

FURTHER INFORMATION ABOUT OUR COMPANY**1. INCORPORATION**

Our Company was established under the PRC law in the PRC as a limited liability company on 25 October 1995. Our A Shares were listed on the Shanghai Stock Exchange on 6 January 2003.

We have established a place of business in Hong Kong at 26/F CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Hong Kong Companies Ordinance on 5 August 2011. Mr. YEUNG Chin Chiu has been appointed as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company to be served on the Company in Hong Kong.

As our Company was established in the PRC, it is subject to the relevant laws and regulations of the PRC and the Articles of Association. Certain relevant aspects of the relevant laws and regulations of the PRC, and a summary of certain relevant provisions of the Articles of Association are set out in Appendices V and VII to this prospectus, respectively.

2. CHANGES IN THE REGISTERED CAPITAL OF OUR GROUP**(a) our Company**

As at the date of establishment of our Company on 25 October 1995, our initial registered capital was RMB300,000,000.

On 29 December 1999, our Company was converted into a joint stock limited company in the PRC, and our registered capital increased to RMB2,081,500,000 divided into 2,081,500,000 Shares.

Immediately upon the listing of the A Shares of our Company on the Shanghai Stock Exchange on 6 January 2003, our registered capital increased to RMB2,481,500,000 made up of 2,481,500,000 A Shares.

On 27 June 2006, our Company issued a total of 500,000,000 additional A Shares through a private placement. Upon completion of the private placement, our registered capital increased to RMB2,981,500,000 divided into 2,981,500,000 A Shares.

On 27 August 2007, our Company placed a total of 333,733,800 additional A Shares through a public follow-on offering. Upon completion of the public follow-on offering, the registered capital of our Company increased to RMB3,315,233,800 divided into 3,315,233,800 A Shares.

On 25 April 2008, our Company issued bonus shares to the Shareholders by capitalising our capital reserves on the basis of 10 bonus shares for every 10 then existing A Shares. Upon completion of the capitalisation issue, our total issued share capital increased to RMB6,630,467,600 divided into 6,630,467,600 A Shares.

On 25 June 2010, our Company further issued bonus shares to the Shareholders by capitalising our capital reserves on the basis of 5 bonus shares for every 10 then existing A Shares. Upon completion of the capitalisation issue, our total issued share capital increased to RMB9,945,701,400 divided into 9,945,701,400 A Shares.

Immediately after completion of the Global Offering, but without taking into account the exercise of the Over-allotment Option, our total issued share capital will increase to RMB10,941,001,400 divided into 10,941,001,400 Shares, which will be held as follows:

<u>Name of Shareholders</u>	<u>Nature</u>	<u>Number of Shares</u>	<u>Approximate Percentage of Interest (%)</u>
CITIC Group	A Shares	2,302,799,419 ⁽¹⁾	21.05%
A Shares subject to the Share Incentive Arrangement	A Shares	90,000,000 ⁽²⁾	0.82%
Public holders of A Shares	A Shares	7,453,371,981	68.12%
Public holders of H Shares	H Shares	1,094,830,000 ⁽³⁾	10.01%
Total		10,941,001,400	100.00

Notes:

- (1) Such A Shares are directly and indirectly held by CITIC Group and assuming that CITIC Group is the only State-owned Shareholder who will reduce its Shares in accordance with the relevant PRC regulations on reduction of State-owned shares.
- (2) Out of the 90,000,000 A Shares subject to the Share Incentive Arrangement, 66,489,348 A Shares were granted to some of our senior management members and key personnel and the remaining 23,510,652 A Shares are held by CITIC Group on custody, subject to future grants by our Company. Please see “Directors, Supervisors, Senior Management and Employees — Share Incentive Arrangement” for more details relating to the Share Incentive Arrangement.
- (3) Such 1,094,830,000 H Shares are inclusive of (i) 995,300,000 H Shares to be issued pursuant to the Global Offering; and (ii) 99,530,000 H Shares to be converted from A Shares and transferred by CITIC Group to the NSSF assuming that CITIC Group is the only State-owned Shareholder who will reduce its Shares in accordance with the relevant PRC regulations on reduction of State-owned shares. Please see “Share Capital — Transfer of the State-owned Shares to the NSSF” for more details.

Immediately after completion of the Global Offering, and assuming that the Over-allotment Option is exercised in full, our registered capital will be as follows:

<u>Name of Shareholders</u>	<u>Nature</u>	<u>Number of Shares</u>	<u>Approximate Percentage of Interest (%)</u>
CITIC Group	A Shares	2,287,869,919 ⁽¹⁾	20.63%
A Shares subject to the Share Incentive Arrangement	A Shares	90,000,000 ⁽²⁾	0.81%
Public holders of A Shares	A Shares	7,453,371,981	67.21%
Public holders of H Shares	H Shares	1,259,054,500 ⁽³⁾	11.35%
Total		11,090,296,400	100.00

Notes:

- (1) Such A Shares are directly and indirectly held by CITIC Group and assuming that CITIC Group is the only State-owned Shareholder who will reduce its shares in accordance with the relevant PRC regulations on reduction of State-owned shares.
- (2) Out of the 90,000,000 A Shares subject to the Share Incentive Arrangement, 66,489,348 A Shares were granted to some of our senior management members and key personnel and the remaining 23,510,652 A Shares are held by CITIC Group on custody, subject to future grants by our Company. Please see “Directors, Supervisors, Senior Management and Employee — Share Incentive Arrangement” for more details relating to the Share Incentive Arrangement.
- (3) Such 1,259,054,500 H Shares are inclusive of (i) 1,144,595,000 H Shares to be issued pursuant to the Global Offering; and (ii) 114,459,500 H Shares to be converted from A Shares and transferred by CITIC Group to the NSSF assuming that CITIC Group is the only State-owned Shareholder who will reduce its Shares in accordance with the relevant PRC regulations on reduction of State-owned shares. Please see “Share Capital — Transfer of the State-owned Shares to the NSSF” for more details.

Save as disclosed in this prospectus, there has been no alteration in the registered capital of our Company since the date of its establishment.

(b) Our principal subsidiaries

Our principal subsidiaries (for the purposes of the Hong Kong Listing Rules) as at the date of this prospectus include all entities set out under Note 20 to the Accountant's Report as included in Appendix I to this prospectus.

The following sets out the changes in the share capital of our principal subsidiaries within the two years immediately preceding the date of this prospectus:

- GoldStone

The registered capital of GoldStone, our direct wholly-owned subsidiary, increased from RMB1.5 billion to RMB3 billion on 17 November 2009, and then increased to RMB4 billion on 2 November 2010, and further increased to RMB4.6 billion on 2 March 2011.

- CSI

The issued share capital of CSI, our direct wholly-owned subsidiary, increased from HK\$1,915,500,000 to HK\$3,736,750,000 on 4 May 2009.

- China AMC

The registered capital of China AMC, our direct wholly-owned subsidiary, increased from RMB138 million to RMB238 million on 29 April 2010.

- CITICS Futures

The registered capital of CITICS Futures, our direct wholly-owned subsidiary, increased from RMB150 million to RMB300 million on 3 August 2010.

- CITIC Securities Equity Trading Company Limited

The issued share capital of CITIC Securities Equity Trading Company Limited, our indirect wholly-owned subsidiary, increased from US\$1 to US\$2 million on 30 July 2009.

- CITIC Securities International Partners, Ltd.

The issued share capital of CITIC Securities International Partners, Ltd., our indirect non wholly-owned subsidiary, increased from US\$10,000 to US\$60,000 on 13 February 2009, and then increased to US\$76,000 on 19 February 2009, and further increased to US\$250,000 on 2 March 2009.

- CITIC Securities Futures (HK) Limited

The issued share capital of CITIC Securities Futures (HK) Limited, our indirect wholly-owned subsidiary, increased from HK\$20 million to HK\$30 million on 18 August 2011.

Save as disclosed in this prospectus, there has been no alteration in the share capital of any of the principal subsidiaries of our Company within the two years preceding the date of this prospectus.

(c) Sino-foreign joint ventures

Information regarding the Sino-foreign equity joint venture in which we are interested is set out below:

S&P/CITIC Index Information Services (Beijing) Co., Ltd. (中信標普指數信息服務(北京)有限公司) (“S&P/CITIC”)

Parties and equity interest:	Our Company 50% and The McGraw-Hill International Enterprises, Inc. (麥格勞·希爾國際企業有限公司) 50%
Term of joint venture:	From 27 December 2005 to 26 December 2015
Place of establishment	Beijing
Date of establishment:	27 December 2005
Scope of business:	Securities information consulting services, including compiling, calculating, maintaining securities and fixed income index; development, promotion and provision of index information consultation; technological development of index, technical training, technical services and business consulting
Nature:	Sino-foreign joint venture
Total investment amount:	US\$1,420,000
Registered share capital:	US\$1,000,000

All transfers of registered share capital in S&P/CITIC are subject to pre-emptive rights of the joint venture partners as set out in the joint venture contract and the articles of association of S&P/CITIC. The entitlements of the joint venture partners in profits, dividends and other distributions S&P/CITIC are in proportion to their capital contribution ratio. The board of directors of S&P/CITIC consists of five members, of which two directors (including the vice chairman) are to be appointed by our Company while the other three directors (including the chairman) are to be appointed by The McGraw-Hill International Enterprises, Inc. under the joint venture contract and S&P/CITIC's articles of association.

Upon expiry of the term of the joint venture, the joint venture partners shall, subject to the applicable laws and regulations of the PRC, be entitled to the distributable current assets in proportion to their respective capital contribution ratio.

3. SHAREHOLDERS' RESOLUTIONS PASSED AT THE 2011 FIRST EXTRAORDINARY GENERAL MEETING OF OUR COMPANY ON 13 APRIL 2011

At the 2011 First Extraordinary General Meeting of our Company held on 13 April 2011, the following resolutions, among others, were passed and approved:

- (a) the issue by our Company of the H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be issued shall not be more than 10% of the total issued share capital of our Company as enlarged by the Global Offering, and the grant to the Bookrunner the Over-allotment Option of not more than 15% of the number of H Shares issued pursuant to the Global Offering;

- (c) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on the Listing Date and the authorization to the Board to amend the Articles of Association in accordance with the requirements by the relevant regulatory authorities in accordance with the relevant laws and regulations; and
- (d) authorization of the Board to handle all matters relating to, among other things, all matters relating to the Global Offering, the issue and listing of the H Shares.

FURTHER INFORMATION ABOUT OUR BUSINESS

1. SUMMARY OF MATERIAL CONTRACTS








The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years immediately preceding the date of this prospectus, which have not been terminated and are or may be material:

- (a) a cornerstone investment agreement dated 13 September 2011 entered into among our Company, the Sole Global Coordinator and Ivy Investment Management Company pursuant to which Ivy Investment Management Company agreed to subscribe for our H Shares in the amount of US\$300 million;
- (b) a cornerstone investment agreement dated 14 September 2011 entered into between our Company, the Sole Global Coordinator and Kuwait Investment Authority pursuant to which Kuwait Investment Authority agreed to subscribe for our H Shares in the amount of US\$200 million;
- (c) a cornerstone investment agreement dated 12 September 2011 entered into among our Company, the Sole Global Coordinator and Cairnhill Investments (Mauritius) Pte Ltd pursuant to which Cairnhill Investments (Mauritius) Pte Ltd agreed to subscribe for our H Shares in the amount of US\$150 million;
- (d) a cornerstone investment agreement dated 12 September 2011 entered into among our Company, the Sole Global Coordinator and Banco BTG Pactual S.A. pursuant to which Banco BTG Pactual S.A. agreed to subscribe for our H Shares in the amount of US\$100 million;
- (e) a cornerstone investment agreement dated 13 September 2011 entered into among our Company, the Sole Global Coordinator and Fubon Life Insurance Co., Ltd. pursuant to which Fubon Life Insurance Co., Ltd. agreed to subscribe for our H Shares in the amount of US\$50 million;
- (f) a cornerstone investment agreement dated 14 September 2011 entered into among our Company, the Sole Global Coordinator, OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd., OZ Global Special Investments Master Fund, L.P., Gordel Holdings, Ltd. and OZ ELS Master Fund, Ltd. pursuant to which OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd., OZ Global Special Investments Master Fund, L.P., Gordel Holdings, Ltd. and OZ ELS Master Fund, Ltd. agreed to subscribe for our H Shares in the aggregate amount of US\$50 million; and
- (g) Hong Kong Underwriting Agreement.

2. INTELLECTUAL PROPERTY RIGHTS



(a) Trademarks



As at the Latest Practicable Date, we were the registered owner of the following trademarks:

Name	Registrant	Class (Note)	Place of Registration	Registration Date	Expiry Date	Registration Number
金翼	CITIC Kington	36	PRC	21 October 2010	20 October 2020	7351917
金滿錢塘	CITIC Kington	36	PRC	28 March 2010	27 March 2020	6516833
金鑫錢塘	CITIC Kington	36	PRC	28 March 2010	27 March 2020	6516757
金湧錢塘	CITIC Kington	36	PRC	28 March 2010	27 March 2020	6516831
金溢錢塘	CITIC Kington	36	PRC	28 March 2010	27 March 2020	6516832
	China AMC	36	PRC	28 March 2002	27 March 2012	1739986
	China AMC	35	PRC	14 May 2002	13 May 2012	1769566
	China AMC	35	PRC	28 September 2010	27 September 2020	6948888
	China AMC	16	PRC	21 May 2010	20 May 2020	6948891
	China AMC	16	PRC	21 May 2010	20 May 2020	6948884
	China AMC	41	PRC	7 October 2010	6 October 2020	6948873
	China AMC	41	PRC	7 October 2010	6 October 2020	6948886
	China AMC	9	PRC	21 January 2011	20 January 2021	6948892
CSIP Group	CS Tang Inc. ^(Note)	35, 36	US	8 March 2011	7 March 2021	3929181

Note: An indirect subsidiary of our Company.

As at the Latest Practicable Date, we had applied for the registration of the following trademark in Hong Kong:

Name of applicant	Trademark	Class	Place of registration	Application Number	Application Date
Our Company	中信证券 中信證券	36	Hong Kong	301922319	20 May 2011
Our Company		36	Hong Kong	301930635	30 May 2011
Our Company		36	Hong Kong	302006414	16 August 2011
Our Company	中信証券 中信证券	36	Hong Kong	302018303	29 August 2011

China International Trust and Investment Corporation, the predecessor of CITIC Group, had registered the trademark “” in the PRC and applied for registration of the trademark “” in the PRC. Pursuant to the Trademark Agreement dated 23 September 2001, China International Trust and Investment Corporation licensed to us for our exclusive use the two trademarks for an indefinite period for nil consideration, pending the simultaneous registrations of such trademarks in the PRC. Please see “Connected Transactions” for details about the Trademark Agreement.

Notes:

- Class 9 — Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; processing, switching, communication, accumulating, regulating or controlling electrical instruments and appliances; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; and fire-extinguishing apparatus.
- Class 16 — Paper, cardboard and goods made from these materials, not included in other classes; printed matter; book binding material; photographs; stationery; adhesives for stationery or household purposes; artists’ materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers’ type; and printing blocks.
- Class 35 — Advertising, business management, business administration and office functions.
- Class 36 — Insurance, financial affairs, monetary affairs and real estate affairs.
- Class 41 — Education; providing of training; entertainment; sporting and cultural activities.

(b) Domain names

As at the Latest Practicable Date, we were the registered proprietor of the following domain names:

Domain name	Registrant	Date of Registration	Expiry Date
citics.com	our Company	14 January 2000	14 January 2016
citics.org	our Company	29 February 2008	28 February 2013
citics.com.cn	our Company	14 January 2000	14 January 2015
citicsinfo.com	our Company	22 November 2010	22 November 2015
citicsinfo.com.cn	our Company	22 November 2010	22 November 2015
citicsinfo.cn	our Company	22 November 2010	22 November 2015
zxzq.org	our Company	29 February 2008	28 February 2013
zxzq.com	our Company	6 April 2000	6 April 2014
citics.com.hk	CSI	17 January 2006	8 March 2016
citicsecurities.com.hk	CSI	25 May 2010	25 May 2013
webtrade.citics.com.hk	CSI	17 January 2006	8 March 2016
chinaneconomyfund.com	CSI	22 July 2010	22 July 2015
csipgroup.com	CITIC Securities International Partners	9 March 2009	9 March 2015
csistrategicpartners.com	CITIC Securities International Partners	29 April 2011	29 April 2012
csistrategicpartners.com	CITIC Securities International Partners	7 April 2009	7 April 2012
estanginc.com	CITIC Securities International Partners	7 April 2009	7 April 2012
zxwt.com.cn	CITIC Wantong	9 December 2003	9 December 2012
96598.com.cn	CITIC Kington	23 March 2006	23 March 2014
bigsun.com.cn	CITIC Kington	29 August 2000	29 August 2015
citicsf.com	Shenzhen Gold Bull Futures Co., Ltd. ^(Note)	19 December 2007	19 December 2011
citicsf.cn	CITICS Futures	19 December 2007	19 December 2011
kingbull.cn	CITICS Futures	17 March 2003	17 March 2012
chinaamc.com	China AMC	18 May 2000	19 May 2022
chinaamc.com.cn	China AMC	6 August 2003	3 August 2022
www.hxam.com	China AMC	18 May 2000	19 May 2022
華夏基金.網絡	China AMC	7 April 2010	7 April 2020
華夏基金.公司	China AMC	7 April 2010	7 April 2020
華夏基金管理.中國	China AMC	7 April 2010	7 April 2020
goldstone-investment.com	GoldStone	2 November 2007	2 November 2012

Note: Currently known as CITICS Futures.

Pursuant to the “CITIC Finance Website Management Rules” issued by CITIC Group, CITIC Group licensed us to use the domain name “ecitic.com”.

Save as aforesaid, there are no other trademarks, patents or other intellectual property rights which are material in relation to our Group’s business.

FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

1. DIRECTORS’ AND SUPERVISORS’ SERVICE CONTRACTS

None of our Directors or Supervisors has or is proposed to have a service agreement with any member of our Group (excluding agreements expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

The contracts do not provide for compensation to our Directors and Supervisors in the event of early termination of the contract or any bonus, commission or profit sharing arrangements.

As at the date of this prospectus, none of our Directors has provided personal guarantees in favour of lenders in connection with banking facilities granted to our Company.

2. DIRECTORS’ AND SUPERVISORS’ REMUNERATION

The aggregate amounts of remuneration paid and benefits in kind granted to the Directors and the Supervisors in respect of the financial years ended 31 December 2008, 2009 and 2010 were approximately RMB24 million, RMB42 million and RMB56 million, respectively. Save as disclosed under Note 11 to the Accountants’ Report as included in Appendix I to this prospectus, no Director or Supervisor received other remuneration or benefits in kind from our Company in respect of the three financial years ended 31 December 2010.

Under the arrangements currently in force, the aggregate amount of remuneration payable to, and benefits in kind receivable by, the Directors and Supervisors from our Company in respect of the financial year ending 31 December 2011 are estimated to be approximately RMB30.5 million and RMB6.3 million, respectively.

3. DISCLOSURE OF INTERESTS

(a) Directors' and Supervisors' Interests and Short Positions

Immediately following completion of the Global Offering (assuming that the Over-Allotment Option is not exercised), so far as our Directors are aware, the following persons will have interests or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (ii) will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Hong Kong Listing Rules, in each case once the H Shares are listed on the Hong Kong Stock Exchange. For this purpose, the relevant regulatory provisions as mentioned above shall be deemed to apply to the Supervisors to the same extent as they apply to the Directors:

(i) Interest in our Company

<u>Name of Director</u>	<u>Nature of Interest</u>	<u>Class of Securities</u>	<u>Number of Securities</u>	<u>Approximate percentage of shareholding in our Company's total issued share capital after completion of the Global Offering (assuming that the Over-Allotment Option is not exercised) (%)</u>
WANG Dongming	Personal interest	A Shares	2,649,750 ⁽¹⁾	0.024
ZHANG Youjun	Personal interest	A Shares	1,733,160 ⁽²⁾	0.016
DA Xinya	Personal interest	A Shares	1,644,182 ⁽³⁾	0.015

<u>Name of Supervisor</u>	<u>Nature of Interest</u>	<u>Class of Securities</u>	<u>Number of Securities</u>	<u>Approximate percentage of shareholding in our Company's total issued share capital after completion of the Global Offering (assuming that the Over-Allotment Option is not exercised) (%)</u>
NI Jun	Personal interest	A Shares	1,728,363 ⁽⁴⁾	0.016
LEI Yong	Personal interest	A Shares	483,285 ⁽⁵⁾	0.004
YANG Zhenyu	Personal interest	A Shares	108,000 ⁽⁶⁾	0.001

Notes:

- (1) Such 2,649,750 A Shares are inclusive of (i) the initial 800,000 A Shares granted by our Company to the Director on 6 September 2006 pursuant to the Share Incentive Arrangement, and 1,600,000 bonus Shares issued by our Company pursuant to the two bonus issues of shares on 25 April 2008 and 25 June 2010, respectively; such 2,400,000 A shares are subject to a lock-up period of 60 months which expired on 5 September 2011; and (ii) 83,250 tradable A Shares subscribed for by the Director in the placement of Shares by our Company on 4 September 2007 and 166,500 bonus Shares issued by our Company pursuant to the two bonus issues of shares, such 249,750 A Shares are tradable and not subject to lock-up.
- (2) Such 1,733,160 A Shares are inclusive of (i) the initial 520,000 A Shares granted by our Company to the Director on 6 September 2006 pursuant to the Share Incentive Arrangement and the 1,040,000 bonus Shares issued by our Company pursuant to the two bonus issues of shares on 25 April 2008 and 25 June 2010, respectively; such 1,560,000 A Shares are subject to a lock-up period of 60 months which

expired on 5 September 2011; and (ii) 57,720 tradable A Shares subscribed for by the Director in the placement of Shares by our Company on 4 September 2007 and 115,440 bonus Shares issued by our Company pursuant to the two bonus issues of shares, such 173,160 A Shares are tradable and not subject to lock-up.

- (3) Such 1,644,182 A Shares are inclusive of (i) the initial 520,000 A Shares granted by our Company to the Director on 6 September 2006 pursuant to the Share Incentive Arrangement and the 1,040,000 bonus Shares issued by our Company pursuant to the two bonus issues of Shares on 25 April 2008 and 25 June 2010, respectively; such 1,560,000 A Shares are subject to a lock-up period of 60 months which expired on 5 September 2011; and (ii) 84,182 tradable A Shares subscribed for by the Director in the placement of Shares by our Company on 4 September 2007 and the bonus Shares subsequently issued by our Company pursuant to the two bonus issues of shares, such 84,182 A Shares are tradable and not subject to lock-up.
- (4) Such 1,728,363 A Shares are inclusive of (i) the initial 520,000 A Shares granted by our Company to the Director on 6 September 2006 pursuant to the Share Incentive Arrangement and the 1,040,000 bonus Shares issued by our Company pursuant to the two bonus issues of Shares on 25 April 2008 and 25 June 2010, respectively; such 1,560,000 A Shares are subject to a lock-up period of 60 months which expired on 5 September 2011; and (ii) 56,121 tradable A Shares subscribed for by the Director in the placement of Shares by our Company on 4 September 2007 and 112,242 bonus Shares issued by our Company pursuant to the two bonus issues of shares, such 168,363 A Shares are tradable and not subject to lock-up.
- (5) Such 483,285 A Shares are inclusive of (i) the initial 145,000 A Shares granted by our Company to the Director on 6 September 2006 pursuant to the Share Incentive Arrangement and the 290,000 bonus Shares issued by our Company on 25 April 2008 and 25 June 2010, respectively, such 435,000 A Shares are subject to a lock-up period of 60 months which expired on 5 September 2011; and (ii) the initial 16,095 tradable A Shares subscribed for by the Director in the placement of Shares by our Company on 4 September 2007 and 32,190 bonus Shares issued by our Company pursuant to the two bonus issues of shares, such 48,285 A Shares are tradable and not subject to lock-up.
- (6) Such 108,000 A Shares are inclusive of (i) the initial 36,000 A Shares granted by our Company to the Director on 6 September 2006 pursuant to the Share Incentive Arrangement and the 72,000 bonus Shares issued by our Company pursuant to the two bonus issues of Shares on 25 April 2008 and 25 June 2010, respectively; such 108,000 A Shares are subject to a lock-up period of 60 months which expired on 5 September 2011.

(b) Substantial Shareholder

Immediately following the completion of this Global Offering (assuming that the Over-Allotment Option is not exercised), so far as our Directors are aware, the following persons will have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO once the H Shares are listed:

<u>Name of Shareholder</u>	<u>Nature of Interest</u>	<u>Class of Securities</u>	<u>Number of Securities</u>	<u>Approximate percentage of shareholding in our Company's total issued share capital after completion of the Global Offering (assuming that the Over-Allotment Option is not exercised) (%)</u>
CITIC Group	Beneficial interest	A Shares	2,302,799,419 ⁽¹⁾	21.05%

Note:

- (1) Such A Shares are directly and indirectly held by CITIC Group and through its subsidiaries, including CITIC Guoan Group and its subsidiaries, and assuming that CITIC Group is the only State-owned Shareholder who will reduce its Shares in accordance with the relevant PRC regulations on reduction of State-owned shares.

Save as disclosed herein, but not taking into account any H Shares which may be taken up under the Global Offering, our Directors are not aware of any legal person or individual (not being a Director or chief executive of our Company) who will, immediately following the completion of the Global Offering, have any interest or short position in the Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Company.

(c) Disclaimers

Save as disclosed in this prospectus:

- (a) none of the Directors or Supervisors is interested in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, our Company, or are proposed to be acquired or disposed of by or leased to our Company;
- (b) none of the Directors or Supervisors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;
- (c) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties in the aforesaid paragraph:
 - (i) is interested legally or beneficially in any of our shares or any shares in any of our subsidiary; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities; and
- (d) none of the Directors or Supervisors is a director or employee of CITIC Group, being a company which is expected to have an interest in the Shares falling to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once the H Shares are listed on the Hong Kong Stock Exchange.

SHARE INCENTIVE ARRANGEMENT

Several of our senior management members and key personnel have been granted A Shares pursuant to the Share Incentive Arrangement. Please see “Directors, Supervisors, Senior Management and Employees — Share Incentive Arrangement” for more details relating to the Share Incentive Arrangement.

OTHER INFORMATION

(a) Taxation on Holders of Shares

- (i) Hong Kong estate duty

The Directors have been advised that no material liability for estate duty under the laws of the Hong Kong, where substantially all of the assets and businesses of the Company are situated, would be likely to fall upon the Company or any member of our Company.

(ii) Consultation with professional advisors

Intending holders of the H Shares are recommended to consult their professional advisors if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the H Shares or exercising rights attaching to them. It is emphasized that none of our Company, the Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, purchase, holding or disposal of or dealing in H Shares or exercise of any rights attaching to them.

(b) Litigation

Save as disclosed in “Risk Management and Internal Control — Legal and Regulatory — Legal Proceedings”, and, so far as our Directors are aware, no member of our Group is involved in any material litigation, arbitration or administrative proceedings that could, individually or in the aggregate, have a material adverse effect on our financial condition. So far as our Directors are aware, no material litigation, arbitration or administrative proceedings are pending or threatened.

(c) No material adverse change

Our Directors have confirmed that there has been no material adverse change in our financial or trading position since 31 March 2011 (being the date to which our latest combined financial results were prepared, as set out in “Accountants’ Report” in Appendix I to this prospectus).

(d) Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee for listing of, and permission to deal in, on the Main Board of the Hong Kong Stock Exchange the H Shares to be issued in the Global Offering and any H Shares which may be issued pursuant to the exercise of the Over-allotment Option and any H Shares to be converted from State-owned shares pursuant to the relevant PRC regulations relating to reduction of State-owned shares. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

As regards the independence of each of the Joint Sponsors:

- (a) CITICS CF Hong Kong is not considered as an independent sponsor under Rule 3A.07 of the Hong Kong Listing Rules as it is a subsidiary of our Company;
- (b) CCB International Capital Limited has met the criteria under Rule 3A.07 of the Hong Kong Listing Rules and is an independent sponsor of our Company; and
- (c) ICBC International Capital Limited has met the criteria under Rule 3A.07 of the Hong Kong Listing Rules and is an independent sponsor of our Company.

(e) Preliminary Expenses

The estimated preliminary expenses incurred or proposed to be incurred are approximately HK\$650,000 and are payable by our Company.

(f) Promoters

We had 48 promoters including CITIC Group and CITIC Guoan Group when our Company was converted into a joint stock limited company on 29 December 1999. Save as disclosed in this prospectus, no cash, securities or other benefit has been paid, allotted or given within the two years immediately preceding the date of this prospectus, or is proposed to be paid, allotted or given, to our promoters in connection with the Global Offering or the related transactions described in this prospectus.

(g) Qualifications of experts

<u>Name</u>	<u>Qualifications</u>
CITICS CF Hong Kong	Licensed under the SFO for types 1, 4 and 6 as defined therein
CCB International Capital Limited	Licensed under the SFO for types 1 and 6 as defined therein
ICBC International Capital Limited	Licensed under the SFO for types 1 and 6 as defined therein
Jiayuan Law Firm	Registered law firm in the PRC
Ernst & Young	Certified Public Accountants
Sallmanns	Chartered Surveyors and Valuer

(h) Consents of Experts

Each of the Joint Sponsors, Jiayuan Law Firm (as legal adviser of our Company), Ernst & Young (as independent reporting accountants of our Company), and Sallmanns (as independent property valuer of our Company) has given and has not withdrawn its respective written consents to the issue of this prospectus with copies of its report(s), valuation certificate(s), letter(s) or opinion(s) (as the case may be) and the references to its names or summaries of opinions included herein in the form and context in which they are respectively included.

Save as disclosed in this prospectus, none of the experts named above has any shareholding interests in our Company or any of its subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of its subsidiaries.

(i) Interests of experts in our Company

Save as disclosed in this prospectus and except that CITICS CF Hong Kong is a subsidiary of our Company, none of the persons named in paragraph (g) of this appendix is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

Save as disclosed in this prospectus, none of the experts named in paragraph (g) of this appendix is interested in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, our Company, or are proposed to be acquired or disposed of by or leased to our Company.

(j) Miscellaneous

Save as disclosed in this prospectus:

- (a) within the two years immediately preceding the date of this prospectus, our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued any founder or management or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale or any capital of our Company;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;
- (g) there have been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months; and
- (h) other than the A Shares of our Company which are listed on the Shanghai Stock Exchange, no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought.

Our Company currently does not intend to apply for the status of a sino-foreign investment joint stock limited company and does not expect to be subject to the Sino-foreign Joint Venture Law of the PRC (中華人民共和國中外合資經營企業法).

All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

(k) Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies Ordinance so far as applicable.

(l) Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Hong Kong Companies Ordinance (Exemption of Companies and Prospectuses for Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).