) the credit risk associated with the CIMIC Guarantees had increased since 31 December 2018;

(ii) pursuant to AASB 9, CIMIC was required to assess the lifetime ECL on the CIMIC Guarantees, which could be estimated based on the near 100% probability of default of the Guaranteed Facilities;

(iii) CIMIC was required to recognise a provision of $1,476.4 million in 1H19 in relation to the amounts expected to be paid under the CIMIC Guarantees.

Particulars

(i) Samuel Report at [334] to [335], [491] to [494], [499], [513] to [516].

True Position – July 2019

306. In the premises of paragraphs 301 to 305, in respect of 1H19:

(a) the Shareholder Loans in the amount of $673.9 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(b) CIMIC's cash advances to BICC in 2Q19 which were treated as prepayments, in the amount of $117.1 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(c) the Call Option in the amount of $78.3 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(d) CIMIC was required by the applicable accounting standards to recognise a financial liability of $1,476.4 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees; and

(e) by reason of the above matters:

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,642.0) million in 1H19 in respect of its total financial exposure to BICC; and

(ii) CIMIC's 1H19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($1,275.3) million; or

(f) alternatively to (b), (c) and (e), by reason of the matters pleaded in (a) and (d):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,505.21) million in 1H19 in respect of its financial exposure to BICC; and

(ii) CIMIC's NPAT adjusted for the BICC related impact was ($1,138.51) million; or

(g) alternatively to (c) to (f), by reason of the matters pleaded in (a) and (b):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($553.7) million in 1H19 in respect of its financial exposure to HLG; and

(ii) CIMIC's NPAT adjusted for the HLG related impact was ($187) million; or

(h) alternatively to (b) to (g), by reason of the matters pleaded in (a):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($471.73) million in 1H19 in respect of its financial exposure to HLG; and

(ii) CIMIC's NPAT adjusted for the HLG related impact was ($105.03) million.

~~(i) alternatively to (e), in the event CIMIC had made the adjustments pleaded in paragraphs 170, 211 and 260, by reason of the above matters:~~

~~(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($590.1) million in 1H19 in relation to its increased financial exposure to BICC in the six months to 30 June 2019; and~~

~~(ii) CIMIC's 1H19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($223.4) million.~~

July 2019 Middle East Information

307. On and from 17 July 2019, CIMIC was aware, for the purposes of ASX Listing Rule 19.12 that, in respect of 1H19:

(a) the Shareholder Loans in the amount of $673.9 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(b) CIMIC's cash advances to BICC in 2Q19 which were treated as prepayments, in the amount of $117.1 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(c) the Call Option in the amount of $78.3 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(d) CIMIC was required by the applicable accounting standards to recognise a financial liability of $1,476.4 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees; and

(e) by reason of the above matters:

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,642.0) million in 1H19 in respect of its total financial exposure to BICC; and

(ii) CIMIC's 1H19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($1,275.3) million; or

(f) alternatively to (b), (c) and (e), by reason of the matters pleaded in (a) and (d):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,505.21) million in 1H19 in respect of its financial exposure to BICC; and

(ii) CIMIC's NPAT adjusted for the BICC related impact was ($1,138.51) million; or

(g) alternatively to (c) to (f), by reason of the matters pleaded in (a) and (b):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($553.7) million in 1H19 in respect of its financial exposure to HLG; and

(ii) CIMIC's NPAT adjusted for the HLG related impact was ($187) million; or

(h) alternatively to (b) to (g), by reason of the matters pleaded in (a):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($471.73) million in 1H19 in respect of its financial exposure to HLG; and

(ii) CIMIC's NPAT adjusted for the HLG related impact was ($105.03) million.

~~(i) alternatively to (e), in the event CIMIC had made the FY17 adjustments pleaded in paragraphs 170, 211 and 260 above, by reason of the above matters:~~

~~(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($590.1) million in 1H19 in relation to its increased financial exposure to BICC in the six months to 30 June 2019; and~~

~~(ii) CIMIC's 1H19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($223.4) million.~~

(**July 2019 Middle East Information**).

Particulars

Each of the items comprising the July 2019 Middle East Information was information which by 17 July 2019 had, or ought reasonably to have, come into the possession of an CIMIC officers Michael Wright, Stefan Camphausen, Ignacio Segura Suriñach and George Sassine, and was therefore information of which it was aware within the meaning of ASX Listing Rule 19.12.

Michael Wright

It is to be inferred that Michael Wright had, or ought reasonably to have, come into possession of the July 2019 Middle East Information by reason of the fact that:

A. Michael Wright knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 5 February 2019, particularised in paragraph 261 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 June 2019, as pleaded at paragraph 300 above;

(c) in 1H19, BICC had negative cash flows from operations and was continuing to experience severe liquidity issues, as pleaded at paragraphs 274 to 279, 297 and 301 above;

(d) BICC was reliant on CIMIC for financial support, including for approximately AED 650 million in cash advances paid by 7 June 2019, as pleaded at paragraphs 269 to 272 and 284 to 287 above;

(e) the Legacy Project Receivables associated with HLG continued to be outstanding, as pleaded at paragraphs 281 to 283 above;

(f) on or about 12 March 2019, CIMIC had restructured a further AUD 45 million of the amounts owing by BICC under its Shareholder Loans, so that BICC was not obliged to pay interest on those amount for five years and could repay those amounts at its discretion, as pleaded at paragraph 280 above;

(g) the Greensill Facilities and HSBC Multi-Option Facility had both been exhausted by end of March 2019, as pleaded at paragraph 273 above;

(h) on or about 28 June 2019, BICC had entered into an additional debt facility guaranteed by CIMIC, with a facility limit of US$100 million and BICC had immediately exhausted the facility in order to repay some cash injections made by CIMIC, as pleaded at paragraphs 292 to 295 above;

(i) CIMIC had assessed that BICC was operating with monthly cash shortfalls of approximately AED 200 million, as stated in the BICC Accounting Options Report dated 14 June 2019 [**CIM.100.054.7937**] particularised below;

(j) CIMIC had estimated that BICC's FY19 estimated financial performance would fall short of the 2019 Business Plan, as pleaded at paragraphs 296 and 301 above;

(k) the revised FY19 Business Plan for BICC prepared by CIMIC in June 2019 had forecast BICC would have a cash shortfall until at least FY23 under all scenarios, as pleaded at paragraphs 296 and 301 above;

(l) CIMIC had determined that under each of three strategic options for BICC, CIMIC Guarantees to the value of $1.6 billion would be called; and

(m) BICC's performance and growth prospects continued to be negatively impacted by the macroeconomic and market conditions in the Middle East, as was recorded in the 1Q19 Group Risk Management Report [CIM.004.001.8141, p 42] and [CIM.004.001.3967, p 128] circulated to the Board in advance of its 10 April 2019 meeting and Michael Wright's update to the Board at the 10 April 2019 meeting, particularised below;

B. By reason of knowing the matters in (a) to (m) above, Michael Wright knew or ought reasonably to have known that:

(n) the FY18 BICC Valuation was incorrect and ought not be relied upon by CIMIC;

(o) the FY18 BICC Valuation ought to be adjusted for the FY18 Opening Position Error and the FY18 Unreasonable Assumptions pleaded at paragraphs 254 to 255 above, and

(p) so adjusted, the FY18 BICC Valuation would have recorded the matters pleaded in paragraph 256(d) to (g) above;

C. By reason of knowing the matters in (n) to (p) above, and by reason of knowing BICC's 1H19 Performance pleaded at paragraph 301, Michael Wright knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(q) by reason of the matters pleaded in paragraph 303, the Shareholder Loans in the amount of $673.9 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 307(a) of the July 2019 Middle East Information);

(r) by reason of the matters pleaded in paragraph 304, CIMIC's cash advances to BICC in 2Q19 in the amount of $117.1 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 307(b) of the July 2019 Middle East Information);

(s) by reason of the matters pleaded in paragraph 302, the Call Option in the amount of $78.3 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 307(c) of the July 2019 Middle East Information);

(t) by reason of the matters pleaded in paragraph 305, CIMIC was required to recognise a financial liability of $1,476.4 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 307(d) of the July 2019 Middle East Information); and

(u) by reason of the above matters in paragraphs (q) to (t), CIMIC was required to recognise a post-tax impact in the amount of ($1,642.0) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,275.3) million (paragraph 307(e) of the July 2019 Middle East Information); or

(v) alternatively to (u), by reason of the above matters in paragraphs (q) and (t), CIMIC was required to recognise a post-tax impact in the amount of ($1,505.21) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,138.51) million (paragraph 307(f) of the July 2019 Middle East Information); or

(w) alternatively to (u) and (v), by reason of the above matters in paragraphs (q) and (r), CIMIC was required to recognise a post-tax impact in the amount of ($553.7) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($187) million (paragraph 307(g) of the July 2019 Middle East Information); or

(x) alternatively to (u), (v) and (w), by reason of the above matters in paragraph (q), CIMIC was required to recognise a post-tax impact in the amount of ($471.73) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($105.03) million (paragraph 307(h) of the July 2019 Middle East Information).

D. Further or alternatively to C, by reason of knowing the matters in (a) to (m) above, Michael Wright knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as set out in subparagraphs (q) to (x)~~(v)~~ above.

E. Michael Wright knew or ought reasonably to have known the matters in (a) to (m) above by reason of:

(i) the matters particularised in respect of Michael Wright's knowledge of the February 2019 Middle East Information in paragraph 261 above;

(ii) Michael Wright's receipt, in his capacity as the CEO and managing director of CIMIC (as pleaded in paragraph 35), of:

a. the BICC Accounting Options Report dated 14 June 2019 [CIM.100.054.7937] and the BICC Exposure Report dated 14 June 2019 [CIM.100.054.7939] received by email on 14 June 2019 [CIM.100.054.7936];

b. the BICC Accounting Options Report dated 7 June 2019 [CIM.100.053.2907] received by email on 19 June 2019 [CIM.100.053.2894];

c. a financial forecast for BICC [CIM.100.054.1717] received by email on 22 June 2019 [CIM.100.054.1683];

d. the draft CIMIC Consolidated Interim Financial Report for the six months ended 30 June 2019 provided to the ARMC in advance of the ARMC meeting on 17 July 2019 [CIM.004.005.0246] at p 138, 156, 209; and

e. the report from Deloitte to the Audit and Risk Committee for the half year ended 30 June 2018 provided to ARMC in advance of the ARMC meeting on 17 July 2019 [CIM.004.005.0246] at p 111.

(iii) Michael Wright's update to the Board at the 10 April 2019 meeting [CIM.004.001.4734, p 2] and Michael Wright's receipt and sign off of the 1Q19 Group Risk Management Report [CIM.004.001.8141, p 42] and [CIM.004.001.3967, p 128];

(iv) Michael Wright, in his capacity as the CEO and managing director of CIMIC (as pleaded in paragraph 35), sending an email to Adolfo Valderas on 8 June 2019 [CIM.100.054.8769] about BICC's cash flow and the need to address CIMIC's accounting position for BICC;

(v) Michael Wright's receipt and approval of, in his capacity as the CEO and managing director of CIMIC, BICC cash requests between February to July 2019. Paragraphs 270, 272, 285, 287, 289 and 291 and the particulars subjoined thereto are referred to and repeated;

(vi) Michael Wright's receipt, in his capacity as a director of BICC (as pleaded in paragraph 35), of:

a. the BICC Board Report dated March 2019 [CIM.100.018.0160] received on 25 February 2019 [CIM.100.018.0159]; and

b. the BICC 2019 Business Plan dated 7 dated February 2019 [CIM.104.018.4243] received on 25 February 2019 [CIM.104.108.4114]. Paragraph 275 and the particulars subjoined thereto are referred to and repeated;

in circumstances where he was under a duty to receive and communicate to CIMIC information acquired by him in the course of his role as a director of BICC which concerned the BICC Financial Information.

(vii) Michael Wright executing on 28 June 2019, in his capacity as a director of BICC (as pleaded in paragraph 21(b)), a BICC Board Resolution noting that BICC would enter into the SCB Facility Agreement, which would be guaranteed by CIMIC, and that the BICC Directors had received final drafts of the relevant transaction documents [CIM.104.019.5872];

(viii) the "2019 Business Plan [DRAT] [sic] June 2019" [CIM.100.114.5877] and "BICC Business Plan Scenarios [DRAT] [sic] June 2019" [CIM.100.114.5895] received by Dianne Cassidy on behalf of Michael Wright by email dated by email on 26 June 2019 [CIM.100.114.5876];

(ix) Stefan Camphausen's receipt of information about the matters in paragraphs (b) to (m) above (as particularised below), in circumstances where Stefan Camphausen had a duty to inform Michael Wright of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

(x) George Sassine's receipt of information about the matters in paragraphs (b) to (e) and (g) to (l) above (as particularised below), in circumstances where George Sassine had a duty to inform Michael Wright of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

<u>Stefan Camphausen</u>

It is to be inferred that Stefan Camphausen had, or ought reasonably to have, come into possession of the July 2019 Middle East Information by reason of the fact that:

A. Stefan Camphausen knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 5 February 2019, particularised in paragraph 261 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 June 2019, as pleaded at paragraph 300 above;

(c) in 1H19, BICC had negative cash flows from operations and was continuing to experience severe liquidity issues, as pleaded at paragraphs 274 to 279, 297 and 301 above;

(d) BICC was reliant on CIMIC for financial support, including for approximately AED 650 million in cash advances paid by 7 June 2019, as pleaded at paragraphs 269 to 272 and 284 to 287 above;

(e) the Legacy Project Receivables associated with HLG continued to be outstanding, as pleaded at paragraphs 281 to 283 above;

(f) on or about 12 March 2019, CIMIC had restructured a further AUD 45 million of the amounts owing by BICC under its Shareholder Loans, so that BICC was not obliged to pay interest on those amount for five years and could repay those amounts at its discretion, as pleaded at paragraph 280 above;

(g) the Greensill Facilities and HSBC Multi-Option Facility had both been exhausted by end of March 2019, as pleaded at paragraph 273 above;

(h) on or about 28 June 2019, BICC had entered into an additional debt facility guaranteed by CIMIC with a facility limit of US$100 million and BICC had immediately exhausted the facility in order to repay some cash injections made by CIMIC, as pleaded at paragraphs 292 to 295 above;

(i) CIMIC had assessed that BICC was operating with monthly cash shortfalls of approximately AED 200– 250 million, as stated in the BICC Accounting Options Report dated 7 June 2019 [CIM.100.055.0199] and the presentation entitled "2019 Strategic Options" dated 10 July 2019 [CIM.102.023.0641], particularised below;

(j) CIMIC had estimated that BICC's FY19 estimated financial performance would fall short of the 2019 Business Plan, as pleaded at paragraphs 296 and 301 above;

(k) the revised FY19 Business Plan for BICC prepared by CIMIC in June 2019 had forecast BICC would have a cash shortfall until at least FY23 under all scenarios, as pleaded at paragraphs 296 and 301 above;

(l) CIMIC had determined that under each of three strategic options for BICC, CIMIC Guarantees to the value of $1.6 billion would be called, as pleaded at paragraph 299 above; and

(m) BICC's performance and growth prospects continued to be negatively impacted by the macroeconomic and market conditions in the Middle East, as was recorded in the 1Q19 Group Risk Management Report [CIM.004.001.8141, p 42] and [CIM.004.001.3967, p 128] circulated to the Board in advance of its 10 April 2019 meeting and Michael Wright's update to the Board at the 10 April 2019 meeting, particularised below.

B. By reason of knowing the matters in (a) to (m) above, Stefan Camphausen knew or ought reasonably to have known that:

(n) the FY18 BICC Valuation was incorrect and ought not be relied upon by CIMIC;

(o) the FY18 BICC Valuation ought to be adjusted for the FY18 Opening Position Error and the FY18 Unreasonable Assumptions pleaded at paragraphs 254 to 255 above; and

(p) so adjusted, the FY18 BICC Valuation would have recorded the matters pleaded in paragraph 256(d) to (g) above;

C. By reason of knowing the matters in (n) to (p) above, and by reason of knowing BICC's 1H19 Performance pleaded at paragraph 301, Stefan Camphausen knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(q) by reason of the matters pleaded in paragraph 303, the Shareholder Loans in the amount of $673.9 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 307(a) of the July 2019 Middle East Information);

(r) by reason of the matters pleaded in paragraph 304, CIMIC's cash advances to BICC in 2Q19 in the amount of $117.1 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 307(b) of the July 2019 Middle East Information);

(s) by reason of the matters pleaded in paragraph 302, the Call Option in the amount of $78.3 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 307(c) of the July 2019 Middle East Information);

(t) by reason of the matters pleaded in paragraph 305, CIMIC was required to recognise a financial liability of $1,476.4 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 307(d) of the July 2019 Middle East Information); and

(u) by reason of the above matters in paragraphs (q) to (t), CIMIC was required to recognise a post-tax impact in the amount of ($1,642.0) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,275.3) million (paragraph 307(e) of the July 2019 Middle East Information); or

(v) alternatively to (u), by reason of the above matters in paragraphs (q) and (t), CIMIC was required to recognise a post-tax impact in the amount of ($1,505.21) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,138.51) million (paragraph 307(f) of the July 2019 Middle East Information); or

(w) alternatively to (u) and (v), by reason of the above matters in paragraphs (q) and (r), CIMIC was required to recognise a post-tax impact in the amount of ($553.7) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($187) million (paragraph 307(g) of the July 2019 Middle East Information); or

(x) alternatively to (u), (v) and (w), by reason of the above matters in paragraph (q), CIMIC was required to recognise a post-tax impact in the amount of ($471.73) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($105.03) million (paragraph 307(h) of the July 2019 Middle East Information).

D. Further or alternatively to C, by reason of knowing the matters in (a) to (m) above, Stefan Camphausen knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as set out in subparagraphs (q) to (x)~~(v)~~ above.

E. Stefan Camphausen knew or ought reasonably to have known the matters in (a) to (m) above by reason of:

(i) the matters particularised in respect of Stefan Camphausen's knowledge of the February 2019 Middle East Information in paragraph 261 above;

(ii) Stefan Camphausen's receipt, in his capacity as the Chief Financial Officer of CIMIC (as pleaded in paragraph 35), of:

a. an email from Scott McAlpine on 21 March 2019 [CIM.104.017.7686] about the HSBC Multi-Option Facility and Greensill Facilities;

b. the BICC Exposure Report [CIM.104.016.5619] received by email on 9 May 2019 [CIM.104.016.5618];

c. the "2019 Business Plan [DRAT] [sic] June 2019" [BIC.003.011.2463] and "BICC Business Plan Scenarios June 2019" [BIC.003.011.2458] received by email on 25 June 2019 [BIC.003.011.2457];

d. an email from Scott McAlpine on 1 July 2019 [CIM.114.015.3110] about the receipt of US$100 million under the SCB Facility Agreement;

e. the BICC Exposure Update dated 9 July 2019 [CIM.104.012.6002] received by email on 9 July 2019 [CIM.104.012.6001];

f. the draft CIMIC Consolidated Interim Financial Report for the six months ended 30 June 2019 provided to the ARMC in advance of the ARMC meeting on 17 July 2019 [CIM.004.005.0246] at p 138, 156, 209;

g. the report from Deloitte to the Audit and Risk Committee for the half year ended 30 June 2018 provided to the ARMC in advance of the ARMC meeting on 17 July 2019 [CIM.004.005.0246] at p 111.

(iii) Stefan Camphausen, in his capacity as the Chief Financial Officer of CIMIC (as pleaded in paragraph 35), sending:

a. an email to Angel Muriel Bernal of ACS on 24 May 2019 [CIM.114.016.3415] about CIMIC's exposure to BICC and BICC's lack of access to local banking facilities;

b. the BICC Accounting Options Report dated 7 June 2019 [CIM.100.055.0199] and the BICC Exposure Update dated 30 May 2019 [CIM.100.055.0190] on 7 June 2019 [CIM.100.055.0187];

c. the BICC Accounting Options Report dated 14 June 2019 [CIM.100.054.7937] and the BICC Exposure Report dated 14 June 2019 [CIM.100.054.7939] by email on 14 June 2019 [CIM.100.054.7936].

(iv) Stefan Camphausen, in his capacity as the Chief Financial Officer of CIMIC (as pleaded in paragraph 35), executing the UNB Letters of Guarantee dated 28 February 2019 [CIM.102.021.2494] and 5 April 2019 [CIM.100.008.4393];

(v) Stefan Camphausen's attendance at the update to the CIMIC Board at the 10 April 2019 meeting [CIM.004.001.4734, p 2] and receipt of the 1Q19 Group Risk Management Report circulated in advance of the meeting [CIM.004.001.8141, p 42] and [CIM.004.001.3967, p 128];

(vi) Stefan Camphausen's receipt, in his capacity as Chief Financial Officer of CIMIC (as pleaded in paragraph 35), of BICC cash requests from February to July 2019. Paragraphs 270, 272, 285, 287, 289 and 291 and the particulars subjoined thereto are referred to and repeated;

(vii) Stefan Camphausen's receipt, in his capacity as an alternate director of BICC (as pleaded in paragraph 21(b)), of:

a. the BICC Board Report dated March 2019 [CIM.100.018.0160] received on 25 February 2019 [CIM.100.018.0159]; and

b. the BICC 2019 Business Plan dated 7 dated February 2019 [CIM.104.018.4243] received on 25 February 2019 [CIM.104.108.4114]

in circumstances where he was under a duty to receive and communicate to CIMIC information acquired by him in the course of his role as an alternate director of BICC which concerned the BICC Financial Information.

(viii) Colin Young's receipt of:

a. the BICC Monthly Report for January [CIM.102.020.1713] received by email on 19 March 2019 [CIM.102.020.1712];

b. the HLG Project Data Report as at February 2019 [CIM.102.020.1467] received by email on 1 April 2019 [CIM.102.020.1451];

c. the BICC Monthly Report for February 2019 [CIM.102.020.1453] received by email on 1 April 2019 [CIM.102.020.1451];

d. the BICC Monthly Report for March 2019 [CIM.102.020.1337] received by email on 7 May 2019 [CIM.102.020.1336];

e. the HLG Project Data Report as at March 2019 [CIM.102.020.1351] received by email on 7 May 2019 [CIM.102.020.1336];

f. the BICC Monthly Report for April 2019 [CIM.102.020.1290] received by email on 28 May 2019 [CIM.102.020.1287]; and

g. the BICC Monthly Report for May 2019 [CIM.102.020.1143] received by email on 9 July 2019 [CIM.102.020.1142],

in circumstances where Colin Young had a duty to inform Stefan Camphausen of the information in the documents by reason of:

h. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

i. the nature of significance of the information in the documents.

(ix) Colin Young sending the document entitled "Rate calc for BICC", row 141 [CIM.102.023.1279] by email dated 26 June 2019 [CIM.102.023.1278] in circumstances where Colin Young had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(x) Emilio Grande's receipt of the CIMIC presentation entitled "2019 Strategic Options" dated 10 July 2019 [CIM.102.023.0641] on 16 July 2019 [CIM.102.023.0640] in circumstances where Emilio Grande had a duty to inform Stefan Camphausen of the information in the document by reason of:

a. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(xi) Scott McAlpine's receipt of information about the matters in paragraphs (b) to (e), (g) and (h) above (as particularised below), in circumstances where Scott McAlpine had a duty to inform Stefan Camphausen of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

<u>Ignacio Segura Suriñach</u>

It is to be inferred that Ignacio Segura Suriñach had, or ought reasonably to have, come into possession of the July 2019 Middle East Information by reason of the fact that:

A. Ignacio Segura Suriñach knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 5 February 2019, particularised in paragraph 261 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 June 2019, as pleaded at paragraph 300 above;

(c) in 1H19, BICC had negative cash flows from operations and was continuing to experience severe liquidity issues, as pleaded at paragraphs 274 to 279, 297 and 301 above;

(d) BICC was reliant on CIMIC for financial support, including for approximately AED 650 million in cash advances paid by 7 June 2019, as pleaded at paragraphs 269 to 272 and 284 to 287 above;

(e) the Legacy Project Receivables associated with HLG continued to be outstanding, as pleaded at paragraphs 281 to 283 above;

(f) On or about 12 March 2019, CIMIC had restructured a further AUD 45 million of the amounts owing by BICC under its Shareholder Loans, so that BICC was not obliged to pay interest on those amount for five years and could repay those amounts at its discretion, as pleaded at paragraph 280 above;

(g) the Greensill Facilities and HSBC Multi-Option Facility had both been exhausted by end of March 2019, as pleaded at paragraph 273 above;

(h) On or about 28 June 2019, BICC had entered into an additional debt facility guaranteed by CIMIC and BICC had immediately exhausted the facility in order to repay some cash injections made by CIMIC, as pleaded at paragraphs 292 to 295 above;

(i) CIMIC had assessed that BICC was operating with monthly cash shortfalls of approximately AED 200 million, as stated in the BICC Accounting Options Report dated 7 June 2019 [CIM.100.055.0199] particularised below;

(j) CIMIC had estimated that BICC's FY19 estimated financial performance would fall short of the 2019 Business Plan, as pleaded at paragraphs 296 and 301 above;

(k) the revised FY19 Business Plan for BICC prepared by CIMIC in June 2019 had forecast BICC would have a cash shortfall until at least FY23 under all scenarios, as pleaded at paragraphs 296 and 301 above;

(l) CIMIC had determined that under each of three strategic options for BICC, CIMIC Guarantees to the value of $1.6 billion would be called, as pleaded at paragraph 299 above; and

(m) BICC's performance and growth prospects continued to be negatively impacted by the macroeconomic and market conditions in the Middle East, as was recorded in the 1Q19 Group Risk Management Report [CIM.004.001.8141, p 42] and [CIM.004.001.3967, p 128] circulated to the Board in advance of its 10 April 2019 meeting and Michael Wright's update to the Board at the 10 April 2019 meeting, particularised below.

B. By reason of knowing the matters in (a) to (m) above, Ignacio Segura Suriñach knew or ought reasonably to have known that:

(n) the FY18 BICC Valuation was incorrect and ought not be relied upon by CIMIC;

(o) the FY18 BICC Valuation ought to be adjusted for the FY18 Opening Position Error and the FY18 Unreasonable Assumptions pleaded at paragraphs 254 to 255 above; and

(p) so adjusted, the FY18 BICC Valuation would have recorded the matters pleaded in paragraph 256(d) to (g) above;

C. By reason of knowing the matters in (n) to (p) above, and by reason of knowing BICC's 1H19 Performance pleaded at paragraph 301, Ignacio Segura Suriñach knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(q) by reason of the matters pleaded in paragraph 303, the Shareholder Loans in the amount of $673.9 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 307(a) of the July 2019 Middle East Information);

(r) by reason of the matters pleaded in paragraph 304, CIMIC's cash advances to BICC in 2Q19 in the amount of $117.1 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 307(b) of the July 2019 Middle East Information);

(s) by reason of the matters pleaded in paragraph 302, the Call Option in the amount of $78.3 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 307(c) of the July 2019 Middle East Information);

(t) by reason of the matters pleaded in paragraph 305, CIMIC was required to recognise a financial liability of $1,476.4 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 307(d) of the July 2019 Middle East Information); and

(u) by reason of the above matters in paragraphs (q) to (t), CIMIC was required to recognise a post-tax impact in the amount of ($1,642.0) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,275.3) million (paragraph 307(e) of the July 2019 Middle East Information); or

(v) alternatively to (u), by reason of the above matters in paragraphs (q) and (t), CIMIC was required to recognise a post-tax impact in the amount of ($1,505.21) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,138.51) million (paragraph 307(f) of the July 2019 Middle East Information); or

(w) alternatively to (u) and (v), by reason of the above matters in paragraphs (q) and (r), CIMIC was required to recognise a post-tax impact in the amount of ($553.7) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($187) million (paragraph 307(g) of the July 2019 Middle East Information); or

(x) alternatively to (u), (v) and (w), by reason of the above matters in paragraph (q), CIMIC was required to recognise a post-tax impact in the amount of ($471.73) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's

NPAT adjusted for the BICC related impact was ($105.03) million (paragraph 307(h) of the July 2019 Middle East Information).

D. Further or alternatively to C, by reason of knowing the matters in (a) to (m) above, Ignacio Segura Suriñach knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as set out in subparagraphs (q) to (x)~~(v)~~ above.

E. Ignacio Segura Suriñach knew or ought reasonably to have known the matters in (a) to (m) above by reason of:

(i) the matters particularised in respect of Ignacio Segura Suriñach's knowledge of the February 2019 Middle East Information in paragraph 261 above;

(ii) Ignacio Segura Suriñach's receipt, in his capacity as the Deputy Chief Executive Officer and Chief Operating Officer of CIMIC (as pleaded in paragraph 35), of:

a. the BICC Accounting Options Report dated 7 June 2019 [CIM.100.055.0199] and the BICC Exposure Update dated 30 May 2019 [CIM.100.055.0190] on 7 June 2019 [CIM.100.055.0187]

b. the BICC Accounting Options Report dated 14 June 2019 [CIM.100.054.7937] and the BICC Exposure Report dated 14 June 2019 [CIM.100.054.7939] received by email on 14 June 2019 [CIM.100.054.7936]

c. the draft CIMIC Consolidated Interim Financial Report for the six months ended 30 June 2019 provided to the ARMC in advance of the ARMC meeting on 17 July 2019 [CIM.004.005.0246] at p 138, 156, 209;

d. the report from Deloitte to the Audit and Risk Committee for the half year ended 30 June 2018 provided to the ARMC in advance of the ARMC meeting on 17 July 2019 [CIM.004.005.0246] at p 111.

(iii) Ignacio Segura Suriñach's attendance at the update to the CIMIC Board at the 10 April 2019 meeting [CIM.004.001.4734, p 2] and receipt of the 1Q19 Group Risk Management Report circulated in advance of the meeting [CIM.004.001.8141, p 42] and [CIM.004.001.3967, p 128];

(iv) Ignacio Segura Suriñach's receipt of the BICC cash requests from February to July 2019. Paragraphs 270, 285, 287, 289 and 291 and the particulars subjoined thereto are referred to and repeated;

(v) Colin Young's receipt of the CIMIC presentation entitled '2019 Strategic Options' dated 10 July 2019 [CIM.102.023.0641] on 16 July 2019 [CIM.102.023.0640] in circumstances where Colin Young had a duty to inform Ignacio Segura Suriñach of the information in the document by reason of:

a. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information in the document.

(vi) Stefan Camphausen's receipt of information about the matters in paragraphs (b) to (m) above (as particularised above), in circumstances where Stefan Camphausen had a duty to inform Ignacio Segura Suriñach of that information by reason of:

   a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

   b. the nature of significance of the information.

(vii) George Sassine's receipt of information about the matters in paragraphs (b) to (e), (g) to (l) above (as particularised above), in circumstances where George Sassine had a duty to inform Ignacio Segura Suriñach of that information by reason of:

   a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

   b. the nature of significance of the information.

<u>George Sassine</u>

It is to be inferred that George Sassine had, or ought reasonably to have, come into possession of the July 2019 Middle East Information by reason of the fact that:

A. George Sassine knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 5 February 2019, particularised in paragraph 261 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 June 2019, as pleaded at paragraph 300 above;

(c) in 1H19, BICC had negative cash flows from operations and was continuing to experience severe liquidity issues, as pleaded at paragraphs 274 to 279, 297 and 301 above;

(d) BICC was reliant on CIMIC for financial support, including for approximately AED 650 million in cash advances paid by 7 June 2019, as pleaded at paragraphs 269 to 272 and 284 to 287 above;

(e) The Legacy Project Receivables associated with HLG continued to be outstanding, as pleaded at paragraphs 281 to 283 above;

(f) The Greensill Facilities and HSBC Multi-Option Facility had both been exhausted by end of March 2019, as pleaded at paragraph 273 above;

(g) On or about 28 June 2019, BICC had entered into an additional debt facility guaranteed by CIMIC and BICC had immediately exhausted the facility in order to repay some cash injections made by CIMIC, as pleaded at paragraphs 292 to 295 above;

(h) CIMIC had assessed that BICC was operating with monthly cash shortfalls of approximately AED 200– 250 million, as stated in the CIMIC presentation entitled '2019 Strategic Options' dated 10 July 2019 [CIM.104.012.7853] particularised below;

(i) CIMIC had estimated that BICC's FY19 estimated financial performance would fall short of the 2019 Business Plan, as pleaded at paragraphs 296 and 301 above;

(j) The revised FY19 Business Plan for BICC prepared by CIMIC in June 2019 had forecast BICC would have a cash shortfall until at least FY23 under all scenarios, as pleaded at paragraphs 296 and 301 above;

(k) CIMIC had determined that under each of three strategic options for BICC, the CIMIC Guarantees to the value of $1.6 billion would be called, as pleaded at paragraph 299 above.

B. By reason of knowing the matters in (a) to (k) above, George Sassine knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(l) the Shareholder Loans in the amount of $673.9 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 307(a) of the July 2019 Middle East Information);

(m) CIMIC's cash advances to BICC in 2Q19 in the amount of $117.1 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 307(b) of the July 2019 Middle East Information);

(n) the Call Option in the amount of $78.3 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 307(c) of the July 2019 Middle East Information);

(o) CIMIC was required to recognise a financial liability of $1,476.4 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 307(d) of the July 2019 Middle East Information); and

(p) by reason of the matters in paragraphs (l) to (o), CIMIC was required to recognise a post-tax impact in the amount of ($1,642.0) million in 1H19 in respect of its total financial exposure to BICC and CIMIC's 1H19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($1,275.3) million (paragraph 307(e) of the July 2019 Middle East Information).

C. George Sassine knew or ought reasonably to have known the matters in (a) to (k) above by reason of:

(i) the matters particularised in respect of George Sassine's knowledge in paragraph 261 above;

(ii) George Sassine's receipt, in his capacity as Executive General Manager of Investments and Group Property Services of CIMIC (as pleaded in paragraph 35), of:

a. the BICC 2019 Business Plan dated 7 dated February 2019 [CIM.104.018.4243] received by email on 25 February 2019 [CIM.104.108.4114];

b. [BICC's Performance] the BICC Board Report for March 2019 [CIM.104.018.4115]. received by email on 25 February 2019 [CIM.104.018.4114].

c. the Habtoor Projects Summary [CIM.104.018.1398] dated 7 March 2019 received by email from Colin Young on 7 March 2019 [CIM.104.018.1397].

d. an email from Scott McAlpine on 21 March 2019 [CIM.104.017.7686] about the HSBC Multi-Option Facility and Greensill Facilities;

e. the BICC Exposure Report [CIM.104.016.5619 dated 9 May received by email from Colin Young on 9 May 2019 [CIM.104.016.5618].

f. the "2019 Business Plan [DRAT] [sic] June 2019" [BIC.003.011.2463] and "BICC Business Plan Scenarios June 2019" [BIC.003.011.2458] received by email on 25 June 2019 [BIC.003.011.2457].

g. the BICC Exposure Update dated 9 July 2019 [CIM.104.012.6002] received by email on 9 July 2019 [CIM.104.012.6001]

h. the CIMIC presentation entitled '2019 Strategic Options' dated 10 July 2019 [CIM.104.012.7853] received by email on 15 July 2019 [CIM.104.012.7847].

(iii) George Sassine, in his capacity as Executive General Manager of Investments and Group Property Services of CIMIC (as pleaded in paragraph 35), sending to Michael Wright a financial forecast for BICC [CIM.100.054.1717] by email on 22 June 2019 [CIM.100.054.1683]

(iv) George Sassine's receipt, in his capacity as Executive General Manager of Investments and Group Property Services at CIMIC, of BICC cash requests from February to July 2019. Paragraphs 269, 270, 271, 272, 284, 285, 286, 287, 288, 289 and 291 and the particulars subjoined thereto are referred to and repeated.

<u>Scott McAlpine</u>

It is to be inferred that Scott McAlpine knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 5 February 2019, particularised in paragraph 261 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 June 2019, as pleaded at paragraph 300 above;

(c) in 1H19, BICC had negative cash flows from operations and was continuing to experience severe liquidity issues, as pleaded at paragraphs 274 to 279, 297 and 301 above;

(d) BICC was reliant on CIMIC for financial support, including for cash advances to fund operations, as pleaded at paragraphs 269 to 272 and 284 to 287 above;

(e) The Legacy Project Receivables associated with HLG continued to be outstanding, as pleaded at paragraphs 281 to 283 above;

(f) The Greensill Facilities and HSBC Multi-Option Facility had both been exhausted by end of March 2019, as pleaded at paragraph 273 above; and

(g) On or about 28 June 2019, BICC had entered into an additional debt facility guaranteed by CIMIC and BICC had immediately exhausted the facility in order to repay some cash injections made by CIMIC, as pleaded at paragraphs 292 to 295 above.

Scott McAlpine knew or ought reasonably to have known the matters in (a) to (g) above by reason of:

(i) the matters particularised in respect of Scott McAlpine's knowledge of in paragraph 261 above;

(ii) Scott McAlpine, in his capacity as the Executive General Manager of Treasury of CIMIC (as pleaded in paragraph 35) sending:

    a. a financial forecast for BICC [CIM.102.020.6807] by email to an HSBC official on 25 February 2019 [CIM.102.020.6795];

    b. an email to George Sassine and Stefan Camphausen on 21 March 2019 [CIM.104.017.7686] about the HSBC Multi-Option Facility and Greensill Facilities;

    c. an email to an SCB employee and Stefan Camphausen on 1 July 2019 [CIM.114.015.3110] about the receipt of US$100 million under the SCB Facility Agreement;

(iii) Scott McAlpine's receipt of, in his capacity as the Executive General Manager of Treasury of CIMIC, BICC cash requests from February, April [CIM.104.020.7022; CIM.102.023.3200; CIM.104.016.8479], May [CIM.104.016.0295; CIM.102.020.0730], June [CIM.104.019.7442] and July 2019 [CIM.102.024.5474; CIM.104.008.4722]. Paragraph 291 and the particulars subjoined thereto are referred to and repeated;

(iv) Scott McAlpine's receipt and execution of the Deed of Guarantee for the Cash Facility between CIMIC and SCB dated 28 June 2019 [BIC.006.016.2368] (CIMIC counterpart signed by Scott McAlpine and Michael Azzi) and [BIC.006.016.2085]) and the Authorised Officer Certificate Original Guarantors Cash Facility provided by CIMIC and CIMIC subsidiaries to SCB on or about 28 June 2019, signed by Scott McAlpine and Michael Azzi on or about 28 June 2019 [CIM.100.008.4223];

(v) Christopher Granda's receipt of:

a. the HLG Project Data Report as at January 2019 [CIM.102.020.1727] on 19 March 2019 [CIM.102.020.1712];

b. the BICC Monthly Report for January [CIM.102.020.1713] received by email dated 19 March 2019 [CIM.102.020.1712];

c. the BICC Monthly Report for February 2019 [CIM.102.020.1453] received by email dated 1 April 2019 [CIM.102.020.1451];

d. the HLG Project Data Report as at February 2019 [CIM.102.020.1467] on 1 April 2019 [CIM.102.020.1451];

e. the BICC Monthly Report for March 2019 [CIM.102.020.1337] received by email dated 7 May 2019 [CIM.102.020.1336];

f. the HLG Project Data Report as at March 2019 [CIM.102.020.1351] on 7 May 2019 [CIM.102.020.1336];

g. the BICC Monthly Report for April 2019 [CIM.102.020.1290] received by email dated 28 May 2019 [CIM.102.020.1287] and

h. the BICC Monthly Report for May 2019 [CIM.102.020.1143] received by email dated 9 July 2019 [CIM.102.020.1142]

in circumstances where Christopher Granda had a duty to inform Scott McAlpine of the information in the documents by reason of:

i. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

j. the nature of significance of the information in the documents.

308. The July 2019 Middle East Information was:

(a) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(b) not generally available; and

(c) not information to which Rule 3.1A of the ASX Listing Rules applied.

309. By reason of the matters pleaded in paragraphs 4(a), 5, 307 and 308, CIMIC was obliged by Rule 3.1 of the ASX Listing Rules and s 674(2) of the Corporations Act to immediately notify the ASX of the 2019 Middle East Information from 17 July 2019.

310. Notwithstanding the matters alleged in paragraphs 307 to 309, CIMIC did not notify the ASX of the July 2019 Middle East Information at any time from 17 July 2019 until the end of the Relevant Period.

311. By reason of the matters alleged in paragraphs 307 to 310, CIMIC contravened s 674(2) of the Corporations Act (**July 2019 Middle East Disclosure Contraventions**).

I.5 OCTOBER 2019 MIDDLE EAST DISCLOSURE CONTRAVENTIONS

BICC Performance

312. On or about 30 August 2019, CIMIC received a copy of the BICC monthly report for June 2019, which reported BICC's financial position as at 30 June 2019.

Particulars

(i) BICC Monthly Report for June 2019 [**CIM.102.020.0977**]

(ii) The report was sent to Colin Young on 30 August 2019 [**CIM.102.020.0973**] and to Emilio Grande on 2 September 2019 [**CIM.102.016.5090**]

313. On or about 18 September 2019, CIMIC received a copy of the BICC monthly report for July 2019, which reported BICC's financial position as at 31 July 2019 as follows:

(a) year to date work in hand of AED 2,339 million;

(b) year to date margin in hand of AED 14 million;

(c) year to date revenue of AED 938 million;

(d) year to date profit (loss) of AED (455) million ;

(e) total assets of AED 9,283 million and total liabilities of AED 9,263 million;

(f) total equity of AED 20 million;

(g) total debt of AED 4,381 million;

(h) year to date negative cash flow from operations of AED (611) million .

Particulars

BICC Monthly Report for July 2019 [**CIM.102.014.2260**] sent to Christopher Granda and Colin Young on 18 September 2019 [**CIM.102.014.2257**]

Cash Requests

314. In August 2019, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for August 2019; and

(b) made requests to CIMIC for cash injections of AED 295 million, later revised to AED 128 million, which were stated to be for the purposes of, among other things, banking repayments, repayment of CIMIC guaranteed facilities, post-dated cheques, court orders and legal fees, payment of salaries and wages, critical project payments, payment of plant and fuel supplies and overheads.

Particulars

(i) Copy of August forecast cash deficit and request made on or about 5 August 2019: email from David Wood (BICC) to George Sassine, Colin Young, Christopher Granda [**CIM.102.022.8899**]

(ii) Copy of revised August forecast cash deficit and request made on or about 26 August 2019: email from David Wood (BICC) to George Sassine, Colin Young, Christopher Granda [**CIM.100.044.8504**].

315. In August 2019, CIMIC:

(a) approved the above requests from BICC in part; and

(b) pursuant to those approvals, made cash transfers to BICC totalling AED 146 million (equivalent to $57.57 million).

Particulars

(i) Approval by Michael Wright on or about 8 August 2019; email dated 8 August 2019 from Michael Wright to George Sassine, Ignacio Segura Suriñach, Stefan Camphausen, Brad Davey and Dianne Cassidy [**CIM.100.052.4434**].

(ii) Approval by Michael Wright on or about 27 August 2019; email dated 27 August 2019 from Michael Wright to Ignacio Segura Suriñach, Stefan Camphausen, Brad Davey, Dianne Cassidy and George Sassine [**CIM.100.044.8504**].

(iii) BICC Exposure Update recording the CIMIC cash advances to BICC and BICC draw downs on Greensill Facility to fund rollover of maturities [**CIM.102.016.0264**] attached to an email from Colin Young to Emilio Grande dated 13 October 2019 [**CIM.102.016.0262**].

316. In September 2019, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for September 2019; and

(b) made requests to CIMIC for cash injections of AED 298.4 million, later revised to AED 122.5 million which were stated to be for the purposes of, among other things, banking repayments, post-dated cheques, court orders and legal fees, payment of salaries and wages, critical project payments, payment of plant and fuel supplies and overheads.

Particulars

(i) Copy of September forecast cash deficit and request for AED 298.4 million, made on or about 4 September 2019: email from David Wood to George Sassine, Colin Young, Christopher Granda [**CIM.105.017.7483**].

(ii) Copy of revised September forecast cash deficit and request for AED 49.7 million made on or about 19 September 2019: email from David Wood to George Sassine, Colin Young and Christopher Granda [**CIM.100.045.4810**].

317. In or about September 2019, CIMIC:

(a) approved the above requests from BICC in part; and

(b) pursuant to those approvals, made cash transfers to BICC totalling AED 110.3 million (equivalent to $43.5 million).

Particulars

(i) Approval of AED 72.7 million by Michael Wright on or about 10 September 2019; email dated 10 September 2019 from Michael Wright to George Sassine, Ignacio Segura Suriñach, Stefan Camphausen, Brad Davey and Dianne Cassidy [**CIM.100.044.7862**].

(ii) Approval of AED 49.7 million (in two tranches of AED 37.6 million and AED 12.1 million the later to be transferred in October 2019) by Michael Wright on or about 19 September 2019; email dated 19 September 2019 from Michael Wright to George Sassine, Ignacio Segura Suriñach, Stefan Camphausen, Brad Davey and Dianne Cassidy [**CIM.100.044.6986**].

(iii) BICC Exposure Update recording the CIMIC cash advances to BICC and BICC draw downs on Greensill Facility to fund rollover of maturities [**CIM.102.016.0264**] attached to an email from Colin Young to Emilio Grande dated 13 October 2019 [**CIM.102.016.0262**].

Provision for Cash Advances

318. By reason of the foregoing, in the period 1 July to 30 September 2019, CIMIC made cash transfers to BICC totalling approximately $206 million.

319. On or by 30 September 2019, CIMIC raised a risk provision of $96 million against its Shareholder Loans to BICC in its internal management accounts (being 46.6% of the approximately $206 million in cash transfers CIMIC had made to BICC in 3Q19).

Particulars

CIMIC's draft financial report for 3Q19 circulated to the ARMC in advance of its 23

October 2019 meeting **[CIM.004.001.4097**, p 28].

Key Judgments and Accounting Matters Report circulated to the ARMC in advance of its 23 October meeting **[CIM.004.001.4097**, p 52**]**.

Proposals for restructuring of Debt Facilities

320. On or by 8 August 2019, BICC and CIMIC had jointly engaged Moelis & Company UK LLP (**Moelis**) as:

(a) financial adviser with respect to a restricting in relation to the existing debt financing and liabilities of BICC and its subsidiaries, excluding those financial liabilities guaranteed by CIMIC;

(b) financial adviser with respect to a sale transaction, being:

(i) the sale of all or a majority of the equity securities of BICC to a third party;

(ii) the merger of combination of BICC with a third party;

(iii) the sale of all or a significant portion of the assets, properties or business of BICC to a third party.

Particulars

Letter of engagement between Moelis, CIMIC and BICC dated 2 October 2019 [**CIM.102.038.3043**]

321. On or about 30 August 2019, CIMIC made requests to each of the lenders under the Guaranteed Facilities that they agree to a standstill of the obligations under each of the facilities.

Particulars

Email dated 30 August 2019 from Scott McAlpine to HSBC representatives, copied to Emilio Grande, Colin Young, Michael Cooper and Stefan Camphausen [**CIM.102.020.5164**], attaching a draft consent deed [**CIM.102.020.5165**]

Email dated 30 August 2019 from Scott McAlpine to SCB representatives, copied to Stefan Camphausen [**CIM.114.009.5797**], attaching a draft consent deed [**CIM.114.009.5798**]

Email dated 30 August 2019 from Scott McAlpine to Societe Generale representatives, copied to Stefan Camphausen and Emilio Grande [**CIM.114.009.5853**], attaching a draft consent deed [**CIM.114.009.5854**]

Email dated 30 August 2019 from Scott McAlpine to Bank of America

Merrill Lynch representatives, copied to Stefan Camphausen [**CIM.114.009.5822**], attaching a draft consent deed [**CIM.114.009.5823**]

322. None of the lenders under the Guaranteed Facilities agreed to a standstill or other moratorium on payment under the Guaranteed Facilities.

Legacy Project Receivables

323. On or about 29 July 2019, CIMIC received a copy of BICC's Project Data Report for April 2019, which stated, as was the fact, that BICC had a total of AED 2,790,539,000 (equivalent to approximately $1,100.4 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,335,676,000 were uncertified; and

(b) AED 454,863,000 were certified.

Particulars

(i) BICC Project Data Report as at April 2019 [**CIM.101.015.8892**], provided by George Sassine to Michael Cooper, Brad Davey and Christina Ilinkovski at CIMIC on 29 July 2019 [**CIM.101.015.8890**].

324. On or about 21 August 2019, CIMIC received a copy of BICC's Project Data Report for May 2019, which stated, as was the fact, that BICC had a total of AED 3,185,437,000 (equivalent to approximately $1,256.2 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,512,749,000 were uncertified; and

(b) AED 672,688,000 were certified.

Particulars

(i) BICC Project Data Report as at May 2019 [**CIM.102.022.6339**], provided by Colin Young to Lee Hall at CIMIC on 21 August 2019 [**CIM.102.022.6338**].

325. On or about 16 September 2019, CIMIC received a copy of BICC's Project Data Report for June 2019, which stated, as was the fact, that BICC had a total of AED 3,511,833,000 (equivalent to approximately $1,384.9 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,896,216,000 were uncertified; and

(b) AED 615,617,000 were certified.

Particulars

(i) BICC Project Data Report as at June 2019 [**CIM.102.016.3418**], provided by Colin Young to Christopher Granda at CIMIC on 16 September 2019 [**CIM.102.016.3416**].

326. On or about 17 September 2019, CIMIC received a copy of BICC's Project Data Report for July 2019, which stated, as was the fact, that BICC had a total of AED 2,589,831,000 (equivalent to approximately $1,021.3 million) in outstanding Legacy Project Receivables of which:

(a) AED 2,117,660,000 were uncertified; and

(b) AED 472,171,000 were certified.

Particulars

(i) BICC Project Data Report as at July 2019 [**CIM.102.012.6607**], provided by Qaisir Mahmood (BICC) to Colin Young and Lee Hall at CIMIC on 17 September 2019 [**CIM.102.012.6603**].

327. By no later than 17 September 2019, CIMIC received copies of BICC's Project Data Reports for August 2019, which stated, as was the fact, that:

(a) BICC had a total of AED 2,354,704,000 (equivalent to approximately $928.6 million) in outstanding Legacy Project Receivables for its UAE-based projects of which:

(i) AED 1,927,714,000 were uncertified; and

(ii) AED 426,990,000 were certified.

Particulars

(i) BICC Project Data Report (UAE) as at August 2019 [**CIM.102.017.4380**], provided by Qaisir Mahmood (BICC) to Christopher Granda and Colin Young at CIMIC on 17 September 2019 [**CIM.102.017.4376**].

(b) BICC had a total of AED 61,783,000 (equivalent to approximately $24.4 million) in outstanding Legacy Project Receivables for its Qatar-based projects of which:

(i) AED 5,440,000 were uncertified; and

(ii) AED 56,343,000 were certified.

Particulars

(i) BICC Project Data Report (Qatar) as at August 2019 [**CIM.102.014.2288**], provided by David Wood (BICC) to Christopher Granda then Colin Young at CIMIC on 16 September 2019 [**CIM.102.014.2286**].

Cash Requests – October 2019

328. In October 2019, BICC:

(a) provided to CIMIC details of its forecasted monthly cash deficit for October 2019; and

(b) made requests to CIMIC for cash injections totalling AED 278 million, later revised to AED 112 million, which were stated to be for the purposes of, among other things, banking repayments, repayment of CIMIC guaranteed facilities, post-dated cheques, court orders and legal fees, payment of salaries and wages, critical project payments, payment of plant and fuel supplies and overheads.

Particulars

(i) Copy of October forecast cash deficit and request for AED 278 million made on or about 2 October 2019: email from David Wood (BICC) to Ignacio Segura Suriñach, George Sassine, Colin Young and Christopher Granda [**CIM.102.016.0102**].

(ii) Copy of revised request for AED 253 million made on or about 20 October 2019: email from David Wood (BICC) to Ignacio Segura Suriñach, George Sassine, Colin Young and Christopher Granda [**CIM.105.017.3325**].

(iii) Copy of revised request for AED 122 million made on or about 23 October 2019: email from David Wood (BICC) to Ignacio Segura Suriñach, George Sassine, Colin Young and Christopher Granda [**CIM.105.017.4572**].

329. By 23 October 2019, CIMIC:

(a) approved the requests from BICC in part; and

(b) pursuant to those approvals and approvals made in September 2019, made cash transfers to BICC totalling AED 47.6 million (equivalent to $18.8 million).

Particulars

(i) Approval of AED 35.2 million by Michael Wright on or about 10 October 2019: email dated 10 October 2019 from Michael Wright to George Sassine, Ignacio Segura Suriñach, Stefan Camphausen, Brad Davey and Dianne Cassidy [**CIM.100.044.5570**].

(ii) Cash transfers on or about 9 October (AED 12.1 million) and 10 October (AED 35.5 million) totalling AED 47.6 million [**CIM.102.015.2922**]; [**CIM.104.010.1083]**.

CIMIC's exposure to BICC

330. As at 30 September 2019, CIMIC's total financial exposure to BICC was approximately $2,553.7 million comprising:

(a) approximately $681 million under the Shareholder Loans (which as at 30 September 2019 had been adjusted down from $1,274.8 million after CIMIC applied an adjustment for ECL under AASB 9);

(b) approximately $117.1 million pursuant to the CIMIC cash advances in 2Q19 purportedly classified as a prepayment;

(c) approximately $205.7 million pursuant to the CIMIC cash advances in 3Q19, which had been adjusted in 3Q19 to a carrying value of $109.7 million, after an $96 million provision was raised in CIMIC's internal management accounts;

(d) approximately $1,471.6 million under the CIMIC Guarantees (being the UNB Guarantee, the HSBC Syndicated Guarantee, Greensill Facility A Guarantee, Greensill Facility B Guarantee, HSBC MOFA Guarantee, the Second UNB Guarantee and the SCB Guarantee);

(e) approximately $78.3 million under the Call Option.

Particulars

(i) BICC Exposure Estimate [**CIM.104.010.1083**] attached to an email from George Sassine to Emilio Grande and Colin Young dated 11 October 2019 [**CIM.104.010.1080**].

(ii) BICC Exposure Update [**CIM.102.016.0264**] attached to email from Colin Young to Emilio Grande dated 13 October 2019 [**CIM.102.016.0262**].

(iii) Samuel Report at [119], [169], [173], [529], [531]

(iv) Samuel Report, Appendix F, 'Exposure Analysis' Sheet, X5:X36

Appropriate accounting treatment in respect of BICC

331. As at 23 October 2019:

(a) in 3Q19, BICC was operating at a loss, it had negative cash flows from operations, and its cash position was under immense pressure;

(b) in 3Q19, BICC's performance had continued to deteriorate and it had not performed in line with the FY18 BICC Valuation forecasts and assumptions for FY19;

(c) BICC was experiencing severe liquidity issues resulting in total cash injections from CIMIC of $205.7 million in 3Q19;

(d) BICC was reliant on support from CIMIC and additional external funding to complete existing projects;

(e) the Legacy Project Receivables associated with BICC continued to be critically degraded such that there was an escalating risk that BICC would not recover those outstanding amounts at all; and

(f) CIMIC had unsuccessfully sought a moratorium or standstill of BICC's obligations under each of the Guaranteed Facilities.

(**BICC's 3Q19 Performance**)

Particulars

(i) The Applicant refers to paragraphs 312 and 313

(ii) Samuel Report at [518], [530]

(iii) Samuel Report, Appendix F, 'Exposure Analysis' Sheet, X17

332. By reason of BICC having negative equity value pursuant to the Adjusted FY18 BICC Valuation, and by reason of BICC's 1H19 Performance and BICC's 3Q19 Performance, as at 30 September 2019:

(a) the fair value of the Call Option was nil;

(b) in accordance with AASB 9, CIMIC was required to write down the fully impaired amount of the Call Option from $78.3 million to nil for 3Q19.

Particulars

Samuel Report at [539]

333. By reason of BICC having negative cash flows in FY19, FY21 and FY22 pursuant to the Adjusted FY18 BICC Valuation, and by reason of BICC's 1H19 Performance and BICC's 3Q19 Performance, as at 30 September 2019:

(a) BICC was unable to cover all of its operating costs;

(b) BICC was unable to meet its short-term debt repayment commitments; and

(c) BICC was unable to repay any Shareholder Loans (which were subordinated to BICC's external debt (including the Guaranteed Facilities)),

such that:

(d) there was no reasonable expectation of recovery of the Shareholder Loans (in accordance with AASB 9); and

(e) CIMIC was required to write down the full amount of the carrying value of the Shareholder Loans from $681.0 to nil for 3Q19.

Particulars

Samuel Report at [169], [334] to [335],[536], [537], [539]

334. By reason of BICC having negative cash flows in FY19, FY21 and FY22 pursuant to the Adjusted FY18 BICC Valuation, and by reason of BICC's 1H19 Performance and BICC's 3Q19 Performance, as at 30 September 2019:

(a) BICC was unable to cover all of its operating costs;

(b) BICC was unable to meet its short-term debt repayment commitments; and

(c) BICC was unable to repay any cash advances,

such that:

(d) there was no reasonable expectation of recovery of the amounts of the cash advances which were treated as prepayments (in accordance with AASB 9); and

(e) CIMIC was required to write down the full amount of the carrying value of the cash advances from $117.1 million to nil for 3Q19.

Particulars

Samuel Report at [334] to [335], [575]

335. By reason of BICC having negative cash flows in FY19, FY21 and FY22 pursuant to the Adjusted FY18 BICC Valuation, and by reason of BICC's 1H19 Performance and BICC's 3Q19 Performance, as at 30 September 2019:

(a) BICC was unable to cover all of its operating costs;

(b) BICC was unable to meet its short-term debt repayment commitments; and

(c) BICC was unable to repay any cash advances,

such that:

(d) there was no reasonable expectation of recovery of the amounts of the balance of the cash advances (in accordance with AASB 9); and

(e) CIMIC was required to write down the full amount of the carrying value of the cash advances from $205.7 million to nil for 3Q19.

Particulars

Samuel Report at [169], [334] to [335], [536] to [539]

336. By reason of BICC having negative cash flows in at least FY19, FY21 and FY22 pursuant to the Adjusted FY18 BICC Valuation, and by reason of BICC's 1H19 Performance and BICC's 3Q19 Performance, as at 30 September 2019:

(a) BICC's ability to continue as a going concern was reliant upon it obtaining alternative finance and/or further support from CIMIC to enable it to meet the projected operating cash shortfalls and interest expenses;

(b) in the event BICC was unable to obtain alternative finance, by reason of the extent of BICC's projected cash shortfalls it was probable that BICC would be placed into some form of insolvency administration, and all of the CIMIC Guarantees would be called;

(c) alternatively, in the event BICC was able to obtain alternative finance and/or further support from CIMIC, BICC would be reliant on generating sufficient cash flow from operations after FY19 to meet all of its debt obligations (including under the Guaranteed Facilities) as they fell due, however, by reason of the extent of the further financing and support required under the Adjusted FY18 BICC Valuation, it was probable that BICC would be unable to meet its debt obligations and all of the CIMIC Guarantees would be called;

(d) by reason of the above matters:

(i) the credit risk associated with the CIMIC Guarantees had increased since 31 December 2018;

(ii) pursuant to AASB 9, CIMIC was required to assess the lifetime ECL on the CIMIC Guarantees, which could be estimated based on the near 100% probability of default of the Guaranteed Facilities;

(iii) CIMIC was required to recognise a provision of $1,471.6 million in 3Q19 in relation to the amounts expected to be paid under the CIMIC Guarantees.

Particulars

(i) Samuel Report at [334] to [335], [491] to [494], [499], [537] to [539]

True Position – October 2019

337. In the premises of paragraphs 331 to 336, in respect of 3Q19:

(a) the Shareholder Loans in the amount of $681.0 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(b) CIMIC's cash advances to BICC in 2Q19 which were treated as prepayments, in the amount of $117.1 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(c) CIMIC's cash advances to BICC in 3Q19 in the amount of $205.7 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(d) the Call Option in the amount of $78.3 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(e) CIMIC was required by the applicable accounting standards to recognise a financial liability of $1,471.6 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees; and

(f) by reason of the above matters:

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,787.6) million in 3Q19 in respect of its total financial exposure to BICC; and

(ii) CIMIC's 3Q19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($1,214.5) million; or

(g) alternatively to (b), (d) and (f), by reason of the matters pleaded in (a), (c) and (e):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,651.81) million in 3Q19 in respect of its financial exposure to BICC; and

(ii) CIMIC's 3Q19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($1,077.71) million; or

(h) alternatively to (d) to (g), by reason of the matters pleaded in (a) to (c):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($702.66) million in 3Q19 in respect of its financial exposure to BICC; and

(ii) CIMIC's 3Q19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($129.56) million; or

(i) alternatively to (b) and (d) to (h), by reason of the matters pleaded in (a) and (c):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($620.69) million in 3Q19 in respect of its financial exposure to BICC; and

(ii) CIMIC's 3Q19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($47.59) million.

~~(j) alternatively to (f), in the event CIMIC had made the adjustments pleaded in paragraphs in paragraphs 170, 211, 260 and 306 above, by reason of the above matters:~~

~~(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($145.6) million in 3Q19 in relation to its increased financial exposure to BICC in the three months to 30 September 2019; and~~

~~(ii) CIMIC's 3Q19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was $427.5 million.~~

October 2019 Middle East Information

338. On and from 23 October 2019, CIMIC was aware, for the purposes of ASX Listing Rule 19.12 that, in respect of 3Q19:

(a) the Shareholder Loans in the amount of $681.0 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(b) CIMIC's cash advances to BICC in 2Q19 which were treated as prepayments, in the amount of $117.1 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(c) CIMIC's cash advances to BICC in 3Q19 in the amount of $205.7 million were fully impaired, and CIMIC was required by the applicable accounting standards to adjust them to nil;

(d) the Call Option in the amount of $78.3 million was fully impaired, and CIMIC was required by the applicable accounting standards to adjust it to nil;

(e) CIMIC was required by the applicable accounting standards to recognise a financial liability of $1,471.6 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees; and

(f) by reason of the above matters:

  (i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,787.6) million in 3Q19 in respect of its total financial exposure to BICC; and

  (ii) CIMIC's 3Q19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($1,214.5) million; or

(g) alternatively to (b), (d) and (f), by reason of the matters pleaded in (a), (c) and (e):

  (i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($1,651.81) million in 3Q19 in respect of its financial exposure to BICC; and

  (ii) CIMIC's 3Q19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($1,077.71) million; or

(h) alternatively to (d) to (g), by reason of the matters pleaded in (a) to (c):

  (i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($702.66) million in 3Q19 in respect of its financial exposure to BICC; and

(ii) CIMIC's 3Q19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($129.56) million; or

(i) alternatively to (b) and (d) to (h), by reason of the matters pleaded in (a) and (c):

(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($620.69) million in 3Q19 in respect of its financial exposure to BICC; and

(ii) CIMIC's 3Q19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was ($47.59) million.

~~(f) alternatively to (f), in the event CIMIC had made the adjustments pleaded in paragraphs in paragraphs 170, 211, 260 and 306 above, by reason of the above matters:~~

~~(i) CIMIC was required by the applicable accounting standards to recognise a post-tax impact in the amount of ($145.6) million in 3Q19 in relation to its increased financial exposure to BICC in the three months to 30 September 2019;~~

~~(ii) CIMIC's 3Q19 results would be negatively impacted such that CIMIC's NPAT adjusted for the BICC related impact was $427.5 million.~~

(**October 2019 Middle East Information**)

Particulars

Each of the items comprising the October 2019 Middle East Information was information which by 23 October 2019 had, or ought reasonably to have, come into the possession of CIMIC officers Michael Wright, Stefan Camphausen, Ignacio Segura Suriñach, George Sassine and Scott McAlpine, and was therefore information of which it was aware within the meaning of ASX Listing Rule 19.12.

Michael Wright

It is to be inferred that Michael Wright had, or ought reasonably to have, come into possession of the October 2019 Middle East Information by reason of the fact that:

A. Michael Wright knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 17 July 2019, particularised in paragraph 307 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 September 2019, as pleaded at paragraph 330 above;

(c) the further deterioration of BICC's financial performance since 30 June 2019, as pleaded at paragraphs 312, 313 and 331 above;

(d) in 3Q19, BICC had negative cash flows from operations and was continuing to experience severe liquidity issues, as pleaded at paragraphs 314 to 317 and 331 above;

(e) BICC was reliant on CIMIC for financial support, including for cash advances of $206 million in 3Q19 for operational expenses, as pleaded at paragraphs 314 to 318 above;

(f) CIMIC had booked in its internal management accounts a $96 million provision against the Shareholder Loans in respect of CIMIC's cash advances in 3Q19, as pleaded at paragraph 319 above;

(g) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 323 to 327 and 331 above;

(h) CIMIC and BICC had jointly engaged Moelis & Co in August 2019, to provide financial advice in relation to BICC's existing debt financing and liabilities and a proposed restructuring of its debt and to provide financial advice in relation to the proposed sale of BICC to a third party, as pleaded at paragraph 320 above;

(i) in August 2019, CIMIC had unsuccessfully requested a standstill agreement with each lender under the Guaranteed Facilities, as pleaded at paragraphs 321 and 322 above;

(j) in or about July, alternatively, by September 2019, CIMIC had engaged HSBC to run a process to identify a new strategic partner in respect of BICC and/or provide an exit mechanism for CIMIC from its investment in and exposure to BICC, as recorded in the Project Hoplite 2019 – Teaser [**CIM.100.108.2111**] and the Project Hoplite – Investor Universe presentation [**CIM.100.108.2129**] particularised below; and

(k) BICC's performance and growth prospects continued to be negatively impacted by the macroeconomic and market conditions in the Middle East, as was recorded in the 3Q19 Group Risk Management Report [CIM.004.001.4097] circulated to the ARMC in advance of its 23 October 2019 meeting and Michael Wright's update to the Board at the 23 October 2019 meeting, particularised below.

B. By reason of knowing the matters in (a) to (k) above, Michael Wright knew or ought reasonably to have known that:

(l) the FY18 BICC Valuation was incorrect and ought not be relied upon by CIMIC;

(m) the FY18 BICC Valuation ought to be adjusted for the FY18 Opening Position Error and the FY18 Unreasonable Assumptions pleaded at paragraphs 254 to 255 above; and

(n) so adjusted, the FY18 BICC Valuation would have recorded the matters pleaded in paragraph 256(d) to (g) above;

C. By reason of knowing the matters in (l) to (n) above, and by reason of knowing BICC's 1H19 Performance pleaded at paragraph 301 and BICC's 3Q19 Performance pleaded at paragraph 331, Michael Wright knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(o) by reason of the matters pleaded in paragraph 333, the Shareholder Loans in the amount of $681.0 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(a) of the October 2019 Middle East Information);

(p) by reason of the matters pleaded in paragraph 334, CIMIC's cash advances to BICC in 2Q19 in the amount of $117.1 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(b) of the October 2019 Middle East Information);

(q) by reason of the matters pleaded in paragraph 335, CIMIC's cash advances to BICC in 3Q19 in the amount of $205.7 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(c) of the October 2019 Middle East Information);

(r) by reason of the matters pleaded in paragraph 332, the Call Option in the amount of $78.3 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 338(d) of the October 2019 Middle East Information);

(s) by reason of the matters pleaded in paragraph 336, CIMIC was required to recognise a financial liability of $1,471.6 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 338(e) of the October 2019 Middle East Information); and

(t) by reason of the above matters in paragraphs (o) to (s), CIMIC was required to recognise a post-tax impact in the amount of ($1,787.6) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,214.5) million (paragraph 338(f) of the October 2019 Middle East Information); or

(u) alternatively to (t), by reason of the matters in paragraphs (o), (q) and (s), CIMIC was required to recognise a post-tax impact in the amount of ($1,651.81) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,077.71) million (paragraph 338(g) of the October 2019 Middle East Information); or

(v) alternatively to (t) and (u), by reason of the matters in paragraphs (o) to (q), CIMIC was required to recognise a post-tax impact in the amount of ($702.66) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($129.56) million (paragraph 338(h) of the October 2019 Middle East Information); or

(w) alternatively to (t), (u) and (v), by reason of the matters in paragraphs (o) and (q), CIMIC was required to recognise a post-tax impact in the amount of ($620.69) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($47.59) million (paragraph 338(i) of the October 2019 Middle East Information).

D. Further or alternatively to C, by reason of knowing the matters in (a) to (k) above, Michael Wright knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as set out in subparagraphs (o) to (w)~~(u)~~ above.

E. Michael Wright knew or ought reasonably to have known the matters in (a) to (k) above by reason of:

(i) the matters particularised in respect of Michael Wright's knowledge of the July 2019 Middle East Information in paragraph 307 above;

(ii) Michael Wright's receipt, in his capacity as the CEO and managing director of CIMIC (as pleaded in paragraph 35), of:

a. an email from Paul Russell on 10 September 2019 [CIM.100.045.4892] about BICC's cash shortfalls and the risks to BICC employees;

b. the Project Hoplite 2019 – Teaser [CIM.100.108.2111] and the Project Hoplite – Investor Universe presentation [CIM.100.108.2129] received by Dianne Cassidy on behalf of Michael Wright by email on 11 October 2019 [CIM.100.108.2110];

c. CIMIC's draft financial report for 3Q19 [CIM.004.001.4097] p 28 circulated to the ARMC in advance of its 23 October 2019 meeting;

d. the Key Judgements and Accounting Matters Report [CIM.004.001.4097] p 52 circulated to the ARMC in advance of its 23 October 2019 meeting;

e. 3Q19 Group Risk Management Report [CIM.004.001.4097] p119 circulated to the ARMC in advance of its 23 October 2019 meeting;

(iii) Michael Wright's update to the Board at the 23 October 2019 meeting [CIM.004.001.4744, p.2] and Michael Wright's receipt and sign off of 3Q19 Group Risk Management Report [CIM.004.001.4097, p.119] and [CIM.004.0018336, p 33];

(iv) Michael Wright's receipt and approval of, in his capacity as the CEO and managing director of CIMIC, BICC cash requests in August 2019, September 2019 and October 2019. Paragraphs 314, 315, 316, 317, 328 and 329 and the particulars subjoined thereto are referred to and repeated;

(v) Michael Wright executing on 26 September 2019, in his capacity as a director of BICC (as pleaded in paragraph 21(b)), a BICC Board Resolution noting that BICC had been offered a US$150 million cash advance from Societe Generale, which, if secured, would be guaranteed by CIMIC, and that the BICC Directors had received final drafts of the relevant transaction documents [CIM.100.106.6895];

(vi) Stefan Camphausen's receipt of information about the matters in paragraphs (b) to (k) above (as particularised below), in circumstances where Stefan Camphausen had a duty to inform Michael Wright of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

(vii) George Sassine's receipt of information about the matters in paragraphs (b) to (e), (g), (h) and (j) above (as particularised below), in circumstances where George Sassine had a duty to inform Michael Wright of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

Stefan Camphausen

It is to be inferred that Stefan Camphausen had, or ought reasonably to have, come into possession of the October 2019 Middle East Information by reason of the fact that:

A. Stefan Camphausen knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 17 July 2019, particularised in paragraph 307 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 September 2019, as pleaded at paragraph 330 above;

(c) the further deterioration of BICC's financial performance since 30 June 2019, as pleaded at paragraphs 312, 313 and 331 above;

(d) in 3Q19, BICC had negative cash flows from operations and was continuing to experience severe liquidity issues, as pleaded at paragraphs 314 to 317 and 331 above;

(e) BICC was reliant on CIMIC for financial support, including for cash advances of $206 million in 3Q19 for operational expenses, as pleaded at paragraphs 314 to 318 above;

(f) CIMIC had booked in its internal management accounts a $96 million provision against the Shareholder Loans in respect of CIMIC's cash advances in 3Q19, as pleaded at paragraph 319 above;

(g) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 323 to 327 and 331 above;

(h) CIMIC and BICC had jointly engaged Moelis & Co in August 2019, to provide financial advice in relation to BICC's existing debt financing and liabilities and a proposed restructuring of its debt and to provide financial advice in relation to the proposed sale of BICC to a third party, as pleaded at paragraph 320 above;

(i) in August 2019, CIMIC had unsuccessfully requested a standstill agreement with each lender under the Guaranteed Facilities, as pleaded at paragraphs 321 and 322 above;

(j) in or about July 2019, CIMIC had engaged HSBC to run a process to identify a new strategic partner in respect of BICC and/or provide an exit mechanism for

CIMIC from its investment in and exposure to BICC, as was recorded in an email from Scott McAlpine on 25 July 2019, particularised below; and

(k) BICC's performance and growth prospects continued to be negatively impacted by the macroeconomic and market conditions in the Middle East, as was recorded in the 3Q19 Group Risk Management Report [CIM.004.001.4097] circulated to the ARMC in advance of its 23 October 2019 meeting and Michael Wright's update to the Board at the 23 October 2019 meeting, particularised below.

B. By reason of knowing the matters in (a) to (k) above, Stefan Camphausen knew or ought reasonably to have known that:

(l) the FY18 BICC Valuation was incorrect and ought not be relied upon by CIMIC;

(m) the FY18 BICC Valuation ought to be adjusted for the FY18 Opening Position Error and the FY18 Unreasonable Assumptions pleaded at paragraphs 254 to 255 above; and

(n) so adjusted, the FY18 BICC Valuation would have recorded the matters pleaded in paragraph 256(d) to (g) above;

C. By reason of knowing the matters in (l) to (n) above, and by reason of knowing BICC's 1H19 Performance pleaded at paragraph 301 and BICC's 3Q19 Performance pleaded at paragraph 331, Stefan Camphausen knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(o) by reason of the matters pleaded in paragraph 333, the Shareholder Loans in the amount of $681.0 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(a) of the October 2019 Middle East Information);

(p) by reason of the matters pleaded in paragraph 334, CIMIC's cash advances to BICC in 2Q19 in the amount of $117.1 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(b) of the October 2019 Middle East Information);

(q) by reason of the matters pleaded in paragraph 335, CIMIC's cash advances to BICC in 3Q19 in the amount of $205.7 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(c) of the October 2019 Middle East Information);

(r) by reason of the matters pleaded in paragraph 332, the Call Option in the amount of $78.3 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 338(d) of the October 2019 Middle East Information);

(s) by reason of the matters pleaded in paragraph 336, CIMIC was required to recognise a financial liability of $1,471.6 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 338(e) of the October 2019 Middle East Information); and

(t) by reason of the above matters in paragraphs (o) to (s), CIMIC was required to recognise a post-tax impact in the amount of ($1,787.6) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,214.5) million (paragraph 338(f) of the October 2019 Middle East Information); or

(u) alternatively to (t), by reason of the matters in paragraphs (o), (q) and (s), CIMIC was required to recognise a post-tax impact in the amount of ($1,651.81) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,077.71) million (paragraph 338(g) of the October 2019 Middle East Information); or

(v) alternatively to (t) and (u), by reason of the matters in paragraphs (o) to (q), CIMIC was required to recognise a post-tax impact in the amount of ($702.66) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($129.56) million (paragraph 338(h) of the October 2019 Middle East Information); or

(w) alternatively to (t), (u) and (v), by reason of the matters in paragraphs (o) and (q), CIMIC was required to recognise a post-tax impact in the amount of ($620.69) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($47.59) million (paragraph 338(i) of the October 2019 Middle East Information).

D. Further or alternatively to C, by reason of knowing the matters in (a) to (k) above, Stefan Camphausen knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as set out in subparagraphs (o) to (w)~~(u)~~ above.

E. Stefan Camphausen knew or ought reasonably to have known the matters in (a) to (k) above by reason of:

(i) the matters particularised in respect of Stefan Camphausen's knowledge of the July 2019 Middle East Information in paragraph 307 above;

(ii) Stefan Camphausen's receipt, in his capacity as the Chief Financial Officer of CIMIC (as pleaded in paragraph 35) of:

a. the BICC Exposure Report [CIM.105.004.8299] received by email on 25 July 2019 [CIM.105.004.8298];

b. an email from Scott McAlpine on 25 July 2019 [CIM.105.003.5880] confirming agreement on the commercial terms of the engagement of HSBC;

c. an email from Scott McAlpine to HSBC employees on 30 August 2019 [CIM.102.020.5164] seeking a standstill agreement, attaching a draft consent deed [CIM.102.020.5165];

d. an email from Scott McAlpine to SCB employees on 30 August 2019 [CIM.114.009.5797] seeking a standstill agreement, attaching a draft consent deed [CIM.114.009.5798];

e. an email from Scott McAlpine to Societe Generale employees on 30 August 2019 [CIM.114.009.5853] seeking a standstill agreement, attaching a draft consent deed [CIM.114.009.5854];

f. an email from Scott McAlpine to Bank of America Merrill Lynch employees on 30 August 2019 [CIM.114.009.5822] seeking a standstill agreement, attaching a draft consent deed [CIM.114.009.5823];

g. draft answers to questions from Societe Generale [CIM.102.016.3307] received by email on 18 September 2019 [CIM.102.016.3310];

h. the draft Moelis Engagement Letter [CIM.105.017.6666] received by email on 20 September 2019 [CIM.105.017.6666] in relation to the existing debt financing and liabilities of BICC;

i. CIMIC's draft financial report for 3Q19 [CIM.004.001.4097] p 28 circulated to the ARMC in advance of its 23 October 2019 meeting;

j. the Key Judgements and Accounting Matters Report [CIM.004.001.4097] p 52 circulated to the ARMC in advance of its 23 October 2019 meeting;

k. 3Q19 Group Risk Management Report [CIM.004.001.4097] p119 circulated to the ARMC in advance of its 23 October 2019 meeting;

(iii) Stefan Camphausen's receipt of, in his capacity as the Chief Financial Officer of CIMIC, BICC cash requests in August 2019, September 2019 and October 2019. Paragraphs 314, 315, 316, 317, 328 and 329 of the particulars subjoined thereto are referred to and repeated;

(iv) Stefan Camphausen's attendance at the update to the Board at the 23 October 2019 meeting [CIM.004.001.4744, p.2] and Stefan Camphausen's receipt of the 3Q19 Group Risk Management Report [CIM.004.001.4097, p.119] and [CIM.004.001.8336, p 33];

(v) Emilio Grande and Colin Young's receipt of:

a. the Workstream Tracker [CIM.102.022.8917] received by email on 3 August 2019 [CIM.102.022.8916];

b. a presentation entitled 'Project Dune – Indicative Timing' dated [CIM.102.020.5310] received by email on 4 August 2019 [CIM.102.020.5307]

c. the BICC Monthly Report for June 2019 [CIM.102.020.0977] received by Colin Young on 30 August 2019 [CIM.102.020.0973] and by Emilio Grande on 2 September 2019 [CIM.102.016.5090];

d. a presentation from Moelis entitled 'Project Dune – Preliminary Considerations for Qatar Strategy' dated 23 September 2019 [CIM.102.012.4569] received by email on 23 September 2019 [CIM.102.012.4568];

e. the BICC Exposure Report as at 30 September 2019 [CIM.104.010.1083] received by email on 11 October 2019 [CIM.104.010.1080];

f. the BICC Exposure Update [CIM.102.016.0264] received by email dated 13 October 2019 [CIM.102.016.0262];

in circumstances where Colin Young and Emilio Grande had a duty to inform Stefan Camphausen of the information in the documents by reason of:

g. their roles and responsibilities (as pleaded in paragraph 38) and their duties to CIMIC of fidelity, loyalty and good faith; and

h. the nature of significance of the information in the documents.

(vi) Colin Young's receipt of:

a. The BICC Project Data Report as at May 2019 [CIM.102.022.6339] received by email on 21 August 2019 [CIM.102.022.6338];

b. the Workstream Tracker [CIM.102.022.8046] sent by email on 8 August 2019 [CIM.102.022.82];

c. the BICC Project Data Report as at June 2019 [CIM.102.016.3418] received by email on 16 September 2019 [CIM.102.016.3416];

d. the BICC Project Data Report (Qatar) as at August 2019 [CIM.102.014.2288] received by email on 16 September 2019 [CIM.102.014.2286];

e. the BICC Project Data Report (UAE) as at August 2019 [CIM.102.017.4380], received by email on 17 September 2019 [CIM.102.017.4376];

f. the BICC Project Data Report as at July 2019 [CIM.102.012.6607] received by email on 17 September 2019 [CIM.102.012.6603];

g. the BICC Monthly Report for July 2019 [CIM.102.014.2260] received by email on 18 September 2019 [CIM.102.014.2257]; and

h. the Project Hoplite Teaser prepared by HSBC [CIM.102.013.4172] received by email on 5 October 2019 [CIM.102.013.4170],

in circumstances where Colin Young had a duty to inform Stefan Camphausen of the information in the documents by reason of:

i. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

j. the nature of significance of the information in the documents.

(vii) Scott McAlpine's receipt of information about the matters in paragraphs (b) to (e) and (g) to (j) above (as particularised below), in circumstances where Scott McAlpine had a duty to inform Stefan Camphausen of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and their duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

<u>Ignacio Segura Suriñach</u>

It is to be inferred that Ignacio Segura Suriñach had, or ought reasonably to have, come into possession of the October 2019 Middle East Information by reason of the fact that:

A. Ignacio Segura Suriñach knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 17 July 2019, particularised in paragraph 307 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 September 2019, as pleaded at paragraph 330 above;

(c) the further deterioration of BICC's financial performance since 30 June 2019, as pleaded at paragraphs 312, 313 and 331 above;

(d) in 3Q19, BICC had negative cash flows from operations and was continuing to experience severe liquidity issues, as pleaded at paragraphs 314 to 317 and 331 above;

(e) BICC was reliant on CIMIC for financial support, including for cash advances of $206 million in 3Q19 for operational expenses, as pleaded at paragraphs 314 to 318 above;

(f) CIMIC had booked in its internal management accounts a $96 million provision against the Shareholder Loans in respect of CIMIC's cash advances in 3Q19, as pleaded at paragraph 319 above;

(g) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 323 to 327 and 331 above;

(h) CIMIC and BICC had jointly engaged Moelis & Co in August 2019, to provide financial advice in relation to BICC's existing debt financing and liabilities and a proposed restructuring of its debt and to provide financial advice in relation to the proposed sale of BICC to a third party, as pleaded at paragraph 320 above;

(i) in August 2019, CIMIC had unsuccessfully requested a standstill agreement with each lender under the Guaranteed Facilities, as pleaded at paragraphs 321 and 322 above;

(j) in or about July 2019, CIMIC had engaged HSBC to run a process to identify a new strategic partner in respect of BICC and/or provide an exit mechanism for CIMIC from its investment in and exposure to BICC, as recorded in an email from Scott McAlpine on 25 July 2019, particularised below;

(k) BICC's performance and growth prospects continued to be negatively impacted by the macroeconomic and market conditions in the Middle East, as was recorded in the 3Q19 Group Risk Management Report [CIM.004.001.4097] circulated to the ARMC in advance of its 23 October 2019 meeting and Michael Wright's update to the Board at the 23 October 2019 meeting, particularised below.

B. By reason of knowing the matters in (a) to (k) above, Ignacio Segura Suriñach knew or ought reasonably to have known that:

(l) the FY18 BICC Valuation was incorrect and ought not be relied upon by CIMIC;

(m) the FY18 BICC Valuation ought to be adjusted for the FY18 Opening Position Error and the FY18 Unreasonable Assumptions pleaded at paragraphs 254 to 255 above; and

(n) so adjusted, the FY18 BICC Valuation would have recorded the matters pleaded in paragraph 256(d) to (g) above;

C. By reason of knowing the matters in (l) to (n) above, and by reason of knowing BICC's 1H19 Performance pleaded at paragraph 301 and BICC's 3Q19 Performance pleaded at paragraph 331, Ignacio Segura Suriñach knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(o) by reason of the matters pleaded in paragraph 333, the Shareholder Loans in the amount of $681.0 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(a) of the October 2019 Middle East Information);

(p) by reason of the matters pleaded in paragraph 334, CIMIC's cash advances to BICC in 2Q19 in the amount of $117.1 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(b) of the October 2019 Middle East Information);

(q) by reason of the matters pleaded in paragraph 335, CIMIC's cash advances to BICC in 3Q19 in the amount of $205.7 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(c) of the October 2019 Middle East Information);

(r) by reason of the matters pleaded in paragraph 332, the Call Option in the amount of $78.3 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 338(d) of the October 2019 Middle East Information);

(s) by reason of the matters pleaded in paragraph 336, CIMIC was required to recognise a financial liability of $1,471.6 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 338(e) of the October 2019 Middle East Information); and

(t) by reason of the above matters in paragraphs (o) to (s), CIMIC was required to recognise a post-tax impact in the amount of ($1,787.6) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,214.5) million (paragraph 338(f) of the October 2019 Middle East Information); or

(u) alternatively to (t), by reason of the matters in paragraphs (o), (q) and (s), CIMIC was required to recognise a post-tax impact in the amount of ($1,651.81) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,077.71) million (paragraph 338(g) of the October 2019 Middle East Information); or

(v) alternatively to (t) and (u), by reason of the matters in paragraphs (o) to (q), CIMIC was required to recognise a post-tax impact in the amount of ($702.66) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($129.56) million (paragraph 338(h) of the October 2019 Middle East Information); or

(w) alternatively to (t), (u) and (v), by reason of the matters in paragraphs (o) and (q), CIMIC was required to recognise a post-tax impact in the amount of ($620.69) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($47.59) million (paragraph 338(i) of the October 2019 Middle East Information).

D. Further or alternatively to C, by reason of knowing the matters in (a) to (k) above, Ignacio Segura Suriñach knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as set out in subparagraphs (o) to (w)~~(u)~~ above.

E. Ignacio Segura Suriñach knew or ought reasonably to have known the matters in (a) to (k) above by reason of:

(i) the matters particularised in respect of Ignacio Segura Suriñach's knowledge of the July 2019 Middle East Information in paragraph 307 above;

(ii) Ignacio Segura Suriñach's receipt, in his capacity as the Deputy Chief Executive Officer and Chief Operating Officer of CIMIC (as pleaded in paragraph 35), of:

a. the BICC Exposure Update dated 9 July 2019 [CIM.102.024.5438] in an email dated 19 July 2019 [CIM.102.024.5437];

b. the BICC Exposure Report [CIM.105.004.8299] received by email on 25 July 2019 [CIM.105.004.8298];

c. an email from Scott McAlpine on 25 July 2019 [CIM.105.003.5880] confirming agreement on the commercial terms of the engagement of HSBC;

d. the BICC Exposure Report [CIM.102.018.8755] received by email dated 10 September 2019 CIM.102.018.8753;

e. the draft Moelis Engagement Letter [CIM.105.017.6666] received by email on 20 September 2019 [CIM.105.017.6666];

f. a project data report for BICC dated April 2019 [CIM.105.017.5237] received by email on 11 October 2019 [CIM.105.017.5231];

g. CIMIC's draft financial report for 3Q19 [CIM.004.001.4097] p 28 circulated to the ARMC in advance of its 23 October 2019 meeting;

h. the Key Judgements and Accounting Matters Report [CIM.004.001.4097] p 52 circulated to the ARMC in advance of its 23 October 2019 meeting;

i. 3Q19 Group Risk Management Report [CIM.004.001.4097] p119 circulated to the ARMC in advance of its 23 October 2019 meeting;

(iii) Ignacio Segura Suriñach's attendance at the update to the Board at the 23 October 2019 meeting [CIM.004.001.4744, p.2] and Ignacio Segura Suriñach's receipt of the 3Q19 Group Risk Management Report [CIM.004.001.4097, p.119] and [CIM.004.001.8336, p 33];

(iv) Ignacio Segura Suriñach's receipt of, in his capacity as the Deputy CEO and COO of CIMIC, BICC cash requests in August 2019, September 2019 and October 2019.

Paragraphs 314, 315, 316, 317, 328 and 329 [of the particulars subjoined thereto are referred to and repeated;

(v) Stefan Camphausen's receipt of information about the matters in paragraphs (b) to (k) above (as particularised above), in circumstances where Stefan Camphausen had a duty to inform Ignacio Segura Suriñach of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

(vi) George Sassine's receipt of information about the matters in paragraphs (b) to (e) and (g), (h) and (j) above (as particularised below), in circumstances where George Sassine had a duty to inform Ignacio Segura Suriñach of that information by reason of:

a. his role and responsibilities (as pleaded in paragraph 35) and his duties to CIMIC of fidelity, loyalty and good faith; and

b. the nature of significance of the information.

<u>George Sassine</u>

It is to be inferred that George Sassine had, or ought reasonably to have, come into possession of the October 2019 Middle East Information by reason of the fact that:

A. George Sassine knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 17 July 2019, particularised in paragraph 307 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 September 2019, as pleaded at paragraph 330 above;

(c) the further deterioration of BICC's financial performance since 30 June 2019, as pleaded at paragraphs 312, 313 and 331 above;

(d) in 3Q19, BICC had negative cash flows from operations and was continuing to experience severe liquidity issues, as pleaded at paragraphs 314 to 317 and 331 above;

(e) BICC was reliant on CIMIC for financial support, including for cash advances of $206 million in 3Q19 for operational expenses, as pleaded at paragraphs 314 to 318 above;

(f) The Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 323 to 327 and 331 above;

(g) CIMIC and BICC had jointly engaged Moelis & Co in August 2019, to provide financial advice in relation to BICC's existing debt financing and liabilities and a proposed restructuring of its debt and to provide financial advice in relation to the proposed sale of BICC to a third party, as pleaded at paragraph 320 above;

(h) in or about July 2019, CIMIC had engaged HSBC to run a process to identify a new strategic partner in respect of BICC and/or provide an exit mechanism for CIMIC from its investment in and exposure to BICC, as recorded in an email from Scott McAlpine on 25 July 2019, particularised below.

B. By reason of knowing the matters in (a) to (h) above, George Sassine knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(i) the Shareholder Loans in the amount of $681.0 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(a) of the October 2019 Middle East Information);

(j) CIMIC's cash advances to BICC in 2Q19 in the amount of $117.1 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(b) of the October 2019 Middle East Information);

(k) CIMIC's cash advances to BICC in 3Q19 in the amount of $205.7 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(c) of the October 2019 Middle East Information);

(l) the Call Option in the amount of $78.3 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 338(d) of the October 2019 Middle East Information);

(m) CIMIC was required to recognise a financial liability of $1,471.6 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 338(e) of the October 2019 Middle East Information); and

(n) by reason of the above matters in paragraphs (i) to (m), CIMIC was required to recognise a post-tax impact in the amount of ($1,787.6) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,214.5) million (paragraph 338(f) of the October 2019 Middle East Information).

C. George Sassine knew or ought reasonably to have known the matters in (a) to (h) above by reason of:

(i) the matters particularised in respect of George Sassine's knowledge of the July 2019 Middle East Information in paragraph 307 above;

(ii) George Sassine's receipt, in his capacity as Executive General Manager of Investments and Group Property Services of CIMIC (as pleaded in paragraph 35), of:

a. the BICC Exposure Report [CIM.105.004.8299] received by email on 25 July 2019 [CIM.105.004.8298];

b. an email from Scott McAlpine on 25 July 2019 [CIM.105.003.5880] confirming agreement on commercial terms of engagement of HSBC;

c. the BICC Project Data Report as at April 2019 [CIM.101.015.8892] received by email on 29 July 2019 [CIM.101.015.8890];

d. the BICC Exposure Report [CIM.102.018.8755] received by email on 10 September 2019 [CIM.102.018.8753;

e. a presentation from Moelis entitled 'Project Dune – Preliminary Considerations for Qatar Strategy' dated 23 September 2019 [CIM.104.007.3417] received by email on 25 September 2019 [CIM.104.007.3416];

f. a project data report for BICC dated April 2019 [CIM.105.017.5237] received by email on 11 October 2019 [CIM.105.017.5231];

(iii) George Sassine, in his capacity as Executive General Manager of Investments and Group Property Services of CIMIC (as pleaded in paragraph 35), sending the BICC Exposure Report as at 30 September 2019 [CIM.104.010.1083] by email dated 11 October 2019 [CIM.104.010.1080];

(iv) George Sassine's receipt of, in his capacity as an Executive General Manager of Investments and Group Property Services of CIMIC (as pleaded in paragraph 35), BICC cash requests in August 2019, September 2019 and October 2019. Paragraphs 314, 315, 316, 317, 328 and 329 of the particulars subjoined thereto are referred to and repeated.

<u>Scott McAlpine</u>

It is to be inferred that Scott McAlpine had, or ought reasonably to have, come into possession of the October 2019 Middle East Information by reason of the fact that:

A. Scott McAlpine knew, or ought reasonably to have known, the following:

(a) the matters he knew, or which he ought reasonably to have known, as of 17 July 2019, particularised in paragraph 307 above;

(b) the nature and extent of CIMIC's financial exposure to BICC as at 30 September 2019, as pleaded at paragraph 330 above;

(c) the further deterioration of BICC's financial performance since 30 June 2019, as pleaded at paragraphs 312, 313 and 331 above;

(d) in 3Q19, BICC had negative cash flows from operations and was continuing to experience severe liquidity issues, as pleaded at paragraphs 314 to 317 and 331 above;

(e) BICC was reliant on CIMIC for financial support, including for cash advances of $206 million in 3Q19 for operational expenses, as pleaded at paragraphs 314 to 318 above;

(f) the Legacy Project Receivables associated with BICC continued to be outstanding, as pleaded at paragraphs 323 to 327 and 331 above;

(g) CIMIC and BICC had jointly engaged Moelis & Co in August 2019, to provide financial advice in relation to BICC's existing debt financing and liabilities and a proposed restructuring of its debt and to provide financial advice in relation to the proposed sale of BICC to a third party, as pleaded at paragraph 320 above;

(h) in August 2019, CIMIC had unsuccessfully requested a standstill agreement with each lender under the Guaranteed Facilities, as pleaded at paragraphs 321 and 322 above; and

(i) in or about July 2019, CIMIC had engaged HSBC to run a process to identify a new strategic partner in respect of BICC and/or provide an exit mechanism for CIMIC from its investment in and exposure to BICC, as was recorded in email from Scott McAlpine on 25 July 2019, particularised below.

B. By reason of knowing the matters in (a) to (i) above, Scott McAlpine knew or ought reasonably to have known that the appropriate accounting treatment in respect of BICC was as follows:

(j) the Shareholder Loans in the amount of $681.0 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(a) of the October 2019 Middle East Information);

(k) CIMIC's cash advances to BICC in 2Q19 in the amount of $117.1 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(b) of the October 2019 Middle East Information);

(l) CIMIC's cash advances to BICC in 3Q19 in the amount of $205.7 million were fully impaired and CIMIC was required to adjust them to nil (paragraph 338(c) of the October 2019 Middle East Information);

(m) the Call Option in the amount of $78.3 million was fully impaired and CIMIC was required to adjust it to nil (paragraph 338(d) of the October 2019 Middle East Information);

(n) CIMIC was required to recognise a financial liability of $1,471.6 million in relation to the estimated amounts expected to be paid under the CIMIC Guarantees (paragraph 338(e) of the October 2019 Middle East Information); and

(o) by reason of the above matters in paragraphs (j) to (n), CIMIC was required to recognise a post-tax impact in the amount of ($1,787.6) million in 3Q19 in respect of its total financial exposure to BICC and CIMIC's NPAT adjusted for the BICC related impact was ($1,214.5) million (paragraph 338(f) of the October 2019 Middle East Information).

C. Scott McAlpine knew or ought reasonably to have known the matters in (a) to (i) above by reason of:

(i) the matters particularised in respect of Scott McAlpine's knowledge of the July 2019 Middle East Information in paragraph 307 above;

(ii) Scott McAlpine's receipt, in his capacity as the Executive General Manager Treasury of CIMIC (as pleaded in paragraph 35) of:

a. the BICC Exposure Report [CIM.105.004.8299] received by email on 25 July 2019 [CIM.105.004.8298];

b. the Moelis Commercial Proposal dated 7 August 2019 [CIM.105.004.7246] received by email on 8 August 2019 [CIM.105.004.7243];

c. the BICC Exposure Report [CIM.102.018.8755] received by email on 10 September 2019 [CIM.102.018.8753];

d. draft answers to questions from Societe Generale [CIM.102.016.3307] received by email on 18 September 2019 [CIM.102.016.3310];

(iii) Scott McAlpine, in his capacity as the Executive General Manager Treasury of CIMIC (as pleaded in paragraph 35), sending:

a. an email to Stefan Camphausen, George Sassine and Ignacio Segura Suriñach on 25 July 2019 [CIM.105.003.5880] confirming agreement on the commercial terms of engagement of HSBC;

b. an email to HSBC employees on 30 August 2019 [CIM.102.020.5164] seeking a standstill agreement, attaching a draft consent deed [CIM.102.020.5165];

c. an email to SCB employees on 30 August 2019 [CIM.114.009.5797] seeking a standstill agreement, attaching a draft consent deed [CIM.114.009.5798];

d. an email to Societe Generale employees on 30 August 2019 [CIM.114.009.5853] seeking a standstill agreement, attaching a draft consent deed [CIM.114.009.5854];

e. an email to Bank of America Merrill Lynch employees on 30 August 2019 [CIM.114.009.5822] seeking a standstill agreement, attaching a draft consent deed [CIM.114.009.5823];

(iv) Scott McAlpine in receipt of, in his capacity as the Executive General Manager Treasury of CIMIC (as pleaded in paragraph 35), BICC cash requests in August 2019 [CIM.114.010.7218], [CIM.104.010.2569], September 2019 [CIM.104.007.7040], [CIM.104.007.4889] and 17 October 2019 [CIM.104.006.8488];

(v) Christopher Granda's receipt of:

a. the Workstream Tracker [CIM.102.022.8046] received by email on 8 August 2019 [CIM.102.022.82];

b. the BICC Project Data Report as at June 2019 [CIM.102.016.3418] received by email on 16 September 2019 [CIM.102.016.3416];

c. the BICC Project Data Report (Qatar) as at August 2019 [CIM.102.014.2288] received by email on 16 September 2019 [CIM.102.014.2286];

d. the BICC Project Data Report (UAE) as at August 2019 [CIM.102.017.4380], received by email on 17 September 2019 [CIM.102.017.4376];

e. the BICC Monthly Report for July 2019 [CIM.102.014.2260] received by email on 18 September 2019 [CIM.102.014.2257];

f. a presentation from Moelis entitled 'Project Dune – Preliminary Considerations for Qatar Strategy' dated 23 September 2019 [CIM.102.012.4569] received by email on 23 September 2019 [CIM.102.012.4568];

g. the Project Hoplite Teaser prepared by HSBC [CIM.102.013.4172] received by email on 5 October 2019 [CIM.102.013.4170],

in circumstances where Christopher Granda had a duty to inform Scott McAlpine of the information in the document by reason of:

h. his role and responsibilities (as pleaded in paragraph 38) and his duties to CIMIC of fidelity, loyalty and good faith; and

i. the nature of significance of the information in the document.

339. The October 2019 Middle East Information was:

(a) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(b) not generally available; and

(c) not information to which Rule 3.1A of the ASX Listing Rules applied.

340. By reason of the matters pleaded in paragraphs 4(a), 5, 338 and 339, CIMIC was obliged by Rule 3.1 of the ASX Listing Rules and s 674(2) of the Corporations Act to immediately notify the ASX of the October 2019 Middle East Information from 23 October 2019.

341. Notwithstanding the matters alleged in paragraphs 338 to 340, CIMIC did not notify the ASX of the October 2019 Middle East Information at any time from 23 October 2019 until the end of the Relevant Period.

342. By reason of the matters alleged in paragraphs 338 to 341, CIMIC contravened s 674(2) of the Corporations Act (**October 2019 Middle East Disclosure Contraventions**).

J. MIDDLE EAST CORRECTIVE DISCLOSURE

343. On 23 January 2020 before trading opened, CIMIC published and lodged with the ASX an update to the market in which it stated that:

(a) CIMIC had completed an extensive strategic review of its financial investment in BICC;

(b) after thorough evaluation of all available options, CIMIC had decided to exit the Middle East region;

(c) in this context, CIMIC had reassessed its financial exposure to BICC, mainly shareholder loans and financial guarantees;

(d) CIMIC would recognise a one-off post-tax impact of around $1.8 billion in its FY19 financial statements, representing all of CIMIC's exposure in relation to BICC;

(e) the above impact included an expected cash outlay net of tax or around $700 million during 2020, as CIMIC's financial guarantees of certain BICC liabilities materialised, and that CIMIC had committed facilities and cash available to meet all obligations as required;

(f) consequently, CIMIC would not declare a final dividend for 2019; and

(g) excluding the BICC impact, CIMIC expected to report NPAT for 2019 of around $800 million.

(**Middle East Corrective Disclosure**)

344. The information contained in the Middle East Corrective Disclosure:

(a) operated to correct or partly correct the information available to the market concerning the subject matter of the February 2018 Middle East Information, July 2018 Middle East Information, February 2019 Middle East Information, July 2019 Middle East Information, October 2019 Middle East Information and December 2019 Middle East Information (together, the **Middle East Information**);

(b) by correcting or partly correcting the said information, influenced persons who commonly invest in securities by causing:

(i) persons who held CIMIC securities to reduce the price at which they were willing to dispose of CIMIC Securities; and

(ii) persons who were considering acquiring CIMIC Securities to reduce the price at which they were willing to purchase CIMIC Securities;

Particulars

The said effect is to be inferred from the character of the market for CIMIC

Securities as set out in paragraph 355 below and the change in the traded price following the release of the Middle East Corrective Disclosure set out in paragraph 361 below.

Further particulars will be provided following the receipt of expert evidence.

(c) consequently, caused the price at which CIMIC Securities traded to adjust downward toward the traded price which would have existed if the Middle East Contravening Conduct had not occurred.

K. FURTHER MISLEADING STATEMENTS

K.1 TRUE AND FAIR VIEW MISLEADING STATEMENTS

345. By the statements at paragraphs 59(a), 66(c), 78(b) and 135, CIMIC represented that:

(a) it held the opinion its financial reports provided a true and fair view of CIMIC's financial position and performance as at the reporting date to which the relevant financial report related; and

(b) it held that opinion based on reasonable grounds,

(**True and Fair View Representations**)

Particulars

As to subparagraph (a), the representations were express and made in writing as set out in paragraphs 59(a), 66(c), 78(b) and 135 above.

As to subparagraph (b), the representations were implied by:

(a) the matters contained in the statements set out in paragraphs 59(a), 66(c), 78(b) and 135; and

(b) the requirement under the Corporations Act for CIMIC to ensure that its financial reports provided a true and fair view of the company's financial position and performance complied with the relevant accounting standards (ss. 296, 297, 305 and 306 of the Corporations Act).

346. On and from 7 February 2018 until the end of the Relevant Period:

(a) CIMIC did not at any time amend, qualify or withdraw the True and Fair View Representations; and

(b) accordingly, the True and Fair View Representations were continuing representations that were maintained by CIMIC from 7 February 2018 until the end of the Relevant Period.

347. Contrary to the True and Fair View Representations, at all materials times from 7 February 2018:

(a) CIMIC's financial reports did not provide a true and fair view of CIMIC's financial position and performance as at the reporting date to which the relevant financial report related; and

(b) CIMIC did not have reasonable grounds for the opinion that its financial reports provided a true and fair view.

Particulars

Appropriate accounting treatment of the Shareholder Loans, the Call Option, the CIMIC Guarantees and the $117 million advance termed a "prepayment" (the **Prepayment**) required the following adjustments to CIMIC's balance sheet:

(a) reduction in the Trade and Other Receivables' amount included in current assets, to reduce the carrying value of the Shareholder Loans to nil;

(b) reduction in the "other investments" amount in current assets to reduce the carrying value of the Call Option to nil;

(c) (for 1H19 only) reduction in the "prepayment" amount in current assets to reduce the carrying value of the Prepayment to nil;

(d) increase in liabilities to reflect the provision for amounts guaranteed under the CIMIC Guarantees; and

(e) increase in current assets for the tax benefit associated with the above impairments and provisions.

None of the 2017 Annual Report, 2018 Half Year Report, 2018 Annual Report nor 2019 Half Year Report made those adjustments.

By reason of CIMIC not making the above adjustments to its balance sheet:

(a) in respect of the FY17 Annual Report CIMIC's reported net assets at 31 December 2017 and its reported profit after tax for the year ended 31 December 2017 were overstated by approximately $1,302.8 million;

(b) in respect of the 1H18 Half Year Report CIMIC's reported net assets at 30 June 2018 and its reported profit after tax for the half year ended 30 June 2018 were overstated by approximately $872.1 million;

(c) in respect of the FY18 Annual Report CIMIC's reported net assets at 31 December 2018 and its reported profit after tax for the year ended 31 December 2018 were overstated by approximately $1,050.4 million;

(d) in respect of the 1H19 Half Year Report CIMIC's reported net assets at 30 June 2019 and its reported profit after tax for the half year ended 30 June 2019 were overstated by approximately $1,642.0 million.

By reason of the above matters, each of the 2017 Annual Report, 2018 Half Year Report, 2018 Annual Report and 2019 Half Year Report did not provide a true and fair view of CIMIC's financial position as at the reporting date to which the relevant financial report related.

The true and fair view opinion was not based on reasonable grounds by reason:

(a) of the matters pleaded in paragraphs 165 to 171, 207 to 212, 256 to 261, 301 to 307 and 331 and 338; and

(b) that the true and fair view was readily ascertainable for a company in CIMIC's position by the appropriate application of AASB 9, 101, 128, 137 and 139 (as in force from time to time during the Relevant Period).

The Applicant further refers to and relies upon the Samuel Report at [576] to [595]

348. To the extent the True and Fair View Representations related to future matters, the Applicant relies on s 12BB of the ASIC Act, s 769C of the Corporations Act and s 4 of the Australian Consumer Law and contends that CIMIC did not have reasonable grounds for making the representations.

Particulars

The Applicant refers to and repeats the particulars subjoined to paragraph 347 above.

349. By reason of the matters alleged in paragraphs 346 to 348, by making the True and Fair View Representations, CIMIC engaged in conduct:

(a) in trade or commerce, in relation to a financial service that was misleading or deceptive, or likely to mislead or deceive, in contravention of s 12DA of the ASIC Act;

(b) in relation to a financial product or a financial service that was misleading or deceptive, or likely to mislead or deceive, in contravention of s 1041H of the Corporations Act; and/or

(c) in trade or commerce, that was misleading or deceptive, or likely to mislead or deceive, in contravention of s 18 of the Australian Consumer Law.

(**True and Fair View Misleading Conduct**)

K.2 GUIDANCE MISLEADING STATEMENTS

350. By the statements at 74(h), 80(b), 81(h), 136(a)(i), 137, 138 and 139(b), CIMIC represented that it would achieve NPAT for FY19 in the range of $790 million to $840 million.

(**Guidance Representations**)

351. On and from 5 February 2019 until the end of the Relevant Period:

(a) CIMIC did not at any time amend, qualify or withdraw the Guidance Representations;

(b) accordingly, the Guidance Representations were continuing representations that were maintained by CIMIC from 5 February 2019 until the end of the Relevant Period.

352. The Guidance Representations related to future matters and the Applicant relies on s 12BB of the ASIC Act, s 769C of the Corporations Act and s 4 of the Australian Consumer Law and contends that CIMIC did not have reasonable grounds for making the representation.

Particulars

In respect of the Guidance Representation made on 5 February 2019 (paragraph 74(h)):

(i) as of 5 February 2019, by reason of the matters particularised at paragraph 261 above, the CIMIC Officers there referred to knew, or ought reasonably to have known, the following (**February 2019 Guidance Information**):

A. the nature and extent of CIMIC's financial exposure to BICC as at 31 December 2018;

B. the deterioration of HLG's financial performance since 30 June 2018;

C. BICC had recorded a loss of AED 268 million for FY18;

D. BICC had negative cash flow from operations of AED 910 million for FY18;

E. in FY18, BICC had not met the forecast for its performance in the FY17 Valuation Report;

F. BICC faced significant challenges to improving its performance in FY19 by reason that its work in hand had declined to AED 2,807 million (from AED 5,512 million as at December 2017), its current margin in hand was AED 54 million and the majority of its projects were loss making;

G. BICC's cash position continued to be severely stressed and affect project delivery and performance;

H. the Legacy Project Receivables associated with BICC continued to be outstanding;

I. a large portion of BICC's receivables were uncertified;

J. BICC was reliant on CIMIC for financial support, including for cash advances for operational expenses, and for approving BICC's draw downs under the Greensill Facilities to fund some of BICC's operational expenses;

K. existing lenders were unwilling to loan additional money to BICC unless CIMIC offered parent company guarantees;

L. the FY18 HLG Valuation was based upon the FY18 Opening Position Error and the FY18 Unreasonable Assumptions; and

M. the FY18 HLG Valuation Report was relevant to the key accounting judgments and estimates for CIMIC's FY18 financial statements.

(ii) the matters the subject of the February 2019 Guidance Information were likely to negatively impact CIMIC's NPAT for FY19 such that CIMIC did not have reasonable grounds for making the Guidance Representations on 5 February 2019;

(iii) the Applicant refers to and repeats paragraphs 217 to 261.

In respect of the Guidance Representations made on 11 April and 16 April 2019 (paragraphs 80(b) and 81(h)):

(iv) as of 11 April and 16 April 2019, by reason of the matters particularised at paragraphs 261 and 307 above, the CIMIC Officers there referred to knew, or ought reasonably to have known, the following (**April 2019 Guidance Information**):

A. each of the matters in subparagraph (i) above;

B. BICC's performance and growth prospects were being negatively impacted by the macroeconomic and market conditions in the Middle East;

C. on or about 12 March 2019, CIMIC had restructured a further $45 million of the amounts owing by BICC under its Shareholder Loans, so that BICC was not obliged to pay interest on those amount for five years and could repay those amounts at its discretion;

D. the Greensill Facilities and HSBC Multi-Option Facility had both been exhausted by end of March 2019;

(v) the matters the subject of the April 2019 Guidance Information were likely to negatively impact CIMIC's NPAT for FY19 such that CIMIC did not have reasonable grounds for making Guidance Representations on 11 April and 16 April 2019;

(vi) the Applicant refers to and repeats paragraphs 217 to 261, 273, 280 and 307 above.

In respect of the Guidance Representation made on 17 July 2019 (paragraphs 136(a)(i), 137 and 138):

(vii) as of 17 July 2019, by reason of the matters particularised at paragraphs 307 above, the CIMIC Officers there referred to knew, or ought reasonably to have known, the following (**July 2019 Guidance Information**):

A. each of the matters in subparagraphs (i) and (iv) above;

B. BICC’s financial performance had deteriorated since 31 December 2019;

C. in 1H19, BICC had negative cash flow from operations and it was continuing to experience severe liquidity issues;

D. BICC was reliant on CIMIC for support including for approximately AED 650 million in cash advances in 1H19 made by 7 June 2019;

E. on or about 28 June 2019, BICC had entered into an additional debt facility guaranteed by CIMIC with a facility limit of USD100 million and BICC immediately exhausted the facility in order to repay some cash injections made by CIMIC;

F. CIMIC had assessed that BICC was operating with monthly cash shortfalls of approximately AED 200 to 250 million;

G. CIMIC had estimated that BICC’s FY19 estimated financial performance would fall short of the 2019 Business Plan;

H. the revised FY19 Business Plan for BICC prepared by CIMIC in June 2019 had forecast BICC would have a cash shortfall until at least FY23 under all scenarios;

I. CIMIC had determined that under each of three strategic options for BICC, CIMIC Guarantees to the value of $1.6 billion would be called;

J. the Legacy Project Receivables associated with BICC continued to be outstanding;

K. BICC's performance and growth prospects continued to be negatively impacted by the macroeconomic and market conditions in the Middle East;

L. the nature and extent of CIMIC’s financial exposure to BICC as at 30 June 2019;

(viii) The matters the subject of the July 2019 Guidance Information were likely to negatively impact CIMIC’s NPAT for FY19 such that CIMIC did not have reasonable grounds for making the Guidance Representations on 17 July 2019;

(ix) the Applicant refers to and repeats paragraphs 266 to 307.

In respect of the Guidance Representation made on 23 October 2019 (paragraph 139(b)):

(x) as of 23 October 2019, by reason of the matters particularised at paragraph 338 CIMIC Officers there referred to knew, or ought reasonably to have known, the following (**October 2019 Guidance Information**):

A. each of the matters in subparagraph (i), (iv) and (vii) above;

B. BICC’s financial performance had deteriorated since 30 June 2019;

C. in 3Q19, BICC had negative cash flows from operations and was continuing to experience severe liquidity issues;

D. BICC was reliant on CIMIC for financial support, including for cash advances of $206 million in 3Q19 for operational expenses;

E. CIMIC had booked a $96 million provision against the Shareholder Loans in respect of CIMIC's cash advances to BICC in 3Q19;

F. BICC was forecast to have a cash shortfall until at least 2023, being after the dates that all of the Guaranteed Facilities were to become due and payable;

G. the Legacy Project Receivables associated with BICC continued to be outstanding;

H. BICC's performance and growth prospects continued to be negatively impacted by the macroeconomic and market conditions in the Middle East;

I. CIMIC and BICC had jointly engaged Moelis & Co in August 2019, to provide financial advice in relation to BICC's existing debt financing and liabilities and a proposed restructuring of its debt and to provide financial advice in relation to the proposed sale of BICC to a third party;

J. in August 2019, CIMIC had unsuccessfully requested a standstill agreement with each lender under the Guaranteed Facilities;

K. in or about July 2019, CIMIC had engaged HSBC to run a process to identify a new strategic partner in respect of BICC and/or provide an exit mechanism for CIMIC from its investment in and exposure to BICC;

L. the nature and extent of CIMIC's exposure to BICC as at 30 September 2019;

(xi) The matters the subject of the October 2019 Guidance Information were likely to negatively impact CIMIC's NPAT for FY19 such that CIMIC did not have reasonable grounds for making the Guidance Representations on 23 October 2019;

(xii) the Applicant refers to and repeats paragraphs 312 to 338.

(xiii) further, the size of the BICC impact announced in the Middle East Corrective Disclosure on 23 January 2020, and the short period between the Guidance Representation made on 23 October 2019 and the Middle East Disclosure, supports an inference that there were no reasonable grounds for making the Guidance Representation on 23 October 2019.

353. By reason of the matters alleged in paragraphs 351 and 352, by making the Guidance Representations, CIMIC engaged in conduct:

(a) in trade or commerce, in relation to a financial service that was misleading or deceptive, or likely to mislead or deceive, in contravention of s 12DA of the ASIC Act;

(b) in relation to a financial product or a financial service that was misleading or deceptive, or likely to mislead or deceive, in contravention of s 1041H of the Corporations Act; and/or

(c) in trade or commerce, that was misleading or deceptive, or likely to mislead or deceive, in contravention of s 18 of the Australian Consumer Law.

(**Guidance Misleading Conduct**)

L. MARKET EFFECTS

354. During the Relevant Period, the Applicant and each of the Group Members acquired an interest in CIMIC Securities in the market comprised of all then current investors and potential investors in CIMIC Securities (**CIMIC Securities Market**).

355. During the Relevant Period, the CIMIC Securities Market was a market:

(a) regulated relevantly by the ASX Listing Rules and ss 674(2) and 1041H of the Corporations Act;

(b) where the price or value of CIMIC Securities would reasonably be expected to have been informed or affected by information disclosed in accordance with the ASX Listing Rules and ss 674(2) and 1041H of the Corporations Act;

(c) to which the Cash Generation Representation, True and Fair Value Representations, and Guidance Representations alleged in this Statement of Claim had been made, being representations which a reasonable person would expect to have a material effect on the price or value of CIMIC Securities; and/or

(d) further or alternatively to (c), was a market to which the material information alleged in this Statement of Claim had not been disclosed, being information which a reasonable person would expect, had it been disclosed, would have had a material effect on the price or value of CIMIC Securities.

356. Further to paragraph 355, throughout the Relevant Period, the CIMIC Securities Market was a market for listed securities that was sufficiently efficient so that at all relevant times:

(a) the traded price for CIMIC Securities on the ASX reflected all generally available information; and

(b) the traded price for CIMIC Securities quickly adjusted to reflect any additional information that became generally available.

357. Further to paragraphs 355 and 356, in relation to the Cash Flow Information:

(a) on 3 May 2019, the closing price of CIMIC Securities was $50.04 per share;

(b) on 6 May 2019, the price of CIMIC Securities fell to a low of $44.65 and closed at $46.50 per share;

(c) on 7 May 2019, the price of CIMIC Securities fell to a low of $44.69 and closed at $45.00 per share;

(d) on 8 May 2019, the price of CIMIC Securities fell to a low of $42.50 and closed at $44.74 per share.

358. Further or in the alternative to paragraph 357, and further to paragraphs 355 and 356, in relation to the Cash Flow Information:

(a) on 11 July 2019, the closing price of CIMIC Securities was $45.45 per share;

(b) on 12 July 2019, the price of CIMIC Securities fell to a low of $44.93 and closed at $45.05 per share; and

(c) on 15 July 2019, the price of CIMIC Securities fell to a low of $44.66 and closed at $44.80 per share.

359. Further or in the alternative to paragraph 357 and 358, and further to paragraphs 355 and 356, in relation to the Cash Flow Information:

(a) on 17 July 2019, the closing price of CIMIC Securities was $45.78 per share;

(b) on 18 July 2019, the price of CIMIC Securities fell to a low of $36.03 and closed at $37.09 per share;

(c) on 19 July 2019, the price of CIMIC Securities fell to a low of $36.45 and closed at $36.57 per share;

(d) on 22 July 2019, the price of CIMIC Securities fell to a low of $35.62 and closed at $35.66 per share.

360. Each of:

(a) 1Q18 Cash Flow Disclosure Contravention;

(b) 1H18 Cash Flow Disclosure Contravention;

(c) 3Q18 Cash Flow Disclosure Contravention;

(d) FY18 Cash Flow Disclosure Contravention;

(e) 1Q19 Cash Flow Disclosure Contravention;

(**Cash Flow Contravening Conduct**)

separately or together or in any combination, caused the market price for CIMIC Securities to be materially higher in the period 7 February 2018 to 6 May 2019, alternatively 11 July 2019, alternatively 17 July 2019 than:

(f) their true value; and/or

(g) alternatively, the traded price that would have prevailed if the Cash Flow Contravening Conduct had not occurred.

Particulars

That the Cash Flow Contravening Conduct caused the price of CIMIC Securities to be higher in the period from 7 February 2018 to 6 May 2019, alternatively 11 July 2019, alternatively 17 July 2019 than it would have been had it not occurred is to be inferred from the following matters:

(i) the characteristics of the CIMIC Securities Market alleged at paragraphs 355 and 356;

(ii) the changes to the price for CIMIC Securities on the ASX from the date on which the Clarification Statement and 17 July Cash Flow Partial Corrective Disclosure were made, as set out in paragraphs 357 and 359; and

(iii) the fact that each of the 1Q18 Cash Flow Information, 1H18 Cash Flow Information, 3Q18 Cash Flow Information, FY18 Cash Flow Information, and 1Q19 Cash Flow Information was information that, if disclosed, would reasonably be expected to have a negative impact on the price of CIMIC Securities.

Further particulars will be provided following the receipt of expert evidence.

361. Further to paragraphs 355 and 356 above, in relation to the Middle East Information:

(a) on 22 January 2020, the closing price of CIMIC Securities was $34.98 per share;

(b) on 23 January 2020, the price of CIMIC Securities fell to a low of $27.80 and closed at $28.03 per share;

(c) on 24 January 2020, the price of CIMIC Securities fell to a low of $28.25 and closed at $28.88 per share;

(d) on 28 January 2020, the price of CIMIC Securities fell to a low of $28.00 and closed at $28.21 per share.

362. Each of:

(a) February 2018 Middle East Disclosure Contravention;

(b) July 2018 Middle East Disclosure Contravention;

(c) February 2019 Middle East Disclosure Contravention;

(d) July 2019 Middle East Disclosure Contravention;

(e) October 2019 Middle East Disclosure Contravention;

(**Middle East Contravening Conduct**)

separately or together or in any combination, caused the market price for CIMIC Securities to be materially higher from 7 February 2018 to the end of the Relevant Period than:

(i) their true value; and/or

(ii) alternatively, the traded price that would have prevailed if the Middle East Contravening Conduct had not occurred.

Particulars

That the Middle East Contravening Conduct caused the price of CIMIC Securities to be higher during the Relevant Period than it would have been had it not occurred is to be inferred from the following matters:

(i) the characteristics of the CIMIC Securities Market alleged at paragraphs 355 and 356;

(ii) the changes to the price for CIMIC Securities on the ASX from the date on which the Middle East Corrective Disclosure was made, as set out in paragraph 361; and

(iii) the fact that each of the February 2018 Middle East Information, July 2018 Middle East Information, February 2019 Middle East Information, July 2019 Middle East Information, and October 2019 Middle East Information was information that, if disclosed, would reasonably be expected to have a negative impact on the price of CIMIC Securities.

363. Each of:

(a) Cash Generation Misleading Conduct;

(b) True and Fair View Misleading Conduct; and

(c) Guidance Misleading Conduct,

(**Misleading Conduct**)

separately or together or in any combination, caused the market price for CIMIC Securities to be materially higher in the Relevant Period than:

(d) their true value; and/or

(e) alternatively, the traded price that would have prevailed if the Misleading Conduct had not occurred.

Particulars

That the Misleading Conduct caused the price of CIMIC Securities to be higher during the Relevant Period than it would have been had it not occurred is to be inferred from the following matters:

(i) the characteristics of the CIMIC Securities Market alleged at paragraphs 355 and 356;

(ii) the fact that each of the Cash Generation Representation, True and Fair Value Representations, and Guidance Representations were about matters that would reasonably be expected to have an impact on the price of CIMIC Securities;

(iii) the changes to the price for CIMIC Securities on the ASX from the date on which the Clarification Statement and 17 July Cash Flow Partial Corrective Disclosure were made, as set out in paragraphs 357 and 359;

(iv) the changes to the price for CIMIC Securities on the ASX from the date on which the Middle East Corrective Disclosure was made, as set out in paragraph 361.

364. By reason of the matters set out in paragraphs 360, 362 and 363 above, at the times during the Relevant Period when the Applicant and all of the Group Members acquired interests in CIMIC Securities, the price of the CIMIC Securities they acquired had been artificially inflated by the

Cash Flow Contravening Conduct, the Middle East Contravening Conduct and/or the Misleading Conduct.

Particulars

Particulars of the Applicant's transactions involving CIMIC Securities are set out the particulars subjoined to paragraph 2(a) above.

Particulars of the shareholdings of the Group Members will be provided following the trial of the common questions.

M. RELIANCE

365. Further or alternatively, the Applicant and at least some of the Group Members acquired an interest in CIMIC Securities during the Relevant Period as a result of holding and acting upon the assumption (being also an assumption generally made by all participants in the market for CIMIC Securities) that:

(a) the price at which they acquired that interest in CIMIC Securities represented the market price in a market that had been informed of all material information relating to CIMIC that was required to be disclosed by it in accordance with the ASX Listing Rules and s 674(2) of the Corporations Act; and

(b) all such material information had been incorporated into the price of those CIMIC Securities as at the date of acquisition,

(**Price Integrity Assumption**).

Particulars

(i) Investors and potential investors in shares on the ASX, including CIMIC Securities, are generally aware that there is a complex and comprehensive regulatory regime including, relevantly, the ASX Listing Rules and s 674(2) of the Corporations Act, which has as one of its purposes to ensure that the market is promptly informed of all information which is relevant to the price at which shares are traded.

(ii) If the Cash Flow Contravening Conduct, Middle East Contravening Conduct and/or the Misleading Conduct had not occurred, the Applicant and the Group Members would either have acquired interests in CIMIC Securities at a price which had not been artificially inflated or they would have made alternative investments, including acquiring interests in shares in another listed entity instead.

(iii) Particulars for each of the Group Members who also held and relied upon the Price Integrity Assumption will be provided following resolution of the common questions.

N. CHANGE OF POSITION

366. Further to paragraphs 354 to 365 above, if CIMIC had not engaged in the:

(a) Cash Flow Contravening Conduct; and/or

(b) Middle East Contravening Conduct; and/or

(c) Misleading Conduct;

(together, **Contravening Conduct**)

each of the Group Members:

(d) would have acquired their interests in CIMIC Securities at a lower price; or

(e) alternatively, would not have acquired some or any of their interests in the CIMIC Securities and would instead have retained or acquired other investments or assets for which the price was not inflated.

Particulars

Particulars of the Group Members who would have retained or acquired alternative investments will be provided following the determination of the common questions.

367. Further to paragraphs 354 to 365 above, if CIMIC had not engaged in the:

(a) Cash Flow Contravening Conduct (to the extent it occurred prior to 27 June 2018);

(b) Misleading Conduct (to the extent it occurred prior to 27 June 2018);

(c) Middle East Contravening Conduct (to the extent it occurred prior to 27 June 2018);

(together, **Applicant Contravening Conduct**)

the Applicant:

(d) would not have acquired any of its interests in the CIMIC Securities and would instead have retained or acquired other investments or assets for which the price was not inflated.

Particulars

Particulars of any alternative investments or assets that the Applicant would have retained or acquired will be provided prior to trial.

O. LOSS AND DAMAGE

368. By reason of CIMIC's Contravening Conduct (in the case of Group Members) and Applicant Contravening Conduct (in the case of the Applicant), the Applicant and each of the Group Members have suffered loss and damage.

Particulars

The loss suffered by the Applicant is the difference, at the date of hearing, between their actual position as a result of having acquired an interest in CIMIC Securities during the Relevant Period and the position in which they would have been had they not acquired that interest and further or alternatively made an alternative investment instead.

The loss suffered by Group Members is either:

i. the difference between the price at which they acquired an interest in CIMIC's Securities during the Relevant Period and the price at which that interest would have been acquired at that time had the Contravening Conduct not occurred (**Price Inflation**). Particulars of the Price Inflation in relation to CIMIC Securities at the relevant times will be provided following the provision of expert evidence;

ii. alternatively, the difference between the price at which they acquired an interest in CIMIC's Securities during the Relevant Period and the true value of that interest;

iii. alternatively, the difference between the price at which they acquired an interest in CIMIC Securities during the Relevant Period and whatever is "left in hand" or was realised upon a sale of those shares following the Corrective Disclosure, modified to take into account so much, if any, of the movement in the traded price of CIMIC Securities which did not result from the Contravening Conduct;

iv. alternatively, for days during the Relevant Period and thereafter where the traded price of CIMIC Securities fell as a result of the disclosure of information which had not previously been disclosed because of the Contravening Conduct, the quantum of that fall;

v. alternatively, for those Group Members who would have, but for the Contravening Conduct, not acquired an interest in CIMIC Securities and further or alternatively retained or acquired an alternative investment, the difference, at the date of hearing, between their actual position as a result of having acquired an interest in CIMIC Securities during the Relevant Period and the position in which they would have been had they not acquired that interest and further or alternatively made that alternative investment instead.

369. By reason of the matters alleged in paragraphs 354 to 368:

(a) CIMIC is obliged pursuant to s 1317HA, alternatively s 1325, of the Corporations Act to compensate the Applicant and Group Members for the damage that resulted from its contraventions of s 674(2) of the Corporations Act;

(b) the Applicant and Group Members may recover the amount of loss and damage suffered by them from CIMIC pursuant to s 1041I of the Corporations Act, s 12GF of the ASIC Act, and s 236 of the Australian Consumer Law for the damage that results from its contraventions of s 1041H of the Corporations Act, s 12DA of the ASIC Act, and s 18 of the Australian Consumer Law respectively;

(c) alternatively, CIMIC is obliged pursuant to s 12GM of the ASIC Act to compensate the Applicant and Group Members for the damage that resulted from its contraventions of s 12DA of the ASIC Act.

P. COMMON QUESTIONS OF FACT OR LAW

370. The questions of law or fact common to the claims of the Group Members are:

(a) whether, during the period between 12 April 2018 and 17 July 2019, the Cash Flow Information was:

(i) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(ii) not generally available; and

(iii) not information to which Rule 3.1A of the ASX Listing Rules applied.

(b) whether CIMIC was or ought to have been aware of the Cash Flow Information and if so, at what time if any during the period 12 April 2018 and 17 July 2019;

(c) whether CIMIC contravened s 674(2) of the Corporations Act by failing to disclose the Cash Flow Information as soon as it was or ought to have been aware of that information;

(d) whether, during the period between 7 February 2018 and 22 January 2020, the Middle East Information was:

(i) information that a reasonable person would expect to have a material effect on the price or value of CIMIC Securities;

(ii) not generally available; and

(iii) not information to which Rule 3.1A of the ASX Listing Rules applied.

(e) whether CIMIC was or ought to have been aware of the Middle East Information and if so, at what time if any during the period 7 February 2018 and 22 January 2020;

(f) whether CIMIC contravened s 674(2) of the Corporations Act by failing to disclose the Middle East Information as soon as it was or ought to have been aware of that information;

(g) whether CIMIC made any or all of Cash Generation Representation, True and Fair View Representations and Guidance Representations;

(h) whether any or all of the Cash Generation Representation, True and Fair View Representations and Guidance Representations, if made, were misleading or deceptive or likely to mislead or deceive, in contravention of s 12DA of the ASIC Act, s 1041H of the Corporations Act, and/or s 18 of the Australian Consumer Law; and

(i) whether any of the Contravening Conduct caused the price or value of CIMIC Securities to be higher during the Relevant Period than it would have been had CIMIC not engaged in that conduct and, if so, to what extent or by what amount.

Date: 21 August 2020

Amended Statement of Claim Date: 22 January 2021

Further Amended Statement of Claim Date: 7 October 2022

Second Further Amended Statement of Claim Date: 25 August 2023

Third Further Amended Statement of Claim Date: 5 April 2024

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Signed by Jeremy Alexander Zimet

Lawyer for the Applicant

This pleading was prepared by Alexandra Folie and James Page of counsel and settled by Matthew Darke SC.

Certificate of lawyer

I, Jeremy Alexander Zimet, certify to the Court that, in relation to the statement of claim filed on behalf of the Applicant, the factual and legal material available to me at present provides a proper basis for each allegation in the pleading.

Date: 5 April 2024

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Signed by Jeremy Alexander Zimet

Lawyer for the Applicant

Q. INDEX OF DEFINED TERMS AND PHRASES

Term/Phrase **Paragraph**