This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks of investing in the Offer Shares are set out in "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are the leading full-service investment bank in China. In 2010, we ranked No. 1 in China in our investment banking business as measured by the total amount of equity and debt underwritten, No.1 in our sales, trading and brokerage business as measured by equity and fixed income trading turnover and No.1 in our asset management business as measured by AUM. We are also the largest among China's investment banks as measured by total assets, total equity, total revenue and net profit in 2010.

We offer a wide range of products and services to a large and diverse client base that includes corporations, financial institutions, governments and individuals. Our principal business lines and products and services include:

Investment Banking	Sales, Trading and Brokerage	Asset Management	Investment
• Equity finance	• Equity sales and trading	• Collective Asset Management ("CAM")	• Private equity
• Debt and structured finance	• Fixed income sales and trading	• Targeted Asset Management ("TAM")	• Principal investment
• Financial advisory	• Prime services	• Specified Asset Management ("SAM")	
	• Retail brokerage	• China AMC	

Our principal operations are in China and Hong Kong, and we believe that we are well positioned to benefit from the strong growth potential of China's economy and the opportunities presented by the development of China's capital markets. We are seeking to further expand our business in Asia and beyond to capture market opportunities from the increasing globalisation of China's economy, businesses and capital markets. The following sets forth our achievements in our core businesses:

- *Investment banking.* We ranked first in China in 2008 and 2010 and second in 2009 based on the total amount of equity and debt underwritten.
- *Equity trading.* We ranked first in China from 2008 to 2010 based on trading turnover of equity and equity-linked products on the Shanghai Stock Exchange and the Shenzhen Stock Exchange.
- *Fixed income trading.* We ranked first among investment banks in China from 2008 to 2010 based on trading turnover of fixed income products on the interbank bond market.
- *Brokerage network.* We had a broad nationwide brokerage network with 151 branches covering 18 provinces and municipalities in China and seven branches in Hong Kong as at 30 June 2011.
- *Asset management.* We ranked first among investment banks and fund management companies in China from 2008 to 2010 based on total mutual fund AUM of the Group.
- *Private equity.* We were one of the first two investment banks licensed to engage in the private equity business in China in 2007. We invested RMB1.2 billion in five companies in 2008, RMB0.7 billion in

12 companies in 2009, RMB2.2 billion in 37 companies in 2010 and RMB1.4 billion in 17 companies in the six months ended 30 June 2011. As at 30 June 2011, nine of the companies we invested in had completed their IPOs since our initial investments.

- *Research.* We ranked first for five consecutive years since 2006 in New Fortune's "Best Domestic Research Team" survey in China. Out of New Fortune's 31 sector-specific surveys in 2010, we achieved No. 1 rankings in 10 sectors, top two rankings in 18 sectors and top three rankings in 20 sectors.

We are committed to the pursuit of excellence and strive to become a world-class, China-focused, global investment bank. We distinguish ourselves from our competitors with our cohesive culture and core values, which are reflected in our principles. Please see "Business — Our Principles" for additional information. Our principles emphasize the interests of our clients, employees and Shareholders, as well as a commitment to excellence, innovation, integrity, teamwork, mutual respect and professionalism.

Established in 1995, we were the first China-based investment bank to be listed on the Shanghai Stock Exchange through an IPO in 2003. Through organic growth and acquisitions, we have a proven track record of growing to stay competitive. We acquired CITIC Wantong in 2004, China Securities in 2005, CITIC Kington in 2006 and China AMC in 2007, and we established GoldStone, our wholly-owned subsidiary, in 2007 and co-founded CITIC PE Fund in 2008 to expand into the private equity business. Please see "History, Development and Corporate Structure" for additional information.

Building on our success in China, we commenced international operations in 2006 when we acquired the equity business of CITIC Capital Holdings Limited and incorporated it into CITIC Securities (HK) Company Limited, the predecessor of CSI, our wholly-owned Hong Kong subsidiary. We extended our services, including investment banking, institutional sales and trading, retail brokerage, asset management and private equity, to a diverse clientele in Hong Kong and other jurisdictions. We believe we are well positioned to capitalize on the growing cross-border business opportunities arising from the globalisation of China's economy and companies, such as equity offerings by China-related companies in Hong Kong and issuances of RMB-denominated products, as well as the demand for brokerage services by the growing financial needs of Chinese high-net-worth individuals and institutional investors, such as QDIIs and sovereign funds. On 13 July 2011, we entered into a sale and purchase agreement with CA-CIB and CASA BV, under which we agreed to acquire existing shares representing a 19.9% equity stake in each of CLSA and CA Cheuvreux held directly or indirectly by CA-CIB.

Our largest Shareholder, CITIC Group, is one of the largest state-owned conglomerates with an over 30-year track record in China and operates in a wide range of industry sectors including finance, real estate and infrastructure, construction, energy and resources, manufacturing, information technology, trading and consumer. We believe that the CITIC brand name connotes innovation, integrity, dedication and excellence and enhances our competitive edge in winning new clients and mandates.

For the three years ended 31 December 2008, 2009 and 2010, our total revenue and other income was RMB19.8 billion, RMB23.9 billion and RMB30.3 billion, respectively, and our profit attributable to owners of the parent for the corresponding periods was RMB7.3 billion, RMB9.0 billion and RMB11.3 billion, respectively. For the three months ended 31 March 2010 and 2011, our total revenue and other income was RMB4.7 billion and RMB3.8 billion, respectively, and our profit attributable to owners of the parent for the corresponding periods was RMB1.5 billion and RMB1.4 billion, respectively. As at 31 March 2011, we had total assets of RMB141.1 billion and total equity attributable to owners of the parent of RMB72.0 billion.

OUR BUSINESS MODEL

Our business model classifies our products and services into three categories based on the nature of revenue and how we use our capital to generate revenue, namely, fee-based, flow-based and capital-efficient businesses. Our fee-based businesses focus on traditional client-driven activities where we have a leading market position and generate fees and commissions as a stable revenue source. Our flow-based businesses leverage our capital position to facilitate clients' transactions or provide liquidity to various types of markets. In our capital-efficient businesses, we strive to capture investment opportunities that optimise our risk and return profile.

The table below sets forth our business activities by category:

	Investment Banking	Asset management	Sales, Trading & Brokerage	Investment
Fee-Based	• Equity underwriting • Debt underwriting • Financial advisory	• CAM • TAM • SAM • China AMC	• Institutional sales • Institutional trading • Retail mass market • High-net-worth individuals	
Flow-Based			• Equity market-making • Fixed income market-making • Prime services	
Capital-Efficient			• Multi-strategy trading • Hedging	• Private equity • Principal investment

OUR STRENGTHS

We believe that the following strengths have contributed to our success and differentiate us from our competitors:

- Influential market leader with well-recognized brand name.
- Well-positioned to capitalize on China's growth by leveraging our "China DNA".
- Large and diverse client base.
- Strong and highly integrated platform promoting collaboration and synergies across business lines.
- Innovation and diversified revenue sources.
- Experienced and visionary management, talented professionals and cohesive culture.
- Prudent risk management and internal control.

OUR STRATEGIES

Our vision is to become a world-class, China-focused, global investment bank. Our goal is to expand our market share in China and globally by continuing to grow our fee-based businesses and generate sustainable returns from our flow-based and capital-efficient businesses. To achieve this goal, we intend to implement the following strategies:

- Maintain and strengthen market leading position in traditional fee-based businesses.
- Grow emerging flow-based and capital-efficient businesses with a focus on growth and profitability.

- Enhance international platform and expand global operations.
- Leverage integrated full-service platform to better serve clients' needs.
- Enhance risk management, internal control, IT and other supporting functions.
- Enhance competitiveness through attracting, motivating and retaining high-quality talent.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth the summary consolidated financial information of our Group. We have derived the summary consolidated financial information from the consolidated financial statements as at and for the years ended 31 December 2008, 2009 and 2010 and the three months ended 31 March 2010 and 2011 as set forth in the Accountants' Report in Appendix I to this prospectus. The summary consolidated financial information should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements as set forth in the Accountants' Report in Appendix I to this prospectus, including the related notes, as well as the information set forth in "Financial Information" in this prospectus.

Our consolidated financial information set forth in the Accountants' Report in Appendix I was prepared in accordance with IFRS.

Overall Results of Operations

The following table sets forth selected consolidated income statement items for the periods indicated:

	Year ended 31 December			Three months ended 31 March	
	2008	2009	2010	2010	2011
				(Unaudited)	
	(RMB in millions)				
Revenue					
Fee and commission income	13,358	18,151	16,598	3,690	2,475
Interest income	3,234	2,019	1,988	509	492
Investment income	3,109	3,428	11,501	442	844
Other income	135	270	194	49	35
Total revenue and other income	19,837	23,868	30,281	4,690	3,845
Operating Expenses					
Fee and commission expenses	560	1,232	1,740	454	287
Finance costs	1,528	618	685	162	134
Staff costs	3,715	5,169	6,981	1,123	993
Depreciation	193	228	240	64	41
Business tax and surcharges	785	1,034	962	182	157
Other operating expenses	2,786	2,703	3,360	649	484
Impairment losses	709	(315)	18	(9)	(3)
Total operating expenses	10,276	10,669	13,985	2,626	2,093
Operating profit	9,561	13,199	16,296	2,064	1,752
Share of profits and losses of:					
Associates	—	23	37	4	—
Jointly-controlled entities	1	80	(13)	(1)	25
Profit before income tax	9,561	13,302	16,320	2,067	1,777
Income tax expense	1,511	3,214	4,184	442	416
Profit for the year/period	8,050	10,088	12,136	1,626	1,361
Attributable to:					
Owners of the parent	7,305	8,984	11,311	1,499	1,357
Non-controlling interests	745	1,104	825	127	4

Segment Operating Results

The following table sets forth the revenue and other income and profit before income tax of each of our segments, and the percentage contribution of each of our segments to our consolidated revenue and other income and profit before income tax for the periods indicated:

	Year ended 31 December						Three months ended 31 March			
	2008		2009		2010		2010		2011	
							(Unaudited)			
	(RMB in millions except percentages)									
		%		%		%		%		%
Investment Banking										
Segment revenue and other income	1,959	9.9	2,637	11.0	3,290	10.9	365	7.8	278	7.2
Profit before income tax	919	9.6	1,305	9.8	1,134	6.9	101	4.9	86	4.8
Brokerage										
Segment revenue and other income	10,698	53.9	13,654	57.2	11,046	36.5	2,749	58.6	1,667	43.4
Profit before income tax	5,391	56.4	7,794	58.6	4,925	30.2	1,142	55.2	805	45.3
Trading										
Segment revenue and other income	2,697	13.6	3,407	14.3	5,226	17.3	416	8.9	767	19.9
Profit before income tax	1,181	12.4	2,269	17.1	2,404	14.7	200	9.7	326	18.3
Asset Management										
Segment revenue and other income	3,844	19.4	3,765	15.8	4,040	13.3	1,067	22.8	841	21.9
Profit before income tax	1,715	17.9	1,694	12.7	1,358	8.3	570	27.6	298	16.8
Others										
Segment revenue and other income	640	3.2	405	1.7	6,680	22.1	93	2.0	291	7.6
Profit before income tax	356	3.7	240	1.8	6,499	39.8	55	2.7	262	14.7

Assets and Liabilities

The following table sets out certain key components of our assets and liabilities as at the dates indicated, as adjusted to exclude the effect of customers' brokerage deposits and share of refundable deposits and corresponding accounts payable to clients. Please see "Financial Information — Liquidity and Capital Resources — Assets and Liabilities."

	As at 31 December			As at 31 March
	2008	2009	2010	2011
	(RMB in millions)			
Adjusted non-current assets[(1)]	**6,247**	**8,308**	**13,418**	**14,182**
Including:				
Property, plant and equipment	884	2,380	2,491	2,579
Investments in associates	122	484	1,022	1,022
Investments in jointly-controlled entities	688	779	740	758
Available-for-sale financial assets	2,438	2,213	5,983	6,743
Total non-current liabilities	**2,159**	**1,924**	**2,308**	**2,370**
Including:				
Bonds payable	1,950	1,500	1,500	1,500
Adjusted current assets[(2)]	**69,572**	**86,022**	**77,678**	**79,021**
Including:				
Margin financing and securities lending	102	423	1,975	2,142
Available-for-sale financial assets	33,443	42,885	37,056	33,494
Financial assets held for trading	6,005	11,887	13,856	14,524
Reverse repurchase agreements	3,327	1,903	1,866	157
Cash and bank balances	24,778	27,892	18,444	23,747
Adjusted current liabilities[(3)]	**16,134**	**27,592**	**17,941**	**18,389**
Including:				
Repurchase agreements	8,593	17,923	6,902	9,229
Loans	—	88	128	462
Total debt[(4)]	**1,950**	**1,588**	**1,628**	**1,962**
Adjusted net current assets[(5)]	**53,438**	**58,430**	**59,737**	**60,632**
Adjusted assets[(6)]	**75,819**	**94,330**	**91,096**	**93,203**

(1) Adjusted non-current assets equals total non-current assets less our customers' refundable deposits. The amount of our customers' refundable deposits is calculated by subtracting cash held on behalf of customers from accounts payable to clients.

(2) Adjusted current assets equals total current assets less cash held on behalf of customers.

(3) Adjusted current liabilities equals total current liabilities less accounts payable to clients.

(4) Total debt is the aggregate of our bonds payable and loans.

(5) Adjusted net current assets equals adjusted current assets less adjusted current liabilities.

(6) Adjusted assets equals total assets less (i) cash held on behalf of customers and (ii) customers' refundable deposits.

CAPITAL AND REGULATORY RISK CONTROL INDICES

We are subject to certain net capital and risk control index requirements, which are calculated based on the Company's financial information at the holding company level. The Company's net capital and key regulatory risk control indices for each of the periods presented are as follows:

	As at 31 December				
	2008	2009	2010	Warning Ratio[(1)]	Required Ratio
Net capital (RMB millions)[(2)]	38,779	34,904	41,050	n/a	n/a
Net capital /total risk capital reserves[(3)] (%)	709.7	491.8	524.6	≥120%	≥100%
Net capital / net assets (%)	78.6	66.5	66.7	≥48%	≥40%
Net capital / total liabilities[(4)] (%)	338.9	170.5	241.8	≥9.6%	≥8%
Net assets / total liabilities[(4)] (%)	431.2	256.2	362.3	≥24%	≥20%
Value of equity securities and derivatives held / net capital (%)	8.1	40.4	61.9	≤80%	≤100%
Value of fixed income securities held / net capital (%)	86.9	91.6	55.1	≤400%	≤500%

(1) Warning ratios are set by the CSRC as follows, according to the Risk Control Index Measures: If the risk control index is required to stay above a certain level, then the warning ratio is 120% of the stipulated minimum requirement, and if the risk control index is required to stay below a certain level, then the warning ratio is 80% of the stipulated maximum requirement.

(2) Net capital is measured by subtracting from net assets the risk adjustments required to be made to a securities company's financial assets, other assets and contingent liabilities, and further adding or subtracting any other adjustments determined or authorized by the CSRC.

(3) Please see "Supervision and Regulation — Risk Capital Reserves" for an explanation of how total risk capital reserves are calculated.

(4) For purposes of calculating the risk control index, total liabilities do not include accounts payable to clients.

We were in compliance with all applicable capital adequacy and risk control index requirements for the three years ended 31 December 2008, 2009 and 2010, and the six months ended 30 June 2011.

IMPACT OF DIVESTMENTS

In 2005, we, with the cooperation of Jianyin Investment Co., Ltd., acquired a 60% equity interest in Huaxia Securities Co., Ltd. and restructured it into China Securities, with the endorsement and approval of the regulatory authorities, including the CSRC. In December 2007, the CSRC promulgated the Trial Provisions, which provide that a securities company and its subsidiary, or subsidiaries under its control, shall not operate similar businesses which would result in conflicts of interest or competition. After the Trial Provisions were promulgated, we were no longer permitted to hold a controlling interest in China Securities. In compliance with the Trial Provisions, we actively pursued the divestment of our majority equity interest in China Securities. Please see "Risk Management and Internal Control — Regulatory Review and Proceedings" for more information. Our Board approved the divestment of a 53% equity interest in China Securities on 1 June 2010, which was followed by our Shareholders' approval on 17 June 2010. In accordance with the divestment plan, we divested a 45% and an 8% equity interest in China Securities in November 2010 and December 2010, respectively, for a total consideration of RMB8.6 billion, in line with an independent valuation report.

We recognized and consolidated the financial results of China Securities primarily in our Brokerage segment for the two years ended 31 December 2009 and the period from 1 January 2010 to 15 November 2010, the date when we ceased to own a majority of its equity interests. We recognize gain or loss from the disposal of subsidiaries as a revenue line item in our financial statements. Certain costs related to the underlying transactions, such as staff costs and tax charges, are also included in the calculation of our net gains or losses from such transactions and affect our net income. The three months ended 31 March 2011 was the first full financial quarter that reflected the financial performance after the disposal of China Securities. Please see "Recent Developments" for more information on the impact of the divestment of China Securities on our financial results for the six months ended 30 June 2011. Following the divestment of our majority equity interests in China Securities, we recognize any dividends paid on our remaining 7% equity interest in China Securities as "dividend income from available-for-sale financial assets".

Our total revenue and other income in our Brokerage segment decreased between the three months ended 31 March 2010 and the three months ended 31 March 2011, primarily due to our divestment of the 53% equity interest in China Securities. However, we believe that our brokerage business remains competitive even after our divestment of China Securities. Excluding China Securities' revenue and other income for the three months ended 31 March 2010, our Brokerage segment's revenue and other income for the three months ended 31 March 2011 would have increased by approximately 4.1%, or RMB65 million, compared to the three months ended 31 March 2010. We believe our brokerage business will continue to grow in the future due to our planned expansion of our branch network, promotion of value-added services and products and our anticipated growth in the number of high-net-worth individual clients.

China Securities accounted for 25.0% and 27.6% of our total revenue and other income for each of the years ended 31 December 2008 and 2009, respectively. Excluding gains from our divestment of equity interests in China Securities from total revenue and other income for the year ended 31 December 2010, China Securities would have accounted for 23.2% of our total revenue and other income for the year. Selected financial information for China Securities for the periods presented is as follows:

	Year ended 31 December		Period ended 15 November
	2008	2009	2010
	(RMB in millions)		
Total revenue and other income	4,956	6,581	5,693
Profit for the year/period	1,739	2,617	1,795
Profit attributable to the owners of the parent	1,043	1,570	1,077

	As at 31 December		As at 15 November
	2008	2009	2010
	(RMB in millions)		
Net assets	5,214	7,310	9,050

We conduct our asset management business at our holding company level and through our subsidiaries, China AMC and CSI. To comply with the relevant regulations issued by the CSRC, we are arranging the divestment of 51% of our equity interest in China AMC. Please see "Risk Management and Internal Control — Regulatory Review and Proceedings" for more information. The proposal to divest 51% of our equity interest in China AMC was approved by our Board in May 2011 and by our Shareholders in June 2011. In July 2011, we listed 51% of our equity interest in China AMC on the Beijing Financial Assets Exchange for sale, with an intended sale price of RMB8.16 billion. On 11 August 2011, we were advised by the Beijing Financial Assets Exchange that the public bidding process for 31% of our equity interest in China AMC had been duly completed, with total consideration of RMB5.1 billion. We will continue with the divestment of the remaining 20% equity interest in China AMC.

We recognized and consolidated the financial results of China AMC in our Asset Management segment for the three years ended 31 December 2010, and will continue to recognize and consolidate the financial results until we cease to own a majority of China AMC's equity interest.

Upon completion of our divestment of a 51% equity interest in China AMC, which is estimated to occur before the end of 2011, and subject to review and approval of the proposed sale by the CSRC, we will hold the remaining 49% minority interest in China AMC. Any gain from our divestment of equity interests in China AMC will be accounted for as "gain on disposal of subsidiaries," which will comprise the gain from the divestment of the 51% equity interest in China AMC and any corresponding gain from the increase in the fair value of our remaining 49% equity interest as a result of such divestment.

After the divestment of the 51% equity interest in China AMC, our share of China AMC's profits and losses as a 49% equity interest owner will be reported in our income statement under our "share of profits and losses of associates," and our Asset Management segment's total revenue and other income will be significantly reduced due to the deconsolidation of China AMC's revenue and other income.

We believe that our asset management business at our holding company level, which ranked first in 2010 among China's investment banks as measured by AUM, will continue to grow after the divestment of China AMC. In addition, in July 2011, the CSRC granted approval for investment banks in China to raise and manage third-party private equity funds. We plan to capture this new business opportunity as part of our asset management business in 2012. Assuming we can grow our asset management business as a result of the above, we believe the extent of the impact of the divestment of China AMC may be reduced.

China AMC accounted for 16.9%, 13.1% and 11.3% of our total revenue and other income and 87.0%, 83.1% and 84.5% of our Asset Management segment's revenue and other income for each of the years ended 31 December 2008, 2009 and 2010, respectively. Selected financial information for China AMC for the periods presented is as follows:

	Year ended 31 December			Three months ended 31 March	
	2008	**2009**	**2010**	**2010**	**2011**
	(RMB in millions)				
Total revenue and other income	3,346	3,130	3,412	953	756
Profit for the year/period	1,224	1,108	1,006	461	234

	As at 31 December			As at 31 March
	2008	**2009**	**2010**	**2011**
	(RMB in millions)			
Net assets	1,752	2,700	2,496	2,717

UNAUDITED INTERIM FINANCIAL INFORMATION

The following tables set forth the summary unaudited consolidated financial information of our Group. We have derived the summary unaudited consolidated financial information from the unaudited condensed consolidated financial statements for the six months ended 30 June 2010 and 2011 and the audited consolidated financial information as at December 31, 2010 as set forth in the Unaudited Interim Financial Report in Appendix II to this prospectus. The summary unaudited consolidated financial information should be read together with, and is qualified in its entirety by reference to, the unaudited condensed consolidated financial statements as set forth in the Unaudited Interim Financial Report in Appendix II to this prospectus, including the related notes, the audited consolidated financial statements included in the Accountants' Report in Appendix I to this prospectus, including the related notes, and the information set forth in "Recent Developments" in this prospectus. Our unaudited condensed consolidated financial statements as at and for the six months ended June 30, 2011 have been prepared in accordance with IFRS and reviewed by the reporting accountants in accordance with International Standard on Review Engagements 2410.

Results of Operations

The following table sets forth selected consolidated income statement items for the periods indicated:

	Six months ended 30 June	
	2010	**2011**
	(Unaudited) (RMB in millions)	
Revenues		
Fee and commission income	7,614	4,955
Interest income	1,064	995
Investment income	447	2,343
Other income	163	84
Total revenue and other income	**9,288**	**8,377**
Operating Expenses		
Fee and commission expense	911	573
Finance costs	363	292
Staff costs	2,211	2,062
Depreciation	127	80
Business tax and surcharges	374	288
Other operating expenses	1,290	1,091
Impairment losses	(9)	(5)
Total operating expenses	**5,267**	**4,381**
Operating profit	**4,022**	**3,996**
Share of profits and losses of:		
Associates	(2)	3
Jointly-controlled entities	(37)	(2)
Profit before income tax	**3,983**	**3,997**
Income tax expense	927	1,014
Profit for the period	**3,056**	**2,983**
Attributable to:		
Owners of the parent	2,628	2,973
Non-controlling interests	427	9

Segment Operating Results

The following table sets forth the revenue and other income and profit before income tax of each of our segments, and the percentage contribution of each of our segments to our consolidated revenue and other income and profit before income tax for the periods indicated:

	Six months ended 30 June			
	2010		2011	
	(Unaudited) (RMB in millions except percentages)			
		%		%
Investment Banking				
Segment revenue and other income	1,130	12.2	718	8.6
Profit before income tax	504	12.7	294	7.4
Brokerage				
Segment revenue and other income	5,384	58.0	3,156	37.7
Profit before income tax	2,296	57.6	1,347	33.7
Trading				
Segment revenue and other income	526	5.7	1,568	18.7
Profit before income tax	206	5.2	708	17.7
Asset Management				
Segment revenue and other income	2,013	21.7	1,695	20.2
Profit before income tax	871	21.9	574	14.4
Others				
Segment revenue and other income	235	2.5	1,241	14.8
Profit before income tax	106	2.7	1,074	26.9

Assets and Liabilities

The following table sets out certain key components of our assets and liabilities as at the dates indicated, as adjusted to exclude the effect of customers' brokerage deposits and share of refundable deposits and corresponding accounts payable to clients. Please see "Financial Information — Liquidity and Capital Resources — Assets and Liabilities."

	As at 31 December 2010	As at 30 June 2011
	(RMB in millions)	
Adjusted non-current assets(1)	**13,418**	**14,457**
Including:		
Property, plant and equipment	2,491	2,732
Investments in associates	1,022	1,008
Investments in jointly-controlled entities	740	754
Available-for-sale financial assets	5,983	7,777
Total non-current liabilities	**2,308**	**2,053**
Including:		
Bonds payable	1,500	1,500
Adjusted current assets(2)	**77,678**	**75,587**
Including:		
Margin financing and securities lending	1,975	2,816
Available-for-sale financial assets	37,056	30,084
Financial assets held for trading	13,856	16,030
Reverse repurchase agreements	1,866	1,933
Cash and bank balances	18,444	20,979
Adjusted current liabilities(3)	**17,941**	**19,921**
Including:		
Repurchase agreements	6,902	11,130
Loans	128	769
Total debt(4)	**1,628**	**2,269**
Adjusted net current assets(5)	**59,737**	**55,666**
Adjusted assets(6)	**91,096**	**90,044**

(1) Adjusted non-current assets equals total non-current assets less our customers' refundable deposits. The amount of our customers' refundable deposits is calculated by subtracting cash held on behalf of customers from accounts payable to clients.

(2) Adjusted current assets equals total current assets less cash held on behalf of customers.

(3) Adjusted current liabilities equals total current liabilities less accounts payable to clients.

(4) Total debt is the aggregate of our bonds payable and loans.

(5) Adjusted net current assets equals adjusted current assets less adjusted current liabilities.

(6) Adjusted assets equals total assets less (i) cash held on behalf of customers and (ii) customers' refundable deposits.

GLOBAL OFFERING STATISTICS

All statistics in this table are based on the assumptions that the Over-allotment Option is not exercised.

	Based on an Offer Price of HK$12.84	Based on an Offer Price of HK$15.20
Market capitalization of the H Shares(1)	HK$14,058 million	HK$16,641 million
Pro forma historical price/earnings multiple(2)	10.33 times	12.23 times
Unaudited pro forma adjusted net tangible asset value per Share(3)	HK$9.06	HK$9.27

Notes:

(1) The calculation of market capitalization is based on 1,094,830,000 H Shares (including 995,300,000 H Shares to be issued in the Global Offering and 99,530,000 H Shares to be converted from A Shares and transferred to the NSSF) that are expected to be outstanding immediately after the Global Offering.

(2) The pro forma historical price/earnings multiple is based on the pro forma historical earnings per share of HK$1.24 for the year ended 31 December 2010 at the respective Offer Prices of HK$12.84 and HK$15.20, assuming completion of the Global Offering with a total number of 1,094,830,000 H Shares in issue on 1 January 2010.

(3) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in Appendix III to this Prospectus and based on 10,941,001,400 Shares expected to be in issue immediately following completion of the Global Offering.

DIVIDEND POLICY

Our Board of Directors is responsible for submitting proposals in respect of dividend payments to the Shareholders' general meeting for approval. The determination of whether to pay a dividend and in what amount is based on our results of operations, cash flow, financial condition, capital adequacy ratios, future business prospects, statutory and regulatory restrictions on the payment of dividends by us and other factors that our Board deems relevant. Under the PRC Company Law and our Articles, all of our Shareholders have equal rights to dividends and other distributions proportionate to their shareholding. We generally pay dividends out of our distributable retained profit. The Company's distributable profits are based on the retained profits of the Company as determined under PRC GAAP or IFRS, whichever is lower.

We declared cash dividends in the aggregate amount of RMB3,315 million, RMB3,315 million and RMB4,973 million, in respect of the years ended 31 December 2008, 2009 and 2010, respectively, representing RMB5 per 10 A Shares (including taxes) for each of those years. Our historical dividends may not be indicative of the amount of our future dividends. Following the Global Offering, our holders of H Shares and A Shares will have an equal right to the distributable profit in respect of the year ending 31 December 2011.

USE OF PROCEEDS

The net proceeds of the Global Offering (after deducting the relevant expenses) are estimated to be approximately HK$13,535 million before any exercise of the Over-allotment Option, assuming an Offer Price of HK$14.02 per H Share, being the mid-point of the stated range of the Offer Price between HK$12.84 and HK$15.20 per H Share. If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds from the offering of these additional H Shares will be approximately HK$2,030 million, after deducting the relevant expenses, assuming an Offer Price of HK$14.02 per H Share. We intend to apply the net proceeds from the Global Offering in the following manner:

- Approximately 65%, to be used to establish or acquire overseas research platforms and sale and trading networks, which have not yet been identified by us, but may include establishing international research teams, expanding international sale networks, and developing other overseas and cross-border businesses, such as margin financing;

- Approximately 30%, to be used to develop flow-based businesses, including prime services, structured product, fixed income, foreign exchange and commodities businesses; and
- Approximately 5%, to be used for working capital and general corporate purposes.

If the Offer Price is fixed at HK$15.20 per Offer Share, being the high end of the offer price range, the net proceeds will be increased by approximately HK$1,139 million. If the Offer Price is fixed at HK$12.84 per Offer Share, being the low end of the offer price range, the net proceeds will be decreased by approximately HK$1,139 million. To the extent that our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

If the Over-allotment Option is exercised, the additional net proceeds will also be used for the above purposes on a pro rata basis.

We believe the use of proceeds plan described above will enhance our international platform and expand our global operations, including investment banking, brokerage, asset management, and sales and trading. The cost and time frame of our expansion plan will be subject to market conditions, our clients' needs, and our organic growth and acquisition opportunities.

RISK FACTORS

Risks Relating to Our Business

- Our businesses are highly dependent on the general economic and market conditions in China and other jurisdictions in which we operate. Our results of operations could be materially adversely affected by downturns in China's capital markets, which in turn may be affected by volatility and downturns in the global capital markets.
- Our businesses are highly regulated in China and other jurisdictions in which we operate our businesses.
- Our investment banking business is dependent on our ability to identify, execute and complete projects successfully.
- We generate a high percentage of our revenue from brokerage commissions, and our business, results of operations or financial condition could be materially and adversely affected by a reduction in brokerage commission rates or trading activities by our clients, or our failure to grow our brokerage client base.
- Our asset management revenue and earnings could decline if the investments we manage perform poorly, our clients withdraw assets we manage on short notice, or if we lose clients.
- We may incur substantial losses in connection with our equity and fixed income sales and trading businesses.
- We may fail to realise any profits from our investments in relatively high-risk, illiquid securities for a considerable period of time or lose some or all of the capital invested.
- Our business is subject to concentration risks due to significant holdings of financial assets or significant commitments of capital.

- We face increasing risks as new business initiatives lead us to offer new products and services, transact with a broader array of clients and counterparties and expose us to new asset classes and new markets.
- Our business is increasingly subject to the risks associated with international expansion.
- We may pursue acquisitions or joint ventures that could present unforeseen integration obstacles or costs and may not enhance our business as we expect.
- We are exposed to risks associated with divestments of our subsidiaries, businesses, assets or investments.
- Our operations may be adversely affected if we fail to obtain or maintain necessary approvals for conducting a particular business or offering specific products.
- The use of the "CITIC" brand name by other members of CITIC Group may expose us to reputational risks if these entities take actions that damage the "CITIC" brand name.
- Our businesses may be adversely affected if we are unable to retain and hire qualified employees.
- A failure in our operational and IT systems could impair our liquidity, disrupt our businesses, result in the leakage of confidential information, damage our reputation and cause losses.
- Our business is susceptible to the operational failure of third parties.
- Employee misconduct could harm our reputation and business and is difficult to detect and deter.
- Our businesses and prospects may be materially adversely affected if we fail to maintain our risk management and internal control systems or these systems are proved to be ineffective or inadequate.
- Substantial legal liability or significant regulatory action against us could materially and adversely affect our results of operations or financial condition, or cause us significant reputational harm and seriously harm our business prospects.
- We may not be able to identify money laundering activities or other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and adversely affect our business.
- Our liquidity, financial results and businesses may be adversely affected by an inability to access the equity and debt capital markets or to sell assets.
- We are subject to capital requirements that may restrict our business activities.
- We utilise derivative instruments to reduce our investment portfolio's price fluctuations and to manage interest rate risk. We may not be able to successfully manage our risks through the use of derivatives. Derivative transactions could expose us to unexpected risks and potential losses.
- Our clients and counterparties may be unable to perform their obligations to us as a result of deterioration in their credit quality or defaults.
- Conflicts of interest are increasing and a failure to appropriately identify and address conflicts of interest could adversely affect our businesses.

- We may incur losses as a result of unforeseen or catastrophic events, including the emergence of a pandemic, terrorist attacks or natural disasters.

Risks Relating to Our Industry

- The financial services industry is highly competitive. Such competitive pressure could adversely affect our businesses and prospects.
- We may continue to experience pricing pressures in the future as some of our competitors seek to increase market share by reducing prices.
- We cannot assure you of the accuracy or comparability of facts, forecasts and statistics contained in this prospectus with respect to China, its economy or its securities industry.

Risks Relating to China

- China's economic, political and social conditions, as well as regulatory policies, significantly affect financial markets in China, as well as our liquidity, access to capital and ability to operate our business.
- Uncertainties with respect to China's legal system could materially adversely affect us.
- China government's control of foreign currency conversion may limit our foreign exchange transactions, including dividend payments on our H Shares.
- It may be difficult to enforce any judgments obtained from non-PRC courts against us or our directors, supervisors or senior executive officers residing in China.
- Foreign individual holders of our H Shares may become subject to PRC income tax and the PRC tax obligations of foreign enterprises that are holders of our H Shares remain uncertain.
- Payment of dividends is subject to restrictions under PRC law.
- Fluctuation of Renminbi could materially affect our financial condition and results of operations.

Risk Relating to the Global Offering

- There has been no prior public market for our H Shares; the liquidity and market price of our H Shares may be volatile.
- CITIC Group has substantial control over us and its interests may not be aligned with the interests of our other shareholders.
- Ownership restrictions under PRC law may adversely affect the value of your investment.
- Waivers were granted from certain requirements of the Hong Kong Listing Rules by the Hong Kong Stock Exchange. Shareholders will not have the benefit of the Hong Kong Listing Rules that are so waived. In addition, these waivers could be revoked, exposing us and our Shareholders to additional legal and compliance obligations.
- Future sales, or market perception of sales, of substantial amount of our H Shares or A Shares in the public market, including any future offerings, or conversion of our A Shares to H Shares could have a

material adverse effect on the market price of our H Shares and make it difficult for you to recover the full value of your investment.

- You will experience immediate dilution and may experience further dilution if we issue additional Shares.
- The characteristics of the A share and H share markets are different.
- Dividends declared in the past may not be indicative of our dividend policy in the future.
- We have significant discretion as to how we will use the net proceeds of this offering and you may not necessarily agree with how we use them.
- You should rely on this prospectus in making investment decisions with respect to our H Shares.

INDUSTRY BACKGROUND

China's capital markets have grown rapidly in recent years. The market capitalization of stocks listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange increased from RMB8,940 billion as at 31 December 2006 to RMB26,542 billion as at 31 December 2010, representing a CAGR of 31.3%. Total amount of equity issuances in China increased from RMB270.4 billion in 2006 to RMB962.1 billion in 2010, representing a CAGR of 37.3%. During the same period, the total amount of bond issuances in China increased from RMB5,663 billion to RMB9,451 billion, representing a CAGR of 13.7%. Market capacity expansion, investor demographic evolution, product innovation, globalisation, and a conducive regulatory environment in China are expected to continue to drive the growth of China's capital markets.

Driven by the strong economic growth in China, China's investment banking industry has experienced significant growth. At the end of 2010, there were 106 investment banks in China, 15 of which were publicly listed in China. Investment banks in China derive their revenue primarily from investment banking, sales, trading and brokerage, and asset management businesses. Please see "Industry Overview" for details of the key operational performance measures of our peers as compared to ours in these businesses.

REGULATORY REVIEW AND PROCEEDINGS

We are subject to regulation by PRC and Hong Kong regulatory authorities, such as the CSRC, SAC, the Shanghai Stock Exchange and the SFC. We have, from time to time, detected incidents of regulatory non-compliance committed by us or our employees. These incidents of non-compliance include a delay in the transfer of our equity ownership in China Securities and China AMC, respectively, and violations of internal procedures and guidelines by our employees. During the Track Record Period, (1) we had to reduce our equity ownership of China Securities from 60% to 7% because of a regulation that came into effect after our acquisition of China Securities which prohibits a securities company and its subsidiary, or subsidiaries under the control of the same securities company, from operating similar businesses that would result in conflicts of interest or competition and (2) we were requested to dilute our ownership of China AMC to below 50% from the current 100%, which we had acquired with the approval from and guidance of the CSRC, to comply with regulations that prohibit majority control of Chinese fund management companies by a single shareholder. Please see "Risk Management and Internal Control — Legal and Regulatory — Regulatory Review and Proceedings — Regulatory non-compliance" for details of the above incidents and other regulatory reviews, proceedings and investigations.