



SECURITIES

Mainland China Securities Survey 2008

FINANCIAL SERVICES

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Introduction



2007 was a milestone year for the Chinese securities sector as the Mainland stock exchanges reached levels never before seen in China, grabbing headlines around the world and drawing new attention to China's securities sector. While 2008 has seen a substantial reversal in the fortunes of the exchanges, the past two years have ushered in a great deal of change and professionalism within the Mainland securities sector, and these companies now rank as some of China's largest financial institutions. As 2008 has demonstrated, over-reliance on pure brokering income is a key risk factor for many securities brokerages as any downturn in the stock markets could have far-reaching effects. Fortunately, improvements in risk management, restrictions on proprietary trading, diversification of income sources and the development of new services offerings and business lines allowed many securities brokerages to fare the downturn remarkably well.

However, the road ahead for the securities sector holds more uncertainty. While China has largely avoided the global financial turmoil due to its relatively closed financial system, good liquidity and lack of significant exposure to US distressed financial products, there is a strong possibility of slower economic growth, which is likely to have a knock-on effect on the stock indices.

KPMG China is delighted to release its second annual survey of securities brokerages in mainland China. This survey has been made possible by the China Securities Regulatory Commission (CSRC), which, as part of its efforts to improve industry transparency, required all mainland securities brokerages to publish annual audited results. This survey covers the financial statements posted on the Securities Association of China (SAC) website, www.sac.net.cn, for 2007. 106 mainland securities brokerages had published their 2007 financial statements.

Market development – Opportunities and challenges



Diversification

The turnaround in the stock markets has precipitated a great deal of change in how securities brokerages operate and driven the CSRC to relax regulations on granting new business licenses and the expansion of business services. It has also brought foreign securities companies back into the fray as more reasonable valuations have made securities sector investments and joint ventures a more attractive and affordable prospect despite the global credit crunch.

Margin trading and short selling

In September 2008, the State Council approved short-selling and margin trading under new trading rules put forward by the CSRC.¹ These measures are in line with a series of other stock market boosting measures, and in early October 2008, the CSRC selected 11 domestic securities companies to engage in margin trading and short-selling business on a trial basis. These 11 companies, CITIC Securities, Haitong Securities, Orient Securities, Everbright Securities, Huatai Securities, Guotai Junan Securities, Shenyin & Wanguo Securities, Galaxy Securities, Guosen Securities, GF Securities and China Merchants Securities, are currently working with the CSRC on the new practices.

Short selling and margin trading were banned in the 1990s in the face of excessive market speculation and they are still widely misunderstood financial instruments. While the reversal of this ban highlights the government's commitment to financial market reform and to increasing efficiency in the stock markets, we are yet to see how and when these offerings will be rolled out, although it is hoped that these new measures will increase trading turnover and possibly hasten the introduction of stock-index futures.

Perhaps in reflection of the sensitivity of the regulators to this area, the application hurdles are significant. Under current rules, a securities company can apply for approval to offer these services after obtaining an innovative license, in addition to having three years of trading history and net assets of at least RMB 1.2 billion for the previous six months. Short-selling is also limited to companies with stable stock prices and market values of greater than RMB 800 million. A company is also required to have a CSRC approved third-party custodian arrangement in place.²

Private equity

In early 2007, the CSRC unveiled a pilot scheme to allow direct investments by securities companies into non-listed companies seeking to launch an IPO. The China International Capital Corporation (CICC) and CITIC Securities were the first brokerages to receive regulatory approval to conduct these private equity style investments via wholly-owned direct investment units. However, the success of the scheme has prompted the CSRC to expand this to a much larger number of securities companies, which will provide them with a valuable additional source of income. It should be noted though that this service does differ from normal private equity activity in a number of key ways. Unlike a private equity firm, approved securities firms can only invest using their own funds and they can only target companies seeking to launch an IPO. Approved securities firms

¹ Margin trading and short selling passed, 27 September 2008, South China Morning Post

² CSRC website

must also sell the stake within a three-year time period. It should be noted that in accordance with laws overseeing securities underwriting, if a securities firm acquires 7 percent of the shares or becomes a top five shareholder of a company seeking to IPO, it is barred from underwriting the listing of the company.³

As of 10 October 2008, 10 securities firms had been approved by the CSRC to launch direct investment businesses: BOC International (China), CICC, CITIC Securities, Everbright Securities, GF Securities, Guosen Securities, Guotai Junan Securities⁴, Haitong Securities, Huatai Securities and Ping An Securities. In setting up these direct investment operations, securities firms must establish wholly-owned subsidiaries to perform the business and appropriate Chinese Walls must be maintained between the parent company and these individual units.

Cross-border operations

In 2007, during the Closer Economic Partnership Arrangement discussions, Hong Kong and China reached an agreement on allowing mainland securities brokers to apply to set up operations in Hong Kong.⁵ Since then, cross-border expansion by mainland securities firms has proceeded at a remarkable rate despite the significant capital requirements needed for approval. As of 30 September 2008, 10 securities companies (China Merchants Securities, CICC, CITIC Securities, Everbright Securities, GF Securities, Guotai Junan Securities, Guoyuan Securities, Haitong Securities, Huatai Securities, and Shenyin & Wanguo Securities) had brokerages units in Hong Kong and others were in the process of setting up.

A number of brokerages that have successfully set up securities operations in Hong Kong have also applied to the financial regulatory authorities to launch asset management and investment banking business lines. In July 2008, Haitong Securities' two wholly-owned subsidiaries in Hong Kong, Hai Tong Assets Management (Hong Kong) and Hai Tong Capital (HK), were both approved by the Hong Kong Securities and Futures Commission (SFC) to engage in asset management and corporate finance services respectively.⁶

The potential for Chinese securities companies to transform into international investment banks is certainly there. Outbound investments by Chinese companies reached record highs in 2007 and 2008 and many of these companies would likely be targets for the securities companies to assist on their M&A deals.

Qualified Domestic Institutional Investors (QDII)

The granting of QDII licenses to securities companies, which allows them to invest in overseas stocks and other structured products on behalf of their clients, has expanded greatly since coming into effect on 5 July 2007. A further seven securities companies have been granted QDII licenses subsequent to the initial pilot scheme of two securities companies in August 2007.

Qualified Foreign Institutional Investors (QFII)

Aside from the Sino-foreign joint ventures, a large number of foreign investment banks and brokerage firms have operations in China, but their activities are mainly limited to foreign markets and the domestic B-share markets.

³ Blessing for foreign funds, 1 August 2008, International Financial Law Review

⁴ Everbright Securities OKed to Run Direct Investment, 18 August 2008, SinoCast China Business Daily News

⁵ Cepa opens door to mainland brokers, 25 June 2007, South China Morning Post

⁶ Haitong Securities licensed to do full-range business in HK, 29 July 2008, Xinhua's China Economic Information Service

Custodian banks approved by CSRC and SAFE as of July 2008

Agricultural Bank of China
Bank of China
Bank of Communications
China CITIC Bank
China Construction Bank
China Everbright Bank
China Merchants Bank
Citibank
DBS Bank
Deutsche Bank
HSBC Bank (China)
Industrial and Commercial Bank of China
Standard Chartered Bank

With the introduction of the QFII programme in 2003, the A-share market was opened up to foreign investors. By mid-October 2008, the CSRC had approved 69 foreign financial institutions for QFII licenses, 17 of which were granted in 2008. Currently, the combined QFII quota is USD 30 billion.

A foreign financial institution holding a QFII license is permitted to invest in shares and bonds on the A-shares markets, securities investment funds and warrants. No single foreign investor investing under a QFII license may hold more than 10 percent in a listed company, while the total cap on QFII ownership of individual shares in a company is 20 percent. The pool of investment quotas available to QFIIs was initially set at USD 10 billion. In December 2007, when USD 9.95 billion of the quotas had been used, China tripled the quotas to USD 30 billion.

Approved custodian banks are entrusted with the safekeeping of QFII assets under their custody along with supervising the activities of the QFIIs and reporting any violations of local laws and regulations to the CSRC and the State Administration of Foreign Exchange (SAFE). Banks with a paid-in capital of at least RMB 8 billion are permitted to act as custodians for QFIIs. Foreign bank applicants are also required to have at least three years of operations in China.

Fund management

An area that is attractive to securities firms is the fund management sector. The natural synergies that exist between the securities and fund management sectors have prompted many securities companies to buy into existing fund management companies or form fund management joint ventures. The value proposition for a fund management company to partner with a securities brokerage is clear. Securities brokerages bring a much greater marketing capacity, a larger distribution channel and higher brand recognition to the table. While the drop in the stock markets in 2008 has limited the financial clout of securities companies to engage in M&A activity, this does not appear to have stemmed interest in fund management. In fact, there is a widespread realisation that fund management represents one of the most attractive opportunities for the expansion of services in the financial services sector.



As with the banking sector, there appears to be a preference on the part of securities brokerages to partner with overseas companies in the establishment of fund management joint ventures in light of the expertise and experience they can bring to the table. After reaching a deal with Ping An Securities, Singapore's United Overseas Bank became the most recent foreign bank to set up a joint venture fund management company with a domestic financial institution.⁷

Branching out into futures

Another area opened to securities companies in 2007 was the futures sector, although a key requirement to enter this sector is to have a controlling stake in an existing futures firm. This has unsurprisingly left many securities brokerages scrambling to buy stakes in futures firms in anticipation of the long delayed debut of stock futures. Currently well over half of China's futures brokers have fallen under the control of securities companies. While rumours have circulated for more than a year regarding the launch of financial futures, the current downturn in the stock market may complicate the decision of when this will happen.

Futures firms are equally enthusiastic to take on investors as they struggle to meet the minimum capitalisation requirements to become a clearing member of the China Financial Futures Exchange.

Requirements for securities companies to branch out into the futures trading business include having a net capital of at least RMB 1.2 billion; current assets of not less than 150 percent of current liabilities; and net capital of not less than 70 percent of net assets. Total external guarantees and contingent liabilities provided by the securities company should not exceed 10 percent of net assets.⁸

Effective 1 June 2008, securities companies are restricted from taking stakes in more than two futures companies and controlling more than one futures company. The objective of this new rule is to minimise risk transfer and any improper transfer of profits between futures firms and their parent company. Those securities companies with holdings that exceed the new restrictions have a two-year grace period.

In April 2007, the CSRC released a rule to regulate the intermediary services provided by securities companies to futures brokers. Securities companies that fulfil certain requirements will be granted an "Introducing Broker" business qualification. This allows the securities company to introduce clients to futures trading through futures brokers, and also allows futures brokers to tap the client base and wide network of the introducing broker. The rule also clearly states that the securities companies can only act as an intermediary broker rather than an executing broker to perform futures trading or settlements. Furthermore, securities companies are not allowed to provide margin finance nor guarantee for clients trading in futures.

A key requirement to gain this qualification is to have a stake in a futures broker or that both the securities company and the futures broker belong to the same group. According to the surveyed securities companies, 50 of them owned a stake in a futures broker as at 31 December 2007. As at 27 October 2008, 27 securities brokers had been granted an "Introducing Broker" qualification and most of them were A grade securities companies.

⁷ Ping An-UOB China fund hires CEO from rival-sources, 1 July 2008, Reuters

⁸ CSRC website

Securities companies qualified for introducing broker business (30 September 2008)	
Bohai Securities	Guotai Junan Securities
Changjiang Securities	Haitong Securities
China Galaxy Securities	Hongyuan Securities
China Merchants Securities	Hua An Securities
CITIC Securities	Huatai Securities
CITIC-Kington Securities	Industrial Securities
Donghai Securities	Nanjing Securities
Essence Securities	Ping An Securities
Everbright Securities	Qilu Securities
GF Securities	Shanghai Securities
Great Wall Securities	Shenyin & Wanguo Securities
Guodu Securities	SooChow Securities
Guolian Securities	Zheshang Securities
Guosen Securities	

Fund raising

The requirements for securities companies seeking to IPO are strict. In particular, up until recently, very few securities brokerages were capable of meeting the IPO requirement of having three years of consecutive profits due to the four-year slump in the market between 2002 and 2005. Accordingly, there have only been two securities company IPOs to date: Hongyuan Securities in 1999 and CITIC Securities in 2003. However, the outlook for 2008 and the coming year is very positive. According to 2005, 2006 and 2007 financial figures, 20 Chinese securities brokerages have now met the requirement of having three years of consecutive profits. Notably, China Merchants Securities and Everbright Securities received CSRC approval in September 2008 and March 2008 respectively to list, although their IPOs have yet to go through.⁹

The more popular avenue for securities brokerages to list remains backdoor listings, which allows them to skirt the profit requirements by merging with an existing listed company through a transfer of assets. However, the funds raised via a backdoor listing are typically significantly less than those through an IPO. As of the end of September 2008, Sinolink Securities, Haitong Securities, Changjiang Securities, Pacific Securities, Northeast Securities and Guoyuan Securities have all successfully completed backdoor listings.

A number of other securities companies have also been reported to have begun preparatory work for an IPO, including Guotai Junan Securities, Orient Securities, China Galaxy Securities and Huatai Securities, while a number of others are reportedly pursuing backdoor listings, such as Capital Securities, Southwest Securities and Guangfa Securities. However, the current weak market sentiment may lead some securities brokerages to delay their listing plans even if CSRC approval is obtained.

⁹ CSRC approves China Merchants Securities' IPO plan, 10 September 2008, China Knowledge Press

Whichever route a securities firm takes to list, it is important to engage appropriate external advisors, including investment bankers/brokers, lawyers and independent accounting advisors.

Sino-foreign joint ventures

Perhaps one of the most exciting developments in 2008 was the approval of Credit Suisse's application for a joint venture (JV) with Founder Securities in June 2008 as the last Sino-foreign securities JV was approved in 2006.¹⁰

Since then, Citigroup and Deutsche Bank have also signed deals to set up Sino-foreign JV securities brokerages with Central China Securities and Shanxi Securities respectively. Moreover, the business scope of securities JVs has also been expanded, making the prospect of a securities JV more attractive to potential Chinese partners.

The revision to "Rules on establishment of securities companies with foreign equity participation" released at the end of 2007 came into effect on 1 January 2008. Under the latest rules, securities JVs can conduct A-share underwriting and sponsoring, as well as brokerage, underwriting and sponsoring for B-shares. A-share brokerage and fund management are still restricted in general.

Investment caps on foreign participation in securities JV are still in place. Foreign investors, in total, shall not hold more than one third of an unlisted securities company, while the maximum for a listed securities company is 25%. A single foreign investor cannot hold more than 20% of a listed securities company. Whilst there are certain restriction in the scope of activities for a securities JV, such restrictions do not generally apply to a listed securities company with foreign investors.

According to the "Trial regulation for securities companies setting up subsidiaries" which was also released at the end of 2007 and came into effect on 1 January 2008, a securities JV can apply to the CSRC to expand the scope of their business. The securities JV is required to operate for at least five years and have a good reputation. There should not be any major breach of laws and regulations in the last three years and the risk control indices should match the standards in the last 12 months. The securities JV should be profitable and have strong operation management, corporate governance and well established risk management and internal control systems. The market share of its major operation should not be lower than the market average in the last year. China Euro Securities, the JV Credit Lyonnais and Fortune Securities set up in December 2002, met these requirements, and was granted a broking license in June 2008 enabling it to conduct A share brokerage activities in China.

¹⁰ China Resumes Admitting Foreign Brokerages, Securities Industry News, 30 June 2008



Regulatory changes

2008 has seen a significant number of regulatory changes put into effect. While the key regulatory change has obviously been the State Council's approval of short-selling and margin trading under new trading rules put forward by the CSRC, there have been a number of other notable regulations.

For the most part these regulatory changes have been made primarily to boost the ailing stock exchanges. In particular, the CSRC reduced shares trading stamp duty from 0.3 percent to 0.1 percent, effective 24 April 2008. On 19 September, it waived the 0.1 percent stamp duty for stock market purchases whilst the stamp duty remained in place for share sales. The Ministry of Finance waived the 5 percent tax on interest income earned from the settlement funds account effective 9 October 2008, and similar measures to boost the underperforming markets are likely going forward.

Key regulatory changes have also been made to improve risk management in securities brokerages. To this effect, the CSRC has asked brokerage firms to increase their reserves against potential risks and requires them to set aside minimum reserves for their proprietary business, including 20 percent of the value of their equity securities and 10 percent of the value of their fixed-income securities. In addition, the minimum risk reserve requirement on equity underwriting was raised from 10 percent to 15 percent of a deal's value, and on corporate bond underwriting from 5 percent to 8 percent of a deal's value. These changes will come into effect on 1 December 2008.

The CSRC also solicited comments in May 2008 for regulations drafted for the Compliance Management of Securities Companies. Under the draft regulations, all securities companies are required to have a compliance supervisor, and establish a system for reporting irregularities which the CSRC will use to evaluate their compliance management.

Further to China's anti-money laundering law, the Securities Association of China released guidelines on anti-money laundering in April 2008 to strengthen and safeguard the internal control system for anti-money laundering for its member securities companies. The guidelines stipulated detailed provisions for the verification of client identification, reporting of large and suspicious transactions, retention and confidentiality of information and materials of clients and transaction records, staff training, and inspection and supervision regarding anti-money laundering.

What the future holds

Rumours have long circulated that mainland stock exchanges will open to IPOs by foreign companies but to date there have been no concrete steps in this direction. This would obviously assist in restoring confidence in the exchanges as well as creating a new source of business for domestic securities companies. Sino-foreign securities JVs may see themselves as significant beneficiaries of such a move. There have been rumours that NYSE Euronext, the operator of the New York Stock Exchange, may become the first foreign company to launch an IPO of A-shares in Mainland China.¹¹

It is hard to predict how the securities sector will evolve in the coming year, given the current state of the stock markets and the financial turmoil abroad. What is clear though is that China has laid the foundation for the sustainable growth of its securities sector and has relaxed regulatory restraints so as to allow securities brokerages to diversify their sources of income and ensure stable earnings even in periods of economic downturn or market turmoil.

¹¹ NYSE Euronext Likely To Launch A-Share IPO In China – Report, 15 April 2008, Dow Jones International News



Market trends



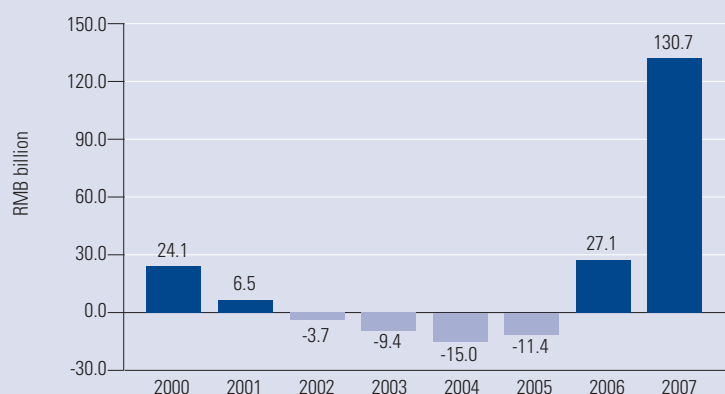
Adoption of new ASBEs

Securities companies have adopted the new Accounting Standards for Business Enterprises (ASBEs) for 2007, as required by the CSRC. These new standards cover nearly all of the topics under the current International Financial Reporting Standards. The most wide-reaching and relevant ASBE for securities companies is ASBE 22: Recognition and Measurement of Financial Instruments. Under ASBE 22, all financial instruments should be measured at fair value at initial recognition. Several new categories of financial instruments were introduced, such as loans and receivables, available-for-sale financial assets, held-to-maturity investments and financial assets/liabilities measured at fair value through profit and loss.

ASBE 22 most significantly impacts on the reporting of proprietary trading gains or losses. It requires proprietary trading portfolios to be stated at fair value through profit and loss, which may introduce greater volatility in the balance sheet and income statement. Previously, the proprietary positions were stated at the lower of cost or market value. According to ASBE 38 on the first-time adoption of ASBEs, financial assets should be reclassified and marked to market value according to its classification and the 2006 comparatives should be restated.

2007 performance

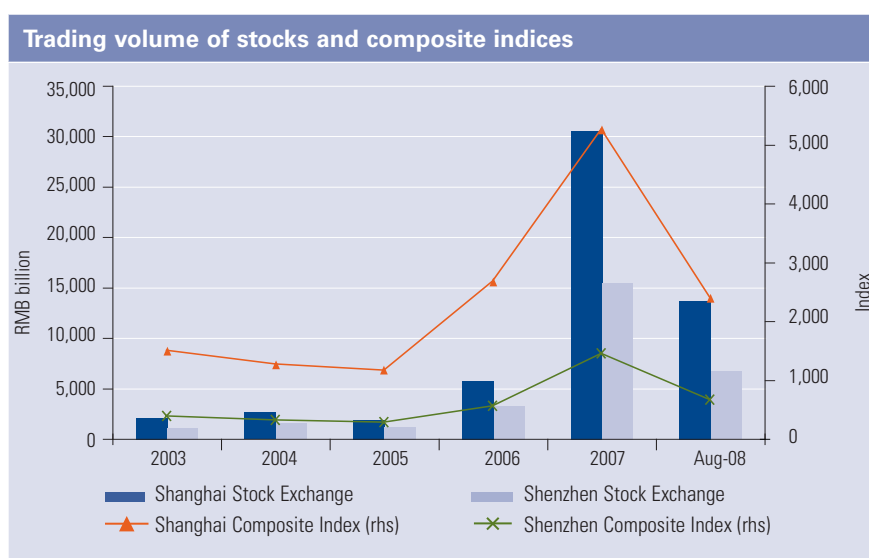
Total net profit for mainland securities companies



2007 was a rosy year for securities companies with record growth in client numbers and trading volumes. Stock turnover, share prices and indices have reached record highs. Over 98 percent of the surveyed securities companies recorded a profit for the year. Overall net profit of the unconsolidated results rose fourfold as compared with 2006.

Total assets almost tripled mainly due to an increase in client funds held in segregated accounts which are booked on the balance sheet. Total reserves surged from a RMB 2 billion debit balance in 2006 to a RMB 200 billion credit balance at the end of 2007. The significant gain in the reserve was mainly attributable to 2007 earnings. Share premiums from private placements together with unrealised mark-to-market gains from available for sale financial assets also helped to build up reserves in securities companies. A number of large securities companies issued derivatives products, and derivatives trading continued to expand in 2007. Investments into future companies was also quite active in 2007.

Operating income



Not surprisingly, net brokerage income rose fivefold in 2007, thanks to the active stock market. It accounted for 58 percent of the total unconsolidated operating income for the year. Investment income and fair value gain on trading and derivatives positions rose threefold respectively, riding on the surge in stock prices which came down a bit at the end of 2007 from its peak in October 2007. These together accounted for 32 percent of the total unconsolidated operating income.

Underwriting income

Fund raising activities have been primarily concentrated in the Shanghai Stock Exchange, which accounted for over 85 percent of the total funds raised in China in 2007.

The top three IPO deals in 2007 were PetroChina, which raised RMB 66.8 billion; China Shenhua, which raised RMB 66.6 billion; and China Construction Bank, which raised RMB 58.1 billion.

Underwriting and sponsorship income was still a minor share of operating income in the securities industry. Of A-share IPO projects in 2007, CICC, UBS Securities and Goldmans underwrote 21.4%, 16.4% and 3.81% respectively, and total market share of these three securities JV reached 41.61%.¹²

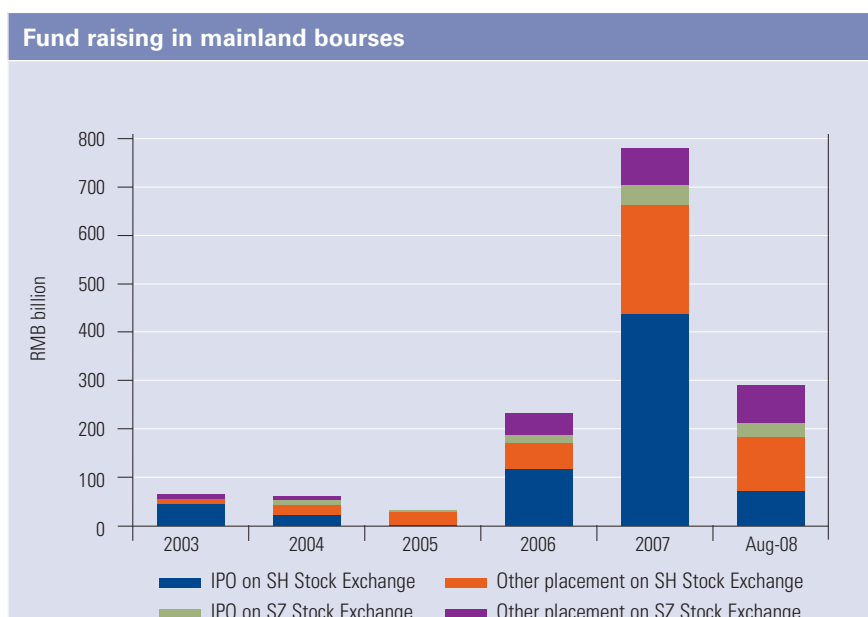
¹² JV security dealers rewrite China's security territory, 30 June 2008, Xinhua News Agency

Income mix as a percentage of operating income		
	2007	2006
Net brokerage commission income	58%	48%
Net underwriting and sponsorship commission income	3%	6%
Investment income and fair value gain/loss on trading and derivatives position	32%	36%
Net interest income	3%	3%
Others	4%	7%

Moving into 2008

The good times of 2007 have not rolled over into 2008. Share prices tumbled worldwide as the global financial crisis worsened in 2008. Trading volume in China dropped by almost 45 percent for the first nine months of 2008, compared to the same period in 2007. Fund raising activities have also declined substantially. Although securities companies in China have started to diversify in recent years, the business of buying and selling stock for clients still accounts for the bulk of their revenue. That makes them heavily dependent on investor sentiment. With stock prices down, proprietary investments have also weakened.

Whilst 2008 has certainly not been as good as 2007, it is still better than those years prior to the recovery of the stock market. Securities companies should still make reasonable profits on brokerage operations as the total turnover for the first ten months of 2008 is the second highest in history. However, these profits may be offset by realised and unrealised losses as the stock prices have been falling since the market's peak in October 2007.



Source: Shanghai Stock Exchange and Shenzhen Stock Exchange

Financial highlights – profit and loss

RMB' million	Profit and loss					
	Net brokerage commission income		Net underwriting and sponsorship commission income		Net asset management income	
	2007	2006	2007	2006	2007	2006
1 Aerospace Securities 航天证券	70.4	12.6	-	-	-	-
2 Aijian Securities 爱建证券	428.9	95.1	0.4	13.3	-	-
3a Beijing Gao Hua Securities (consol) 北京高华证券(合并)	239.1	31.0	296.6	6.6	N/A	N/A
3b Beijing Gao Hua Securities (company) 北京高华证券(母公司)	239.1	31.0	-	-	N/A	N/A
4a BOC International (China) (consol) 中银国际证券(合并) #	1,330.7	278.7	707.8	166.5	200.1	54.4
4b BOC International (China) (company) 中银国际证券(母公司) #	1,294.7	266.7	707.8	166.5	-	-
5a Bohai Securities (consol) 渤海证券(合并)	1,214.2	302.4	56.6	22.7	-	-
5b Bohai Securities (company) 渤海证券(母公司)	1,210.8	300.6	56.6	22.7	-	-
6 Caida Securities 河北财达证券	1,666.8	130.1	-	-	-	-
7a Caitong Securities (consol) 财通证券(合并)	1,523.9	N/A	-	N/A	-	N/A
7b Caitong Securities (company) 财通证券(母公司)	1,478.3	152.6	-	-	-	-
8 Capital Securities 首创证券	322.2	79.7	7.5	22.0	-	-
9a Central China Securities (consol) 中原证券(合并)	1,713.2	341.0	0.8	4.1	-	-
9b Central China Securities (company) 中原证券(母公司)	1,713.2	341.0	0.8	4.1	-	-
10 Century Securities 世纪证券	377.0	83.9	-	-	-	-
11 Changcai Securities 长财证券	356.2	87.3	-	-	-	-
12 Changjiang Financing Services 长江证券承销保荐	-	-	22.3	36.0	-	-
13a Changjiang Securities (consol) 长江证券(合并) *	2,080.2	469.4	31.8	59.5	7.4	4.2
13b Changjiang Securities (company) 长江证券(母公司) *	2,065.0	465.7	11.7	10.4	7.4	4.2
14 China Dragon Securities 华龙证券	521.5	109.8	67.2	34.7	-	-
15 China Euro Securities 华欧国际证券 #	-	-	33.2	22.7	-	-
16 China Fortune Securities 华鑫证券	589.5	121.7	-	-	-	-
17 China Galaxy Securities 中国银河证券	10,486.9	N/A	925.9	N/A	-	N/A
18a China International Capital Corporation (consol) 中国国际金融(合并) #	N2 5,918.5	2,965.9	N2 N/A	N/A	N2 N/A	N/A
18b China International Capital Corporation (company) 中国国际金融(母公司) #	N2 4,817.3	2,120.4	N2 N/A	N/A	N2 N/A	N/A
19 China Jianyin Investment Securities 中国建银投资证券	3,659.3	738.3	212.4	64.4	21.3	-
20a China Merchants Securities (consol) 招商证券(合并)	5,388.3	927.1	179.4	80.0	726.2	267.3
20b China Merchants Securities (company) 招商证券(母公司)	5,184.3	895.9	130.6	75.7	726.2	267.3
21 China Minzu Securities 中国民族证券	1,432.3	324.0	34.2	1.5	-	-
22a China Securities (consol) 中信建投证券(合并)	5,842.2	1,174.3	225.3	38.4	-	-
22b China Securities (company) 中信建投证券(母公司)	5,835.2	1,172.4	225.3	38.4	-	-
23 Chinalion Securities 华林证券	588.6	116.6	25.5	-	-	-
24 Chuancal Securities 川财证券	142.6	30.2	-	-	-	-
25 Cinda Securities 信达证券 N1	347.3	N/A	24.3	N/A	-	N/A
26 CITIC-Kington Securities 中信金通证券	2,551.8	463.4	-	0.2	-	-
27a CITIC Securities (consol) 中信证券(合并) *	13,377.6	2,652.7	2,193.9	976.3	161.5	35.0
27b CITIC Securities (company) 中信证券(母公司) *	3,667.5	746.0	1,808.9	900.5	161.5	35.0
28 CITIC Wantong Securities 中信万通证券	1,089.0	198.5	0.4	16.8	-	-

"*" denotes PRC listed securities companies

"#" denotes Sino-foreign joint venture companies

N1 Business commenced in 2007.

N2 Net brokerage commission, underwriting and sponsorship commission, and asset management income have not been separately disclosed. We have included this lump sum under net brokerage commission.

Profit and loss																
	Investment income		Fair value gain/ loss on trading and derivatives position		Net interest income		Operating income		Operating expense		Asset impairment charge / (write back)		Net profit before tax		Net profit after tax	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	-	-	-	-	5.7	1.1	75.6	13.6	35.2	19.9	0.2	3.0	40.1	(9.2)	36.1	(9.2)
	144.2	6.1	(49.2)	-	40.5	14.3	599.9	153.4	201.1	468.2	(0.3)	(5.8)	377.6	(309.3)	328.4	(309.3)
	182.9	46.4	(6.7)	31.3	18.6	16.6	1,859.1	843.3	1,208.9	700.0	-	(0.7)	678.4	146.3	341.9	61.3
	182.9	46.4	(6.7)	31.3	(0.8)	2.5	849.2	338.9	372.1	246.7	-	-	488.3	94.1	251.6	26.1
	107.4	112.5	11.9	7.0	102.3	27.4	2,717.6	1,110.9	1,219.1	450.3	(1.0)	23.5	1,526.6	653.6	1,065.9	440.9
	106.8	112.3	11.9	7.0	100.5	26.5	2,479.2	1,043.4	1,085.8	388.6	(1.0)	23.5	1,416.5	646.0	990.8	436.0
	317.8	176.3	71.7	29.5	97.3	(13.6)	1,772.4	533.7	717.8	280.0	(241.2)	(337.5)	1,048.1	265.7	1,032.4	256.5
	294.0	168.1	70.6	27.7	96.8	(15.3)	1,743.4	520.1	708.1	274.3	(241.2)	(337.5)	1,028.7	257.1	1,014.2	248.0
	-	(1.0)	-	-	92.1	10.2	1,760.6	140.9	473.5	87.7	6.1	4.2	1,281.8	51.7	860.2	36.8
	32.4	N/A	-	N/A	88.9	N/A	1,650.8	N/A	562.4	N/A	(0.8)	N/A	1,090.3	N/A	735.8	N/A
	0.1	0.2	-	-	83.9	15.4	1,567.9	173.7	518.6	98.3	(0.8)	(0.7)	1,051.2	76.9	704.8	112.1
	505.8	128.3	71.7	36.2	23.6	33.0	960.5	305.8	313.6	105.6	0.2	-	647.0	200.2	420.5	146.0
	341.6	132.7	198.3	26.8	66.1	21.6	2,326.5	530.7	559.7	204.5	49.3	7.5	1,718.0	322.8	1,083.2	196.8
	341.6	132.7	198.3	26.8	66.1	21.6	2,326.5	530.7	559.7	204.5	49.3	7.5	1,718.0	322.8	1,083.2	196.8
	7.7	4.4	-	-	16.6	(11.1)	409.0	98.9	232.9	122.1	37.2	(16.8)	184.4	(15.0)	163.2	(12.7)
	0.2	(4.7)	-	-	16.3	4.7	374.3	88.1	145.9	67.5	0.5	(22.1)	226.9	42.5	147.7	31.5
	25.6	6.2	(3.8)	3.8	7.7	6.9	64.6	66.7	62.3	43.0	0.1	1.1	2.7	23.5	2.1	18.9
	2,433.5	741.3	182.4	104.8	109.8	16.6	4,961.9	1,410.9	1,547.3	551.4	15.3	(12.6)	3,369.8	751.6	2,365.8	530.6
	2,408.0	729.9	182.4	104.8	100.0	9.0	4,876.4	1,339.6	1,470.9	503.7	15.5	(13.9)	3,359.3	728.2	2,358.8	510.3
	8.4	(3.1)	13.1	5.1	10.1	1.7	630.8	185.3	245.1	128.4	(1.9)	(25.9)	305.5	66.3	310.7	61.2
	-	-	-	-	15.5	13.3	70.0	60.9	63.3	46.7	-	-	8.8	14.3	5.4	9.6
	93.0	0.5	(0.3)	0.3	53.2	16.4	738.3	140.7	197.3	113.5	(3.8)	(5.3)	559.2	34.5	475.3	38.7
	1,450.3	N/A	97.8	N/A	791.6	N/A	14,469.0	N/A	5,489.5	N/A	2.3	N/A	8,984.2	N/A	5,125.0	N/A
	383.0	250.5	(24.8)	51.7	2.7	67.3	6,269.3	3,330.4	4,467.1	2,158.8	(0.1)	-	1,791.8	1,171.6	1,242.8	892.5
	274.7	214.1	(30.7)	52.1	(78.4)	7.7	4,963.2	2,385.5	3,178.5	1,401.8	(0.1)	-	1,783.8	988.2	1,229.1	726.6
	977.1	62.0	187.7	2.6	247.9	71.2	5,346.7	961.1	1,798.2	612.1	2.4	(0.8)	3,544.9	349.3	2,434.8	218.0
	2,417.9	857.8	859.9	171.7	337.0	101.4	10,008.0	2,456.7	3,538.9	987.5	18.0	11.0	6,492.1	1,467.2	5,062.4	1,251.8
	2,416.5	881.4	859.9	172.3	297.7	64.3	9,689.7	2,402.1	3,415.7	939.7	16.6	9.1	6,298.3	1,462.2	4,903.1	1,251.8
	218.8	66.5	(4.5)	(7.3)	115.0	25.4	1,799.7	422.3	825.4	320.0	70.7	(56.8)	896.3	141.0	590.5	122.4
	1,189.6	195.4	(2.4)	103.2	311.5	82.7	7,740.7	1,690.2	3,225.2	889.7	0.1	131.0	4,530.0	682.0	2,449.9	315.0
	1,174.9	194.7	(2.4)	103.2	309.8	82.0	7,717.2	1,679.1	3,208.9	884.5	0.1	131.0	4,523.0	675.6	2,444.4	310.3
	148.0	20.8	3.9	-	24.6	(10.2)	791.5	127.8	265.9	98.6	(2.0)	0.1	530.0	27.7	327.4	25.3
	-	-	-	-	4.0	1.8	146.6	31.9	49.7	24.7	8.7	1.2	82.5	6.1	48.5	6.1
	-	N/A	-	N/A	52.7	N/A	430.2	N/A	279.8	N/A	-	N/A	707.0	N/A	426.7	N/A
	268.8	91.3	-	-	142.8	42.5	2,973.7	608.3	1,102.4	240.5	3.5	0.7	1,868.5	366.5	1,120.5	366.2
	7,575.6	1,564.4	3,351.2	176.4	990.9	262.0	30,871.1	5,990.9	10,861.3	2,463.7	146.8	142.6	19,904.2	3,398.9	13,545.8	2,586.3
	5,534.0	1,228.5	3,368.2	36.9	418.4	92.0	15,571.2	3,230.7	4,559.3	1,083.7	151.5	(1.0)	10,853.4	2,152.4	8,258.9	1,773.7
	371.1	49.3	(14.8)	36.3	63.4	21.3	1,520.6	341.9	577.5	145.2	(9.4)	(0.2)	951.4	195.0	541.1	131.1

RMB' million	Profit and loss					
	Net brokerage commission income		Net underwriting and sponsorship commission income		Net asset management income	
	2007	2006	2007	2006	2007	2006
29 Daiwa SMBC-SSC Securities 海际大和证券 #	-	-	1.5	1.0	-	-
30 Daton Securities 大通证券	666.0	155.9	-	-	-	-
31 Datong Securities 大同证券	428.7	86.4	-	-	-	-
32a Dongguan Securities (consol) 东莞证券(合并)	1,344.5	225.2	2.3	9.2	-	-
32b Dongguan Securities (company) 东莞证券(母公司)	1,344.5	225.2	2.3	9.2	-	-
33a Donghai Securities (consol) 东海证券(合并)	1,281.3	199.3	54.8	28.0	109.3	0.7
33b Donghai Securities (company) 东海证券(母公司)	1,249.4	199.3	54.8	28.0	109.3	0.7
34a Essence Securities (consol) 安信证券(合并)	4,274.2	285.1	60.3	7.5	-	-
34b Essence Securities (company) 安信证券(母公司)	4,274.2	285.1	60.3	7.5	-	-
35a Everbright Securities (consol) 光大证券(合并) #	4,272.7	688.3	186.3	98.4	425.5	50.3
35b Everbright Securities (company) 光大证券(母公司) #	4,268.1	682.0	186.3	98.4	96.8	28.1
36 First Capital Securities 第一创业证券	362.2	81.9	79.6	120.8	-	0.1
37a Fortune Securities (consol) 财富证券(合并)	744.1	158.9	47.1	12.9	4.0	7.9
37b Fortune Securities (company) 财富证券(母公司)	731.6	158.9	13.9	7.4	4.0	7.9
38 Fortune Securities Brokerage 华宝证券经纪	195.8	36.4	-	-	-	-
39 Founder Securities 方正证券	1,624.8	323.7	99.3	38.9	-	-
40 GF Huafu Securities 广发华福证券	1,335.1	255.1	-	0.1	-	-
41a GF Securities (consol) 广发证券(合并)	8,792.5	1,789.1	479.9	99.4	303.4	19.2
41b GF Securities (company) 广发证券(母公司)	7,403.7	1,411.0	476.0	99.3	303.4	19.2
42 Golden Sun Securities 国盛证券	749.4	146.7	25.0	1.3	-	-
43 Goldman Sachs Gao Hua Securities 高盛高华证券 #	-	-	296.6	6.6	-	-
44a Goldstate Securities (consol) 金元证券(合并)	729.5	133.3	27.5	0.1	-	-
44b Goldstate Securities (company) 金元证券(母公司)	715.9	133.3	27.5	0.1	-	-
45a Great Wall Securities (consol) 长城证券(合并)	1,154.5	271.0	27.4	10.8	-	-
45b Great Wall Securities (company) 长城证券(母公司)	1,154.5	271.0	27.4	10.8	-	-
46 Guangzhou Securities 广州证券	780.0	167.8	17.2	2.8	-	-
47 GuoDu Securities 国都证券	721.1	158.9	69.4	3.9	15.0	-
48a Guolian Securities (consol) 国联证券(合并)	1,353.3	252.6	17.9	9.9	-	-
48b Guolian Securities (company) 国联证券(母公司)	1,353.3	252.6	17.9	9.9	-	-
49a Guosen Securities (consol) 国信证券(合并)	5,981.3	1,193.7	545.4	228.9	274.8	9.9
49b Guosen Securities (company) 国信证券(母公司)	5,929.6	1,183.0	545.4	228.9	274.8	9.9
50a Guotai Junan Securities (consol) 国泰君安证券(合并)	8,895.1	2,104.7	355.7	518.3	439.5	129.6
50b Guotai Junan Securities (company) 国泰君安证券(母公司)	8,594.8	2,015.1	299.9	491.5	214.1	21.9
51a Guoyuan Securities (consol) 国元证券(合并) *	1,476.0	311.1	43.9	18.9	81.5	10.7
51b Guoyuan Securities (company) 国元证券(母公司) *	1,434.4	297.5	43.9	18.9	81.5	10.7
52a Haitong Securities (consol) 海通证券(合并) *	5,612.2	1,193.3	368.6	164.8	700.8	204.1
52b Haitong Securities (company) 海通证券(母公司) *	5,612.2	1,193.3	368.6	164.8	16.8	10.1
53 Hengtai Securities 恒泰证券	817.3	183.9	28.2	17.1	-	-
54 Hexing Securities 和兴证券	594.7	121.0	-	-	-	-

"*" denotes PRC listed securities companies

"#" denotes Sino-foreign joint venture companies

Profit and loss																
	Investment income		Fair value gain/ loss on trading and derivatives position		Net interest income		Operating income		Operating expense		Asset impairment charge / (write back)		Net profit before tax		Net profit after tax	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	26.1	16.4	(24.6)	1.3	7.1	1.3	10.7	23.8	32.5	30.5	0.3	-	(23.4)	(5.1)	(23.4)	(5.1)
	86.0	-	12.7	-	66.2	11.3	833.1	169.0	245.3	111.8	19.8	13.4	567.6	57.1	405.7	35.1
	0.3	1.0	-	-	20.3	7.1	453.9	96.4	154.9	52.2	17.9	(3.3)	281.1	47.9	197.8	42.5
	207.5	(7.0)	182.7	86.9	70.1	15.5	1,856.7	338.9	426.3	125.6	(3.8)	5.5	1,434.1	202.3	1,093.5	134.0
	205.5	(7.0)	181.9	86.9	69.8	15.5	1,851.5	338.9	421.7	125.6	(3.8)	5.5	1,433.2	202.3	1,092.9	134.0
	1,628.9	298.2	345.5	67.5	91.6	15.1	3,530.9	629.8	1,013.3	253.7	0.3	2.3	2,511.7	371.0	1,573.3	233.7
	1,615.9	298.2	345.5	67.5	89.1	15.1	3,483.5	629.8	979.8	253.7	0.2	2.3	2,497.9	371.0	1,565.5	233.7
	579.4	10.6	(9.3)	45.2	207.9	19.4	5,165.2	368.4	1,750.9	168.0	1.5	9.8	3,434.6	189.5	2,303.8	123.5
	578.6	10.6	(9.8)	45.2	207.8	19.4	5,163.7	368.4	1,747.8	168.0	1.5	9.8	3,436.3	189.5	2,305.8	123.5
	3,418.5	973.0	1,190.6	124.1	278.1	42.1	9,824.4	2,036.6	2,688.6	731.6	(41.8)	(6.4)	6,908.7	1,307.7	4,675.6	905.1
	3,382.8	972.0	1,190.8	124.1	272.6	40.7	9,454.4	2,007.1	2,516.6	686.4	(41.7)	(6.3)	6,709.9	1,323.0	4,537.0	914.7
	716.3	198.2	71.5	26.2	20.9	1.3	1,216.8	446.7	449.2	191.1	0.1	99.8	811.2	156.3	664.0	128.5
	352.0	(70.5)	61.8	74.6	48.1	(6.3)	1,322.3	209.1	601.2	164.3	(2.6)	5.1	723.1	37.7	342.2	11.3
	352.1	(70.5)	61.8	74.6	32.2	(8.9)	1,239.4	188.3	525.9	148.6	(3.0)	5.1	713.8	32.6	336.3	7.8
	-	-	-	-	12.8	2.2	208.8	39.0	67.4	32.5	-	-	93.2	7.0	65.2	0.7
	219.1	11.1	11.5	(46.9)	86.5	19.5	2,078.7	573.1	689.6	313.5	1.3	2.2	1,392.2	302.1	815.9	198.7
	330.7	40.8	(20.7)	25.4	84.0	25.0	1,737.4	354.6	556.3	151.5	1.4	-	1,182.3	199.4	741.3	149.9
	3,871.7	1,127.7	1,489.2	306.2	524.2	163.6	17,099.2	4,110.9	5,939.0	1,914.5	104.1	50.6	11,397.5	2,117.9	8,202.4	1,620.4
	3,507.3	1,138.9	1,509.1	280.8	423.1	123.3	13,903.9	3,277.5	4,658.6	1,465.0	101.9	50.4	9,482.3	1,741.6	6,869.5	1,322.2
	186.1	(19.5)	(0.3)	-	23.1	3.1	983.8	132.1	304.2	108.6	(22.2)	(91.4)	689.5	117.5	440.1	105.4
	-	-	-	-	19.4	14.1	1,195.8	535.3	1,022.7	484.7	-	(0.7)	190.0	52.2	90.4	35.2
	698.4	214.9	(1.9)	0.4	44.8	16.5	1,536.7	383.0	649.6	221.2	(3.2)	20.8	896.6	140.4	669.8	101.0
	691.8	206.3	(1.9)	0.4	39.3	15.9	1,487.2	372.2	585.9	202.1	(3.2)	20.8	905.5	148.7	678.6	109.3
	1,778.3	377.7	(48.9)	204.3	64.2	(6.2)	3,721.7	971.2	1,426.4	370.9	52.0	24.1	2,256.6	531.8	1,828.4	480.2
	1,727.2	380.6	(48.9)	204.3	62.6	(6.6)	3,052.8	878.2	1,063.7	303.2	52.0	24.1	1,949.1	506.6	1,560.6	459.5
	385.6	21.3	(13.2)	13.9	41.1	14.7	1,209.6	225.8	382.1	138.9	(3.8)	(5.7)	832.1	63.5	564.0	53.4
	996.3	230.8	281.1	101.4	80.2	25.3	2,191.7	548.5	750.9	241.7	-	(0.9)	1,439.7	306.8	1,113.9	264.7
	991.3	127.4	179.1	121.9	150.1	21.9	2,739.9	557.3	574.6	211.2	10.1	1.1	2,152.2	344.3	1,478.9	223.9
	984.4	127.3	177.4	121.9	148.4	20.9	2,709.2	545.6	553.0	200.9	10.2	0.8	2,143.0	343.4	1,472.9	223.5
	3,400.5	1,017.1	1,453.3	145.4	304.8	60.7	13,426.5	2,936.4	3,941.7	1,024.7	0.1	(32.2)	9,479.6	1,921.7	7,317.2	1,623.5
	3,300.4	968.4	1,453.3	145.4	297.8	58.4	12,306.5	2,686.7	3,331.8	875.3	0.2	(32.2)	8,970.7	1,822.0	6,883.3	1,533.6
	3,429.9	1,209.0	545.9	206.6	515.7	(54.0)	14,227.9	4,190.2	4,032.5	1,975.4	(45.9)	(1.4)	10,499.0	2,088.3	7,392.1	1,365.5
	3,370.2	1,172.8	545.9	206.5	404.3	(108.7)	13,448.6	3,848.0	3,697.8	1,817.7	(31.7)	0.7	10,038.1	1,901.6	7,007.2	1,208.2
	1,591.3	548.2	755.1	254.3	81.8	9.2	4,099.6	1,185.2	923.2	390.4	21.1	2.7	3,273.4	784.5	2,283.8	553.3
	1,539.9	543.4	756.4	253.8	76.2	8.0	4,002.1	1,165.3	870.8	375.9	21.6	2.4	3,227.8	779.3	2,249.6	550.6
	2,501.2	850.8	1,080.8	23.4	490.0	82.9	11,264.9	2,677.7	3,687.5	1,232.8	253.0	544.6	7,794.1	700.4	5,560.1	457.4
	2,487.3	854.2	1,080.8	23.4	482.5	78.4	10,470.7	2,453.8	3,177.1	1,079.7	253.0	545.6	7,499.3	626.5	5,353.3	411.4
	939.8	41.8	(2.9)	89.8	49.5	21.1	1,848.2	377.4	593.2	178.4	1.0	(5.9)	1,257.3	201.9	885.7	137.7
	-	-	-	-	24.9	7.7	621.0	130.5	186.4	77.5	(2.8)	3.1	437.5	56.1	271.6	30.7

RMB' million	Profit and loss						
	Net brokerage commission income		Net underwriting and sponsorship commission income		Net asset management income		
	2007	2006	2007	2006	2007	2006	
55a Hongta Securities (consol) 红塔证券(合并)	466.5	N/A	13.8	N/A	19.7	N/A	
55b Hongta Securities (company) 红塔证券(母公司)	466.5	101.5	13.8	0.3	19.7	2.2	
56a Hongyuan Securities (consol) 宏源证券(合并) *	2,212.1	269.6	41.1	26.9	-	0.9	
56b Hongyuan Securities (company) 宏源证券(母公司) *	2,212.1	269.6	41.1	26.9	-	0.9	
57a Hua An Securities (consol) 华安证券(合并)	1,392.6	293.7	0.7	0.4	-	-	
57b Hua An Securities (company) 华安证券(母公司)	1,392.6	293.7	0.7	0.4	-	-	
58 HuaChuang Securities 华创证券	482.9	62.3	-	-	-	-	
59 Huarong Securities 华融证券 N1	289.2	N/A	-	N/A	-	N/A	
60a Huatai Securities (consol) 华泰证券(合并)	8,144.9	1,302.8	325.0	53.1	225.0	42.5	
60b Huatai Securities (company) 华泰证券(母公司)	5,078.8	1,000.2	245.6	29.4	225.0	42.5	
61a Industrial Securities (consol) 兴业证券(合并)	2,207.6	460.0	57.9	37.3	10.9	0.5	
61b Industrial Securities (company) 兴业证券(母公司)	2,216.2	462.7	57.9	37.3	10.9	0.5	
62 Jianghai Securities 江海证券	684.5	116.8	-	-	-	-	
63 Minmetals Securities 五矿证券	37.4	9.8	-	-	-	-	
64 Minsheng Securities 民生证券	1,019.8	200.0	25.5	2.3	-	29.1	
65a Nanjing Securities (consol) 南京证券(合并)	1,278.9	243.0	7.7	7.3	-	-	
65b Nanjing Securities (company) 南京证券(母公司)	1,276.7	243.0	7.7	7.3	-	-	
66 New Times Securities 新时代证券	574.7	134.6	17.6	2.0	-	-	
67a Northeast Securities (consol) 东北证券(合并) *	1,627.4	324.4	29.4	12.1	-	-	
67b Northeast Securities (company) 东北证券(母公司) *	1,627.4	324.4	29.4	12.1	-	-	
68a Orient Securities (consol) 东方证券(合并)	2,469.3	559.1	108.5	6.7	700.6	303.3	
68b Orient Securities (company) 东方证券(母公司)	2,469.2	559.1	108.5	6.7	700.6	303.3	
69 Pacific Securities 太平洋证券 *	450.5	87.6	8.5	-	-	-	
70a Ping An Securities (consol) 平安证券(合并)	1,390.7	322.7	280.0	108.2	0.2	-	
70b Ping An Securities (company) 平安证券(母公司)	1,386.5	320.2	280.0	108.2	0.2	-	
71a Qilu Securities (consol) 齐鲁证券(合并)	3,753.6	191.2	2.9	0.1	-	-	
71b Qilu Securities (company) 齐鲁证券(母公司)	3,753.6	191.2	2.9	0.1	-	-	
72 Rising Securities 日信证券	83.4	15.7	-	0.5	-	-	
73 S&E Securities 联讯证券	496.5	109.0	-	-	-	-	
74a Sealand Securities (consol) 国海证券(合并)	1,897.6	384.3	34.3	36.7	-	-	
74b Sealand Securities (company) 国海证券(母公司)	1,563.4	351.1	34.3	36.7	-	-	
75 Shaanxi Kaiyuan Securities 陕西开源证券	50.9	11.0	-	-	-	-	
76 Shanghai Far East Securities 上海远东证券	339.8	66.8	2.1	0.7	-	-	
77a Shanghai Securities (consol) 上海证券(合并)	1,668.7	231.3	3.7	1.9	6.5	-	
77b Shanghai Securities (company) 上海证券(母公司)	1,668.7	231.3	2.2	0.9	6.5	-	
78a Shanxi Securities (consol) 山西证券(合并)	1,009.1	202.8	74.3	8.2	-	-	
78b Shanxi Securities (company) 山西证券(母公司)	1,009.1	202.8	74.3	8.2	-	-	
79 Shenyang Chenghao Securities 沈阳诚浩证券	124.4	34.6	-	-	-	-	
80a Shenyin & Wanguo Securities (consol) 申银万国证券(合并)	8,197.1	1,768.3	57.5	278.6	23.6	0.2	
80b Shenyin & Wanguo Securities (company) 申银万国证券(母公司)	7,990.9	1,676.0	57.5	272.9	23.6	0.2	

"*" denotes PRC listed securities companies

"#" denotes Sino-foreign joint venture companies

N1 Business commenced in 2007.

Profit and loss																
	Investment income		Fair value gain/ loss on trading and derivatives position		Net interest income		Operating income		Operating expense		Asset impairment charge / (write back)		Net profit before tax		Net profit after tax	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	1,097.4	N/A	500.9	N/A	48.0	N/A	2,162.7	N/A	407.1	N/A	(9.1)	N/A	1,763.9	N/A	1,193.0	N/A
	1,095.8	973.2	500.9	7.2	47.7	17.4	2,158.5	1,114.7	404.2	245.5	(9.1)	(0.3)	1,762.0	870.4	1,191.7	652.8
	1,531.6	223.6	393.6	118.9	133.8	25.4	4,435.1	743.5	1,120.7	307.8	82.4	73.2	3,225.6	353.2	2,038.3	319.4
	1,514.7	220.6	389.0	114.3	133.2	25.2	4,343.9	703.9	1,048.1	276.0	60.5	46.7	3,228.7	372.3	2,043.6	332.8
	324.0	194.2	27.2	0.7	48.8	(10.4)	1,797.7	496.6	455.2	170.8	14.0	(12.6)	1,301.8	323.6	807.5	210.4
	324.0	194.2	27.2	0.7	48.8	(10.4)	1,796.1	495.8	453.9	169.9	14.0	(12.6)	1,301.5	323.7	807.5	210.6
	-	-	-	-	17.8	5.1	501.6	68.0	193.6	52.8	(15.3)	(1.8)	329.8	17.9	191.7	7.4
	11.8	N/A	-	N/A	19.7	N/A	323.1	N/A	134.3	N/A	-	N/A	188.8	N/A	113.5	N/A
	3,234.1	880.5	548.3	50.2	428.2	103.5	13,360.2	2,692.3	4,622.2	1,351.0	237.2	107.7	8,485.4	1,216.4	6,014.2	738.2
	2,721.9	851.0	510.4	39.5	261.3	74.4	9,460.2	2,153.8	2,771.0	921.6	20.9	17.4	6,652.5	1,200.2	4,739.8	766.0
	1,575.0	236.9	502.4	63.3	183.1	46.7	4,860.3	935.9	1,492.6	431.4	(4.7)	7.1	3,372.7	429.6	2,109.7	245.8
	1,501.9	216.9	502.4	63.3	179.8	46.3	4,494.6	866.7	1,382.1	379.9	(4.7)	7.1	3,113.3	410.1	1,919.0	226.3
	-	-	-	-	56.0	10.6	749.0	129.5	296.9	93.5	(6.6)	(5.7)	459.5	40.8	280.2	32.0
	-	-	-	-	3.5	2.2	40.5	11.7	30.4	18.2	(0.1)	(0.9)	11.2	(3.0)	11.2	(3.0)
	184.3	43.2	9.3	(8.1)	39.1	15.1	1,289.2	298.4	336.9	144.2	91.3	(4.7)	851.1	170.1	543.7	173.2
	765.1	107.7	96.7	14.6	96.1	26.8	2,247.3	403.5	559.8	195.3	9.0	1.1	1,676.2	206.7	1,126.1	120.1
	765.1	107.7	96.7	14.6	95.7	26.8	2,244.7	403.5	556.7	195.3	9.0	1.1	1,676.7	206.7	1,126.6	120.1
	584.0	52.1	25.5	32.7	37.3	12.5	1,225.7	217.8	375.4	125.5	2.9	0.3	846.7	91.9	686.5	54.7
	660.4	(103.9)	65.0	149.4	73.4	13.3	2,548.1	448.4	832.3	310.8	37.1	4.5	1,684.7	136.7	1,113.8	85.3
	652.1	(102.4)	65.0	149.4	71.4	12.2	2,524.1	434.7	811.9	298.9	33.8	2.8	1,684.4	136.6	1,116.1	86.1
	3,066.4	1,064.4	1,988.4	740.7	129.7	26.2	8,485.0	2,742.6	2,331.7	625.4	(19.6)	16.6	6,226.5	2,055.4	4,303.2	1,421.4
	3,065.9	1,064.4	1,988.4	740.7	129.5	26.2	8,484.2	2,742.6	2,331.6	625.4	(19.6)	16.6	6,225.8	2,055.4	4,302.5	1,421.4
	498.2	73.4	56.5	56.1	32.7	12.3	1,052.0	231.4	302.2	103.4	0.1	(0.6)	749.4	131.9	609.2	131.9
	1,007.8	262.1	146.1	76.5	103.4	37.4	3,194.5	1,271.4	1,301.5	544.5	3.1	2.2	1,888.2	728.5	1,492.5	603.0
	1,002.3	260.4	146.1	76.4	102.2	36.2	3,183.6	1,266.0	1,293.9	539.8	3.1	2.2	1,884.5	727.7	1,489.2	602.3
	733.5	5.2	336.9	0.1	186.3	20.2	5,141.6	296.1	1,761.4	165.0	(14.2)	24.3	3,377.3	77.2	2,106.7	41.9
	731.9	5.2	336.9	0.1	179.9	20.0	5,041.6	295.0	1,682.0	163.3	(14.7)	24.2	3,356.6	79.1	2,088.1	43.8
	126.4	5.6	22.3	-	11.0	9.2	245.7	32.4	55.7	18.1	-	(0.1)	190.0	14.4	142.8	8.9
	-	-	-	-	20.6	7.5	518.9	117.0	200.8	68.3	9.0	2.7	308.9	45.9	196.4	36.0
	246.3	61.9	22.8	(0.9)	49.7	21.0	2,286.3	527.0	1,081.6	367.8	1.0	54.2	1,143.7	104.7	722.6	59.7
	246.2	61.9	22.8	(0.9)	47.0	20.6	1,949.7	493.5	899.4	309.0	1.0	54.2	989.3	130.3	615.4	78.4
	4.7	-	-	-	3.0	0.6	58.6	11.6	26.5	10.4	-	(0.6)	32.1	1.9	17.5	0.7
	472.1	20.8	251.5	162.2	15.8	8.6	1,087.1	261.9	283.9	98.1	-	(0.1)	793.8	165.6	742.9	112.0
	1,218.8	253.4	327.8	123.1	133.7	40.8	3,375.8	659.5	1,002.6	300.3	0.4	(0.3)	2,388.2	365.0	1,509.5	250.0
	1,192.7	236.9	352.4	121.8	126.3	39.5	3,364.4	635.6	968.5	269.8	0.2	(0.3)	2,412.5	370.1	1,533.5	255.1
	449.1	9.5	143.5	72.8	61.8	29.5	1,744.4	327.4	413.1	187.9	18.0	(0.1)	1,312.1	138.3	834.6	82.7
	448.6	3.7	143.5	72.8	61.4	29.0	1,739.8	320.8	408.4	185.8	18.0	(0.1)	1,312.3	133.9	834.8	78.4
	3.0	8.2	-	-	7.8	3.0	136.6	46.2	55.8	33.1	1.1	1.1	77.5	10.5	47.2	7.8
	3,093.9	(437.1)	671.9	1,444.0	831.2	233.5	13,490.2	3,484.2	4,062.4	1,653.1	(10.2)	37.7	9,381.7	1,789.1	5,980.5	1,580.3
	2,966.6	(503.6)	702.9	1,407.9	721.4	181.0	12,470.5	3,074.6	3,472.2	1,389.0	(10.9)	39.6	8,950.3	1,640.3	5,635.7	1,439.8

RMB' million	Profit and loss					
	Net brokerage commission income		Net underwriting and sponsorship commission income		Net asset management income	
	2007	2006	2007	2006	2007	2006
81a SINOLINK Securities (consol) 国金证券(合并)*	662.6	138.5	42.2	0.5	-	-
81b SINOLINK Securities (company) 国金证券(母公司)*	660.5	138.5	42.2	0.5	-	-
82a SooChow Securities (consol) 东吴证券(合并)	1,577.1	303.4	48.2	12.8	-	-
82b SooChow Securities (company) 东吴证券(母公司)	1,577.1	303.4	48.2	12.8	-	-
83 South China Securities 江南证券	650.2	152.5	-	3.7	-	-
84 Southwest Securities 西南证券	1,115.9	277.8	159.7	39.8	-	-
85 Stockfly Securities 航空证券	283.7	63.1	-	-	-	-
86 Sun Securities 泰阳证券	2,163.4	430.3	-	5.3	-	-
87a Tebon Securities (consol) 德邦证券(合并)	361.5	75.9	52.7	21.5	-	-
87b Tebon Securities (company) 德邦证券(母公司)	361.5	75.9	52.7	21.5	-	-
88 TeamRise Securities 天源证券	169.9	32.6	-	-	-	-
89 Tianfeng Securities 天风证券	182.4	38.1	-	-	-	-
90 UBS Securities 瑞银证券	2.1	-	824.9	-	-	-
91 United Securities 联合证券	2,613.5	538.2	79.6	96.4	-	-
92 Wanhe Securities 万和证券	145.2	36.5	-	-	-	-
93 Wanlian Securities 万联证券	806.8	169.6	1.7	0.3	-	-
94 West China Securities 华西证券	2,167.8	428.6	3.9	47.2	-	-
95 Western Securities 西部证券	1,514.0	214.3	0.9	1.0	112.3	123.8
96a Xiamen Securities (consol) 厦门证券(合并)	327.7	65.0	-	-	-	-
96b Xiamen Securities (company) 厦门证券(母公司)	327.7	65.0	-	-	-	-
97 Xian Huahong Securities 西安华弘证券	100.3	24.7	-	-	-	-
98a Xiangcai Securities (consol) 湘财证券(合并)	1,374.1	351.8	-	0.3	-	-
98b Xiangcai Securities (company) 湘财证券(母公司)	1,374.1	355.9	-	-	-	-
99a Xintai Securities (consol) 信泰证券(合并)	802.8	147.2	-	-	-	-
99b Xintai Securities (company) 信泰证券(母公司)	802.8	147.2	-	-	-	-
100 XiZang Securities 西藏证券	154.3	26.1	-	-	-	-
101 Yingda Securities 英大证券	570.9	145.3	-	-	-	-
102 Yintai Securities 银泰证券	213.1	16.7	-	-	-	-
103a Zhesang Securities (consol) 浙商证券(合并)	1,744.3	N/A	9.8	N/A	-	N/A
103b Zhesang Securities (company) 浙商证券(母公司)	1,744.3	304.3	9.8	0.1	-	-
104 Zhongcheng Securities 众成证券	243.0	57.3	-	-	-	-
105 Zhongshan Securities 中山证券	565.0	138.2	1.5	0.2	-	-
106 Zhongtian Securities 中天证券	370.3	84.1	-	-	-	-
Total (consol)	180,676.5	33,614.2	10,195	3,777.3	4,569.1	1,293.7
Total (company)	164,102.5	30,447.7	9,270.7	3,578.8	3,130.9	917.6

“*” denotes PRC listed securities companies

“#” denotes Sino-foreign joint venture companies

Profit and loss																
	Investment income		Fair value gain/ loss on trading and derivatives position		Net interest income		Operating income		Operating expense		Asset impairment charge / (write back)		Net profit before tax		Net profit after tax	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	568.7	176.9	62.8	3.0	38.7	13.2	1,524.2	350.9	434.0	125.7	1.6	-	1,090.1	230.3	738.6	144.6
	568.1	176.9	62.8	3.0	38.4	13.2	1,521.3	350.9	431.6	125.7	1.6	-	1,089.5	230.3	738.5	144.6
	333.0	21.5	147.5	12.4	109.9	33.8	2,234.2	400.6	811.5	244.1	0.1	-	1,419.8	179.3	1,011.3	174.4
	329.4	21.5	147.1	12.4	109.7	33.8	2,228.9	400.6	807.0	244.1	0.1	-	1,418.9	179.3	1,010.7	174.4
	58.9	-	-	-	(225.6)	9.8	496.2	174.4	482.0	136.1	(59.7)	(8.2)	64.2	45.0	23.4	30.2
	756.2	31.9	12.2	-	89.4	20.6	2,169.0	375.9	681.8	276.0	(5.1)	(128.8)	1,440.4	287.3	973.0	152.6
	26.6	2.6	21.6	(0.9)	14.8	3.6	351.4	68.3	157.2	63.5	(5.0)	(12.2)	162.4	(10.6)	111.2	(3.7)
	34.9	(25.8)	67.1	129.6	66.8	(5.6)	2,348.7	541.4	573.4	261.1	196.3	40.2	1,577.5	248.3	1,086.3	222.3
	630.5	121.3	(9.9)	15.5	40.1	23.0	1,115.5	287.6	349.7	108.1	-	(1.7)	758.3	172.1	503.9	114.6
	630.5	121.3	(9.9)	15.5	40.0	23.0	1,115.4	287.6	349.3	108.1	-	(1.7)	758.6	172.1	504.2	114.6
	-	-	-	-	5.8	1.6	176.0	35.9	70.9	44.3	(0.5)	8.7	105.6	(19.3)	75.1	(17.1)
	-	-	-	-	5.7	1.8	187.3	40.5	87.0	39.9	6.0	0.1	94.1	0.3	74.0	0.3
	44.9	-	(8.7)	-	(13.4)	-	998.1	-	575.7	-	449.9	-	(14.2)	-	(259.1)	-
	521.9	55.4	38.1	10.7	159.6	33.7	3,868.9	738.4	1,806.9	483.3	216.1	234.2	1,844.3	17.1	1,294.1	14.3
	-	-	-	-	7.6	2.5	152.4	38.7	64.8	34.8	-	1.2	86.9	2.8	59.2	2.2
	135.5	45.9	136.9	8.4	37.3	17.7	1,150.4	252.5	405.0	168.5	-	5.1	744.0	76.1	485.9	38.6
	258.1	277.2	23.9	91.8	87.4	12.3	2,557.5	912.2	877.3	366.4	(43.3)	(7.4)	1,690.5	551.7	1,000.4	345.8
	806.5	951.6	85.7	10.5	95.9	21.7	2,638.2	1,335.2	645.0	293.8	0.9	8.7	1,993.3	1,032.5	1,259.5	665.4
	3.4	-	-	-	29.5	5.9	360.8	71.3	166.2	43.4	0.3	0.1	194.0	27.6	114.8	22.0
	3.4	-	-	-	29.5	5.8	360.8	71.2	166.1	43.3	0.3	0.1	194.1	27.7	114.8	22.1
	-	(0.4)	-	-	13.6	8.3	114.4	32.6	46.2	24.6	-	(1.1)	68.3	8.9	40.1	4.0
	115.5	272.6	10.8	-	43.0	(56.3)	1,643.0	602.4	694.6	290.0	83.6	(44.4)	885.5	345.6	885.3	345.6
	106.4	269.7	10.8	-	42.5	(63.0)	1,625.1	580.4	680.3	267.7	83.6	(44.4)	881.9	345.9	881.9	345.9
	541.6	54.8	1.1	14.4	53.8	23.3	1,441.5	243.7	466.6	130.6	(40.7)	0.8	1,008.4	102.2	630.2	83.6
	538.8	54.8	-	14.4	52.4	23.3	1,410.5	243.7	439.7	130.6	(40.7)	0.8	1,004.3	102.2	628.0	83.6
	-	-	-	-	11.3	2.7	166.5	28.8	65.4	25.7	-	-	101.2	3.8	101.2	3.8
	223.5	-	13.0	-	40.2	11.5	846.7	157.6	335.0	125.0	(0.1)	(0.6)	500.4	22.6	395.0	14.0
	-	-	-	-	14.6	3.3	227.9	20.1	110.8	15.0	0.1	-	120.9	5.2	81.4	5.4
	258.0	N/A	179.3	N/A	77.3	N/A	2,281.3	N/A	628.2	N/A	-	N/A	1,520.8	N/A	1,158.7	N/A
	257.9	55.4	176.6	93.5	75.9	19.0	2,266.9	477.5	610.5	199.6	-	4.8	1,524.0	273.1	1,163.1	175.7
	-	-	-	-	11.7	3.9	257.6	61.8	103.0	43.8	-	-	154.3	18.1	106.4	11.6
	32.8	-	-	-	(54.6)	(12.7)	547.3	129.1	256.9	104.6	(9.6)	3.8	301.9	30.0	231.2	30.4
	542.9	124.2	233.0	165.9	17.7	6.7	1,163.9	382.5	185.1	80.9	11.4	2.5	990.1	298.4	708.1	234.6
	74,317.2	16,794.3	19,633.1	6,208.9	10,805.4	2,245.5	315,120.5	69,628.9	108,172.6	33,132.7	1,687.9	884.8	206,229.4	34,632.6	141,067.5	25,381.8
	70,573.6	17,227.6	19,670.4	6,090.5	9,503.1	1,802.9	283,539.7	63,968.3	92,791.6	28,925.7	1,460.8	628.2	190,163.1	33,432.9	130,661.6	24,572.8

Financial highlights – balance sheet

RMB 'million	Number of branches		Balance sheet				
			Total assets		Client monies held in segregated accounts		
	2007	2006	2007	2006	2007	2006	
1 Aerospace Securities 航天证券	2	2	1,054	303	726	37	
2 Aijian Securities 爱建证券	15	15	4,687	2,346	3,250	1,484	
3a Beijing Gao Hua Securities (consol) 北京高华证券(合并)	N/A	N/A	3,510	2,232	37	-	
3b Beijing Gao Hua Securities (company) 北京高华证券(母公司)	2	2	1,813	1,563	37	-	
4a BOC International (China) (consol) 中银国际证券(合并) #	N/A	N/A	21,810	6,999	15,181	2,966	
4b BOC International (China) (company) 中银国际证券(母公司) #	20	20	21,632	6,970	15,181	2,966	
5a Bohai Securities (consol) 渤海证券(合并)	N/A	N/A	12,799	6,165	7,912	3,570	
5b Bohai Securities (company) 渤海证券(母公司)	31	N/A	12,735	6,117	7,907	3,570	
6 Caida Securities 河北财达证券	45	16	13,482	2,180	8,262	693	
7a Caitong Securities (consol) 财通证券(合并)	N/A	N/A	10,983	N/A	6,848	N/A	
7b Caitong Securities (company) 财通证券(母公司)	25	24	8,785	4,183	5,971	3,043	
8 Capital Securities 首创证券	8	8	4,570	2,227	2,490	734	
9a Central China Securities (consol) 中原证券(合并)	N/A	N/A	10,595	4,081	6,255	1,062	
9b Central China Securities (company) 中原证券(母公司)	N/A	N/A	10,535	4,081	6,236	1,062	
10 Century Securities 世纪证券	15	15	3,218	1,539	2,074	881	
11 Changcai Securities 长财证券	10	10	2,251	1,011	1,803	238	
12 Changjiang Financing Services 长江证券承销保荐	N/A	N/A	148	625	-	-	
13a Changjiang Securities (consol) 长江证券(合并) *	N/A	N/A	25,221	10,482	14,228	6,031	
13b Changjiang Securities (company) 长江证券(母公司) *	56	N/A	24,996	10,102	14,144	5,958	
14 China Dragon Securities 华龙证券	22	22	4,008	2,560	2,033	693	
15 China Euro Securities 华欧国际证券 #	N/A	N/A	529	532	-	-	
16 China Fortune Securities 华鑫证券	21	21	6,401	2,926	5,180	2,390	
17 China Galaxy Securities 中国银河证券	167	N/A	94,422	N/A	68,061	N/A	
18a China International Capital Corporation (consol) 中国国际金融(合并) #	N/A	N/A	30,557	13,668	15,211	4,277	
18b China International Capital Corporation (company) 中国国际金融(母公司) #	3	N/A	24,137	8,008	13,656	2,046	
19 China Jianyin Investment Securities 中国建银投资证券	74	74	37,851	13,233	27,590	10,537	
20a China Merchants Securities (consol) 招商证券(合并)	N/A	N/A	81,392	19,756	62,601	13,080	
20b China Merchants Securities (company) 招商证券(母公司)	69	52	77,965	18,918	59,427	12,281	
21 China Minzu Securities 中国民族证券	38	38	11,737	4,737	9,060	3,857	
22a China Securities (consol) 中信建投证券(合并)	N/A	N/A	63,794	23,295	48,655	8,655	
22b China Securities (company) 中信建投证券(母公司)	N/A	N/A	63,722	23,223	48,645	8,643	
23 Chinalion Securities 华林证券	11	11	4,612	2,383	3,293	287	
24 Chuancai Securities 川财证券	6	6	651	312	247	176	
25 Cinda Securities 信达证券 N1	42	N/A	10,672	N/A	7,445	N/A	
26 CITIC-Kington Securities 中信金通证券	19	20	15,499	5,541	10,959	4,347	
27a CITIC Securities (consol) 中信证券(合并) *	N/A	N/A	189,654	63,921	105,067	29,297	
27b CITIC Securities (company) 中信证券(母公司) *	169	166	98,696	31,221	37,877	13,072	

*** denotes PRC listed securities companies

denotes Sino-foreign joint venture companies

N1 Business commenced in 2007.

Balance sheet														
	Trading and derivatives financial assets		Available-for-sale and held-to-maturity financial assets		Long term investment		Trading and derivatives financial liabilities		Short-term, long-term loans and subordinated debts		Paid-up share capital		Reserves	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	-	-	-	-	-	-	-	-	40	-	200	200	(82)	(118)
	428	8	-	-	-	-	-	-	-	-	1,100	1,100	(40)	(369)
	537	619	-	-	-	-	-	-	550	-	1,072	1,072	270	(43)
	537	619	-	-	536	536	-	-	50	-	1,072	1,072	184	(68)
	1,615	2,148	121	20	-	16	-	-	-	-	1,500	1,500	1,167	290
	1,615	2,148	100	-	67	83	-	-	-	-	1,500	1,500	1,134	308
	407	205	1,014	143	43	54	-	-	-	33	2,227	2,227	167	(1,102)
	398	194	1,014	143	115	103	-	-	-	-	2,227	2,227	171	(1,088)
	-	-	-	-	-	-	-	-	-	25	670	670	845	(15)
	1	N/A	64	N/A	59	N/A	-	N/A	-	-	782	N/A	646	N/A
	-	-	64	26	152	1	-	-	-	-	782	782	629	(101)
	860	190	83	-	82	18	-	-	-	-	650	650	581	137
	562	89	489	31	1	1	-	-	-	-	1,034	1,034	1,284	48
	562	89	489	31	50	1	-	-	-	-	1,034	1,034	1,284	48
	-	-	15	11	68	68	-	-	10	232	700	1,741	24	(1,845)
	-	-	-	-	2	2	-	-	-	10	56	56	208	60
	128	348	-	-	-	-	-	-	-	-	100	600	19	17
	2,149	1,466	1,886	429	114	65	207	181	-	-	1,675	2,000	4,229	484
	2,021	1,118	1,886	423	329	482	207	181	-	-	1,675	2,000	4,214	476
	194	1	-	-	46	37	-	-	45	102	1,576	1,577	(641)	(951)
	-	-	-	-	-	-	-	-	-	-	500	500	10	13
	-	21	99	31	1	1	-	-	-	-	1,000	1,000	(74)	(604)
	748	N/A	695	N/A	27	N/A	-	N/A	-	N/A	6,000	N/A	5,354	N/A
	6,973	3,051	60	-	-	-	10	107	-	-	1,037	1,037	2,782	1,880
	6,959	2,867	60	-	91	41	7	107	-	-	1,037	1,037	1,466	471
	337	16	1,270	153	-	-	195	-	-	-	1,500	1,500	3,318	224
	2,045	1,757	1,058	200	568	145	352	167	47	-	3,227	3,227	4,348	939
	2,045	1,756	1,013	200	981	439	352	167	-	-	3,227	3,227	4,218	946
	400	156	6	10	-	-	-	-	-	-	1,394	1,394	(277)	(862)
	785	953	294	-	-	-	-	-	-	-	2,700	2,700	2,665	120
	785	953	292	-	172	57	-	-	-	-	2,700	2,700	2,665	126
	405	-	-	-	-	72	-	-	-	-	807	807	183	(144)
	-	-	-	-	1	1	-	-	18	18	93	93	11	(37)
	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	1,511	N/A	427	N/A
	-	6	13	3	-	-	-	-	-	-	885	885	579	(549)
	2,772	1,937	12,906	2,721	639	1,186	1,867	249	150	251	3,315	2,982	48,284	9,510
	1,821	838	10,846	2,543	5,427	3,722	1,867	249	-	-	3,315	2,982	42,964	8,928

RMB 'million	Number of branches		Balance sheet				
			Total assets		Client monies held in segregated accounts		
	2007	2006	2007	2006	2007	2006	
28 CITIC Wantong Securities 中信万通证券	18	18	9,160	3,718	6,460	2,370	
29 Daiwa SMBC-SSC Securities 海际大和证券 #	N/A	N/A	462	482	-	-	
30 Daton Securities 大通证券	19	19	5,984	2,599	4,028	742	
31 Datong Securities 大同证券	10	10	2,868	1,312	1,277	342	
32a Dongguan Securities (consol) 东莞证券(合并)	N/A	N/A	11,401	4,557	6,882	2,865	
32b Dongguan Securities (company) 东莞证券(母公司)	10	10	11,307	4,557	6,866	2,865	
33a Donghai Securities (consol) 东海证券(合并)	N/A	N/A	14,630	4,536	8,775	2,203	
33b Donghai Securities (company) 东海证券(母公司)	25	19	14,159	4,536	8,522	2,203	
34a Essence Securities (consol) 安信证券(合并)	N/A	N/A	31,330	14,731	24,374	5,440	
34b Essence Securities (company) 安信证券(母公司)	91	91	31,314	14,731	24,372	5,440	
35a Everbright Securities (consol) 光大证券(合并) #	N/A	N/A	53,869	14,065	36,882	7,372	
35b Everbright Securities (company) 光大证券(母公司) #	76	N/A	53,131	14,035	36,662	7,372	
36 First Capital Securities 第一创业证券	N/A	N/A	6,427	2,364	2,671	936	
37a Fortune Securities (consol) 财富证券(合并)	N/A	N/A	8,733	4,035	4,952	1,094	
37b Fortune Securities (company) 财富证券(母公司)	15	15	8,474	3,828	4,921	1,089	
38 Fortune Securities Brokerage 华宝证券经纪	6	N/A	3,769	899	2,781	105	
39 Founder Securities 方正证券	N/A	N/A	10,451	4,266	7,274	2,928	
40 GF Huafu Securities 广发华福证券	20	21	9,746	3,879	5,962	2,982	
41a GF Securities (consol) 广发证券(合并)	N/A	N/A	97,430	35,238	63,789	18,007	
41b GF Securities (company) 广发证券(母公司)	145	108	85,497	30,783	57,109	14,736	
42 Golden Sun Securities 国盛证券	N/A	20	4,639	1,871	3,248	1,341	
43 Goldman Sachs Gao Hua Securities 高盛高华证券 #	N/A	N/A	2,235	1,209	-	-	
44a Goldstate Securities (consol) 金元证券(合并)	N/A	N/A	7,255	4,867	4,603	2,467	
44b Goldstate Securities (company) 金元证券(母公司)	22	22	6,989	4,719	4,544	3,135	
45a Great Wall Securities (consol) 长城证券(合并)	N/A	N/A	16,239	4,619	8,237	2,609	
45b Great Wall Securities (company) 长城证券(母公司)	24	24	15,538	4,477	8,223	2,609	
46 Guangzhou Securities 广州证券	12	N/A	6,631	3,065	4,597	2,134	
47 GuoDu Securities 国都证券	19	19	15,518	4,647	11,885	2,764	
48a Guolian Securities (consol) 国联证券(合并)	N/A	N/A	11,896	6,015	7,671	4,086	
48b Guolian Securities (company) 国联证券(母公司)	15	13	11,720	5,917	7,627	4,060	
49a Guosen Securities (consol) 国信证券(合并)	N/A	N/A	65,640	14,756	46,779	8,768	
49b Guosen Securities (company) 国信证券(母公司)	42	N/A	64,642	14,419	46,779	8,768	
50a Guotai Junan Securities (consol) 国泰君安证券(合并)	N/A	N/A	111,589	40,465	67,132	27,209	
50b Guotai Junan Securities (company) 国泰君安证券(母公司)	113	113	105,367	38,289	62,766	25,823	
51a Guoyuan Securities (consol) 国元证券(合并) *	N/A	N/A	18,944	8,236	11,159	2,373	
51b Guoyuan Securities (company) 国元证券(母公司) *	48	35	18,601	8,067	10,992	2,322	
52a Haitong Securities (consol) 海通证券(合并) *	N/A	N/A	95,345	23,849	50,161	18,320	
52b Haitong Securities (company) 海通证券(母公司) *	123	92	94,573	23,627	50,066	18,309	
53 Hengtai Securities 恒泰证券	23	23	7,167	3,110	3,577	1,132	

“*” denotes PRC listed securities companies

“#” denotes Sino-foreign joint venture companies

Balance sheet														
	Trading and derivatives financial assets		Available-for-sale and held-to-maturity financial assets		Long term investment		Trading and derivatives financial liabilities		Short-term, long-term loans and subordinated debts		Paid-up share capital		Reserves	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	42	139	328	175	-	3	-	-	-	-	800	800	691	62
	191	213	-	-	-	-	-	-	-	-	500	500	(43)	(20)
	89	-	-	-	57	30	-	-	-	-	1,200	500	380	(1)
	-	-	-	-	-	-	-	-	-	-	100	100	226	40
	968	202	-	-	1	-	-	-	200	-	550	550	797	62
	966	202	-	-	52	-	-	-	200	-	550	550	797	62
	957	482	313	338	1	-	112	130	-	-	1,010	1,010	1,859	229
	957	482	313	338	124	-	112	130	-	-	1,010	1,010	1,852	229
	644	114	385	-	1	-	-	-	-	-	1,510	1,510	1,600	124
	642	114	385	-	109	-	-	-	-	-	1,510	1,510	1,602	124
	3,939	1,269	1,886	450	50	25	355	21	-	150	2,898	2,445	7,113	1,231
	3,858	1,269	1,859	396	325	137	355	21	-	150	2,898	2,445	7,045	1,254
	790	559	33	74	237	75	51	-	-	-	747	747	543	170
	315	10	518	4	87	153	-	-	-	5	2,136	2,136	519	(25)
	315	10	518	4	783	778	-	-	-	5	2,136	2,136	513	(27)
	-	-	-	-	-	-	-	-	-	114	500	163	(5)	(234)
	-	1	196	92	260	37	-	-	-	-	603	603	1,057	184
	2	43	429	94	-	-	-	-	-	-	550	550	977	131
	5,571	2,540	4,717	1,306	420	156	322	205	171	171	2,000	2,000	12,241	2,416
	5,557	2,494	3,925	1,094	986	639	322	205	171	171	2,000	2,000	11,195	2,231
	215	-	235	53	-	-	-	-	85	85	593	502	318	(206)
	-	-	-	-	-	-	-	-	500	-	800	800	128	37
	213	21	36	56	1	1	-	-	15	16	900	800	696	204
	213	20	36	56	89	89	-	-	15	16	900	800	700	116
	1,396	494	551	211	369	119	-	-	-	-	2,067	925	4,012	(278)
	1,396	494	332	59	543	162	-	-	-	-	2,067	925	3,862	(304)
	38	37	249	153	32	17	-	-	-	-	817	817	366	(245)
	1,178	652	238	-	100	67	-	71	-	-	1,070	1,070	1,300	147
	824	471	101	199	100	47	67	-	-	-	1,000	1,000	1,257	343
	821	471	101	199	187	45	67	-	-	-	1,000	1,000	1,253	319
	4,316	447	2,679	993	15	13	96	106	-	-	2,000	2,000	9,089	1,730
	4,316	447	2,473	776	291	101	96	106	-	-	2,000	2,000	8,768	1,626
	5,572	2,218	20,074	3,861	174	262	179	381	2,368	2,151	4,700	4,700	18,714	(98)
	5,572	2,218	19,829	3,720	440	363	179	381	1,900	2,140	4,700	4,700	17,821	(631)
	3,056	1,179	185	140	486	360	157	204	-	-	1,464	2,030	3,704	470
	3,054	1,170	185	140	596	411	157	204	-	-	1,464	2,030	3,680	469
	3,537	710	2,767	588	321	604	377	-	-	-	4,114	8,734	32,518	(5,063)
	3,537	710	2,735	588	569	707	377	-	-	-	4,114	8,734	32,378	(5,099)
	1,012	376	-	-	-	-	-	-	-	-	656	656	1,014	194

RMB 'million		Number of branches		Balance sheet				
				Total assets		Client monies held in segregated accounts		
		2007	2006	2007	2006	2007	2006	
54	Hexing Securities 和兴证券	21	21	3,281	1,483	1,518	519	
55a	Hongta Securities (consol) 红塔证券(合并)	N/A	N/A	7,863	N/A	3,075	N/A	
55b	Hongta Securities (company) 红塔证券(母公司)	13	N/A	7,737	3,966	3,043	1,331	
56a	Hongyuan Securities (consol) 宏源证券(合并) *	N/A	N/A	22,800	7,862	9,873	2,068	
56b	Hongyuan Securities (company) 宏源证券(母公司) *	50	N/A	22,325	7,762	9,839	2,068	
57a	Hua An Securities (consol) 华安证券(合并)	N/A	N/A	8,781	4,329	6,008	2,467	
57b	Hua An Securities (company) 华安证券(母公司)	26	26	8,780	4,329	6,008	2,467	
58	HuaChuang Securities 华创证券	10	10	4,090	883	2,061	561	
59	Huarong Securities 华融证券 N1	21	N/A	5,267	N/A	2,217	N/A	
60a	Huatai Securities (consol) 华泰证券(合并)	N/A	N/A	77,867	27,713	44,629	16,876	
60b	Huatai Securities (company) 华泰证券(母公司)	82	82	49,022	20,177	21,351	11,186	
61a	Industrial Securities (consol) 兴业证券(合并)	N/A	N/A	20,893	7,340	13,617	5,812	
61b	Industrial Securities (company) 兴业证券(母公司)	24	24	20,425	7,262	13,599	5,812	
62	Jianghai Securities 江海证券	24	24	14,418	2,800	10,435	2,056	
63	Minmetals Securities 五矿证券	2	2	422	179	217	63	
64	Minsheng Securities 民生证券	15	15	6,934	2,848	4,941	1,721	
65a	Nanjing Securities (consol) 南京证券(合并)	N/A	N/A	13,268	5,018	5,861	3,152	
65b	Nanjing Securities (company) 南京证券(母公司)	38	38	13,224	5,018	5,837	3,152	
66	New Times Securities 新时代证券	22	22	5,194	2,174	3,216	1,457	
67a	Northeast Securities (consol) 东北证券(合并) *	N/A	N/A	13,410	5,820	9,185	4,007	
67b	Northeast Securities (company) 东北证券(母公司) *	46	N/A	13,291	5,671	9,126	3,940	
68a	Orient Securities (consol) 东方证券(合并)	N/A	N/A	35,355	15,645	19,837	9,644	
68b	Orient Securities (company) 东方证券(母公司)	57	N/A	35,350	15,645	19,832	9,644	
69	Pacific Securities 太平洋证券 *	11	10	4,933	1,462	1,733	724	
70a	Ping An Securities (consol) 平安证券(合并)	N/A	N/A	23,516	8,982	17,185	5,134	
70b	Ping An Securities (company) 平安证券(母公司)	22	22	23,410	8,919	17,150	5,121	
71a	Qilu Securities (consol) 齐鲁证券(合并)	N/A	N/A	32,938	4,548	18,193	1,977	
71b	Qilu Securities (company) 齐鲁证券(母公司)	87	30	32,476	4,457	18,040	1,951	
72	Rising Securities 日信证券	3	3	1,293	799	235	49	
73	S&E Securities 联讯证券	8	7	3,524	1,792	2,542	220	
74a	Sealand Securities (consol) 国海证券(合并)	N/A	N/A	12,380	4,232	7,433	2,618	
74b	Sealand Securities (company) 国海证券(母公司)	24	24	12,128	4,198	7,433	2,618	
75	Shaanxi Kaiyuan Securities 陕西开源证券	5	N/A	433	141	184	32	
76	Shanghai Far East Securities 上海远东证券	17	17	3,498	1,335	1,789	562	
77a	Shanghai Securities (consol) 上海证券(合并)	N/A	N/A	18,027	7,925	12,638	5,546	
77b	Shanghai Securities (company) 上海证券(母公司)	42	N/A	17,890	7,777	12,638	5,546	
78a	Shanxi Securities (consol) 山西证券(合并)	N/A	N/A	11,087	4,694	7,041	1,275	
78b	Shanxi Securities (company) 山西证券(母公司)	28	N/A	11,026	4,694	7,033	1,275	

"*" denotes PRC listed securities companies

"#" denotes Sino-foreign joint venture companies

N1 Business commenced in 2007.

Balance sheet														
	Trading and derivatives financial assets		Available-for-sale and held-to-maturity financial assets		Long term investment		Trading and derivatives financial liabilities		Short-term, long-term loans and subordinated debts		Paid-up share capital		Reserves	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	-	-	5	-	2	2	-	-	-	-	331	331	106	(74)
	744	N/A	1,693	N/A	-	N/A	114	N/A	41	N/A	1,387	N/A	2,456	N/A
	744	615	1,693	64	69	-	114	-	41	-	1,387	1,387	2,455	864
	532	249	841	315	7	6	228	-	135	281	1,461	1,461	4,538	2,209
	524	237	409	181	308	195	228	-	135	272	1,461	1,461	4,288	2,187
	542	15	-	-	129	64	-	-	200	200	2,205	2,205	(187)	(1,022)
	542	15	-	-	130	65	-	-	200	200	2,205	2,205	(187)	(1,022)
	-	-	-	-	-	-	-	-	-	-	200	200	153	(39)
	-	N/A	875	N/A	-	N/A	-	N/A	-	N/A	1,510	N/A	155	N/A
	3,075	702	1,068	429	1,577	1,145	167	70	-	-	4,500	2,200	4,701	1,338
	2,750	614	822	345	4,396	1,860	167	70	-	-	4,500	2,200	3,810	1,293
	2,247	415	409	173	24	24	106	-	-	-	1,490	908	2,369	(8)
	2,247	415	265	84	145	96	106	-	-	-	1,490	908	2,222	(24)
	-	-	-	-	-	8	-	-	-	38	321	321	176	8
	-	-	-	-	-	-	-	-	-	-	160	160	(48)	(60)
	159	27	564	277	7	7	-	-	-	96	1,282	1,282	(174)	(746)
	493	199	469	196	1	1	158	-	-	-	1,022	1,022	1,371	216
	493	199	469	196	42	1	158	-	-	-	1,022	1,022	1,371	216
	762	149	-	-	135	-	-	-	-	-	522	522	673	(18)
	410	65	216	145	265	84	-	-	-	50	581	1,010	1,557	(417)
	410	65	216	145	424	165	-	-	-	50	581	1,010	1,561	(411)
	5,143	1,868	3,357	1,557	238	77	5	127	-	-	3,294	2,140	5,522	1,134
	5,143	1,868	3,357	1,557	350	77	5	127	-	-	3,294	2,140	5,522	1,134
	725	214	-	-	-	-	-	-	-	-	1,503	665	522	(85)
	2,078	1,341	429	-	-	-	99	88	-	-	1,800	1,800	1,904	262
	2,078	1,321	429	-	94	25	99	88	-	-	1,800	1,800	1,902	249
	949	2	374	109	1	2	168	-	-	-	2,212	2,212	2,068	(113)
	949	2	374	109	243	31	168	-	-	-	2,212	2,212	2,053	(113)
	173	2	-	-	-	-	-	-	-	-	600	600	148	5
	-	-	-	-	1	1	-	-	-	-	116	116	198	2
	575	5	56	-	-	-	-	-	-	-	800	800	245	(105)
	575	5	-	-	112	77	-	-	-	-	800	800	217	(78)
	-	-	-	5	-	-	-	-	-	-	114	50	28	(8)
	1,039	380	-	-	-	-	-	-	-	-	604	604	771	28
	1,883	984	540	178	1	11	86	74	-	-	1,500	1,500	1,804	72
	1,693	771	540	178	421	344	86	74	-	-	1,500	1,500	1,834	85
	145	73	199	121	1	31	86	-	-	-	1,304	1,304	909	39
	145	73	199	121	40	31	86	-	-	-	1,304	1,304	909	39

RMB 'million	Number of branches		Balance sheet				
			Total assets		Client monies held in segregated accounts		
	2007	2006	2007	2006	2007	2006	
79 Shenyang Chenghao Securities 沈阳诚浩证券	7	7	852	568	589	380	
80a Shenyin & Wanguo Securities (consol) 申银万国证券(合并)	N/A	N/A	80,663	38,245	56,735	29,751	
80b Shenyin & Wanguo Securities (company) 申银万国证券(母公司)	109	109	76,474	35,700	54,891	28,868	
81a SINOLINK Securities (consol) 国金证券 (合并)*	N/A	N/A	8,346	2,853	3,295	902	
81b SINOLINK Securities (company) 国金证券 (母公司)*	N/A	16	8,268	2,853	3,288	902	
82a SooChow Securities (consol) 东吴证券(合并)	N/A	N/A	13,771	5,323	6,907	4,558	
82b SooChow Securities (company) 东吴证券(母公司)	18	18	13,707	5,323	6,891	4,558	
83 South China Securities 江南证券	17	17	4,966	2,113	3,306	1,201	
84 Southwest Securities 西南证券	N/A	27	10,744	6,465	4,910	3,130	
85 Stockfly Securities 航空证券	5	5	2,175	971	1,353	254	
86 Sun Securities 泰阳证券	28	28	10,068	4,263	5,911	2,713	
87a Tebon Securities (consol) 德邦证券(合并)	N/A	N/A	4,727	2,573	2,719	1,000	
87b Tebon Securities (company) 德邦证券(母公司)	12	N/A	4,722	2,573	2,719	1,000	
88 TeemRise Securities 天源证券	11	10	1,211	359	805	75	
89 Tianfeng Securities 天风证券	8	7	983	412	383	198	
90 UBS Securities 瑞银证券	N/A	N/A	2,953	1,585	159	-	
91 United Securities 联合证券	38	38	22,957	8,052	19,079	5,690	
92 Wanhe Securities 万和证券	6	6	1,272	442	638	266	
93 Wanlian Securities 万联证券	21	N/A	5,708	2,699	1,989	896	
94 West China Securities 华西证券	30	30	12,999	4,857	4,226	1,819	
95 Western Securities 西部证券	34	22	12,676	5,240	7,448	1,618	
96a Xiamen Securities (consol) 厦门证券(合并)	N/A	N/A	2,896	1,178	2,485	987	
96b Xiamen Securities (company) 厦门证券(母公司)	6	6	2,889	1,171	2,485	987	
97 Xian Huahong Securities 西安华弘证券	4	4	1,119	762	87	103	
98a Xiangcai Securities (consol) 湘财证券(合并)	N/A	N/A	12,889	4,821	10,403	3,702	
98b Xiangcai Securities (company) 湘财证券(母公司)	31	31	12,804	4,804	10,375	3,693	
99a Xintai Securities (consol) 信泰证券(合并)	N/A	N/A	6,592	3,906	3,892	1,702	
99b Xintai Securities (company) 信泰证券(母公司)	N/A	N/A	6,432	3,793	3,836	1,664	
100 XiZang Securities 西藏证券	5	5	1,442	572	991	105	
101 Yingda Securities 英大证券	16	16	6,235	2,614	4,255	1,004	
102 Yintai Securities 银泰证券	11	11	1,813	1,040	1,410	830	
103a Zheshang Securities (consol) 浙商证券(合并)	N/A	N/A	11,058	N/A	6,148	N/A	
103b Zheshang Securities (company) 浙商证券(母公司)	20	20	10,438	3,298	5,923	1,434	
104 Zhongcheng Securities 众成证券	9	9	1,482	741	1,196	317	
105 Zhongshan Securities 中山证券	14	N/A	4,386	1,465	3,435	740	
106 Zhongtian Securities 中天证券	21	21	4,374	2,269	1,846	410	
Total (consol)			1,898,294	632,836	1,191,887	348,772	
Total (company)			1,733,697	585,022	1,081,204	324,432	

"*" denotes PRC listed securities companies

"#" denotes Sino-foreign joint venture companies

Balance sheet														
	Trading and derivatives financial assets		Available-for-sale and held-to-maturity financial assets		Long term investment		Trading and derivatives financial liabilities		Short-term, long-term loans and subordinated debts		Paid-up share capital		Reserves	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	-	-	-	-	2	3	-	-	-	-	81	81	40	(8)
	1,880	1,303	3,352	1,430	314	246	385	113	145	450	6,716	6,716	4,391	(2,919)
	1,765	1,233	3,122	1,209	647	522	340	95	-	450	6,716	6,716	4,179	(2,982)
	294	104	2,466	588	-	-	-	-	-	-	500	500	2,301	357
	294	104	2,466	588	62	-	-	-	-	-	500	500	2,301	357
	478	70	604	74	52	37	-	-	-	-	1,000	1,000	592	(512)
	477	70	604	74	132	37	-	-	-	-	1,000	1,000	592	(512)
	-	3	-	-	29	29	-	-	-	5	1,041	541	(529)	(552)
	62	-	44	25	255	241	-	-	8	14	2,337	2,337	889	(108)
	46	9	32	-	-	-	-	-	40	-	520	520	(143)	(264)
	156	150	26	7	31	30	-	-	-	731	1,051	1,205	1,084	(2,079)
	336	474	103	145	33	34	-	-	-	-	1,008	1,008	587	190
	336	474	103	145	57	34	-	-	-	-	1,008	1,008	587	190
	-	-	-	-	-	-	-	-	-	6	184	184	(2)	(77)
	-	-	-	-	-	-	-	-	-	-	181	181	8	(66)
	1,214	-	-	-	-	-	-	-	800	-	1,490	1,490	(259)	-
	324	88	154	68	12	40	-	-	-	-	1,000	1,000	1,204	90
	-	-	-	-	-	-	-	-	-	-	125	125	27	(32)
	372	82	45	5	70	68	-	-	-	-	500	500	410	(95)
	464	228	62	4	2	2	-	-	-	14	1,013	1,013	931	(89)
	21	212	1,271	777	5	5	122	-	-	-	1,000	1,000	1,786	790
	-	-	-	2	-	-	-	-	-	-	50	50	128	14
	-	-	-	2	-	-	-	-	-	-	50	50	128	14
	-	-	-	-	-	-	-	-	-	-	560	560	(6)	(46)
	47	45	28	-	94	118	-	-	-	65	3,269	2,515	(2,276)	(4,993)
	47	45	28	-	128	153	-	-	-	65	3,269	2,515	(2,277)	(4,993)
	3	76	169	84	1	3	-	-	-	-	921	921	219	(88)
	-	76	169	84	39	19	-	-	-	-	921	921	218	(88)
	-	-	-	-	-	-	-	-	-	-	200	60	95	16
	166	-	-	-	-	-	-	-	-	-	1,200	1,200	(135)	(530)
	-	-	-	-	-	-	-	-	-	-	120	120	87	5
	621	N/A	596	N/A	2	N/A	-	N/A	-	N/A	1,520	N/A	1,435	N/A
	611	230	596	-	136	2	-	-	-	-	1,520	520	1,440	104
	-	-	-	-	-	-	-	-	-	-	63	63	102	(4)
	-	-	-	-	-	-	-	-	-	-	510	510	153	(78)
	938	498	23	4	4	10	-	-	129	122	500	500	845	134
	85,308	35,180	76,063	19,257	7,658	5,964	6,071	2,294	5,697	5,435	132,075	117,513	223,287	(149)
	83,449	33,923	71,306	17,839	22,457	13,505	6,023	2,276	4,387	5,131	132,075	120,202	212,212	(2,052)

Financial highlights – key ratios

RMB 'million	Performance measures				
	Return on Equity (ROE) (Net profit after tax/ Shareholder's equity)		Cost/income ratio (Operating expense/ Operating income)		
	2007	2006	2007	2006	
1 Aerospace Securities 航天证券	31%	-11%	47%	146%	
2 Aijian Securities 爱建证券	31%	-42%	34%	305%	
3a Beijing Gao Hua Securities (consol) 北京高华证券(合并)	25%	6%	65%	83%	
3b Beijing Gao Hua Securities (company) 北京高华证券(母公司)	20%	3%	44%	73%	
4a BOC International (China) (consol) 中银国际证券(合并) #	40%	25%	45%	41%	
4b BOC International (China) (company) 中银国际证券(母公司) #	38%	24%	44%	37%	
5a Bohai Securities (consol) 渤海证券(合并)	43%	23%	40%	52%	
5b Bohai Securities (company) 渤海证券(母公司)	42%	22%	41%	53%	
6 Caida Securities 河北财达证券	57%	6%	27%	62%	
7a Caitong Securities (consol) 财通证券(合并)	52%	N/A	34%	N/A	
7b Caitong Securities (company) 财通证券(母公司)	50%	16%	33%	57%	
8 Capital Securities 首创证券	34%	19%	33%	35%	
9a Central China Securities (consol) 中原证券(合并)	47%	18%	24%	39%	
9b Central China Securities (company) 中原证券(母公司)	47%	18%	24%	39%	
10 Century Securities 世纪证券	23%	12%	57%	123%	
11 Changcai Securities 长财证券	56%	27%	39%	77%	
12 Changjiang Financing Services 长江证券承销保荐	2%	3%	96%	64%	
13a Changjiang Securities (consol) 长江证券(合并) *	40%	21%	31%	39%	
13b Changjiang Securities (company) 长江证券(母公司) *	40%	21%	30%	38%	
14 China Dragon Securities 华龙证券	33%	10%	39%	69%	
15 China Euro Securities 华欧国际证券 #	1%	2%	90%	77%	
16 China Fortune Securities 华鑫证券	51%	10%	27%	81%	
17 China Galaxy Securities 中国银河证券	45%	N/A	38%	N/A	
18a China International Capital Corporation (consol) 中国国际金融(合并) #	33%	31%	71%	65%	
18b China International Capital Corporation (company) 中国国际金融(母公司) #	49%	48%	64%	59%	
19 China Jianyin Investment Securities 中国建银投资证券	51%	13%	34%	64%	
20a China Merchants Securities (consol) 招商证券(合并)	67%	30%	35%	40%	
20b China Merchants Securities (company) 招商证券(母公司)	66%	30%	35%	39%	
21 China Minzu Securities 中国民族证券	53%	23%	46%	76%	
22a China Securities (consol) 中信建投证券(合并)	46%	11%	42%	53%	
22b China Securities (company) 中信建投证券(母公司)	46%	11%	42%	53%	
23 Chinalion Securities 华林证券	33%	4%	34%	77%	
24 Chuancai Securities 川财证券	47%	11%	34%	77%	
25 Cinda Securities 信达证券 N1	22%	N/A	65%	N/A	
26 CITIC-Kington Securities 中信金通证券	77%	109%	37%	40%	
27a CITIC Securities (consol) 中信证券(合并) *	26%	21%	35%	41%	
27b CITIC Securities (company) 中信证券(母公司) *	18%	15%	29%	34%	

“*” denotes PRC listed securities companies

“#” denotes Sino-foreign joint venture companies

N1 Business commenced in 2007.

	Income components						Growth rate				
	Net brokerage commission income /operating income		Net underwriting and sponsorship income/ operating income		Investment income/ operating income		Growth in net brokerage commission income	Growth in underwriting and sponsorship income	Growth in investment income	Growth in net profit before tax	Growth in net profit after tax
	2007	2006	2007	2006	2007	2006	2007	2007	2007	2007	2007
	93%	93%	-	-	0%	0%	459%	N/A	N/A	N/A	N/A
	71%	62%	-	9%	24%	4%	351%	-97%	2264%	N/A	N/A
	13%	4%	16%	1%	10%	6%	671%	4394%	294%	364%	458%
	28%	9%	-	-	22%	14%	671%	N/A	294%	419%	864%
	49%	25%	26%	15%	4%	10%	377%	325%	-5%	134%	142%
	52%	26%	29%	16%	4%	11%	385%	325%	-5%	119%	127%
	69%	57%	3%	4%	18%	33%	302%	149%	80%	294%	302%
	69%	58%	3%	4%	17%	32%	303%	149%	75%	300%	309%
	95%	92%	-	-	0%	-1%	1181%	N/A	-100%	2379%	2238%
	92%	N/A	-	N/A	2%	0%	N/A	N/A	N/A	N/A	N/A
	94%	88%	-	-	0%	0%	869%	N/A	-50%	1267%	529%
	34%	26%	1%	7%	53%	42%	304%	-66%	294%	223%	188%
	74%	64%	-	1%	15%	25%	402%	-80%	157%	432%	450%
	74%	64%	-	1%	15%	25%	402%	-80%	157%	432%	450%
	92%	85%	-	-	2%	4%	349%	N/A	75%	N/A	N/A
	95%	99%	-	-	0%	-5%	308%	N/A	N/A	434%	369%
	-	-	35%	54%	40%	9%	N/A	-38%	313%	-89%	-89%
	42%	33%	1%	4%	49%	53%	343%	-47%	228%	348%	346%
	42%	35%	-	1%	49%	54%	343%	13%	230%	361%	362%
	83%	59%	11%	19%	1%	-2%	375%	94%	N/A	361%	408%
	-	-	47%	37%	0%	0%	N/A	46%	N/A	-38%	-44%
	80%	86%	-	-	13%	0%	384%	N/A	18500%	1521%	1128%
	72%	N/A	6%	N/A	10%	0%	N/A	N/A	N/A	N/A	N/A
	94%	89%	N/A	N/A	6%	8%	100%	N/A	53%	53%	39%
	97%	89%	N/A	N/A	6%	9%	127%	N/A	28%	81%	69%
	68%	77%	4%	7%	18%	6%	396%	230%	1476%	915%	1017%
	54%	38%	2%	3%	24%	35%	481%	124%	182%	342%	304%
	54%	37%	1%	3%	25%	37%	479%	73%	174%	331%	292%
	80%	77%	2%	-	12%	16%	342%	2180%	229%	536%	382%
	75%	69%	3%	2%	15%	12%	398%	487%	509%	564%	678%
	76%	70%	3%	2%	15%	12%	398%	487%	503%	569%	688%
	74%	91%	3%	-	19%	16%	405%	N/A	612%	1813%	1194%
	97%	95%	-	-	0%	0%	372%	N/A	N/A	1252%	695%
	81%	N/A	6%	N/A	0%	0%	N/A	N/A	N/A	N/A	N/A
	86%	76%	-	-	9%	15%	451%	-100%	194%	410%	206%
	43%	44%	7%	16%	25%	26%	404%	125%	384%	486%	424%
	24%	23%	12%	28%	36%	38%	392%	101%	350%	404%	366%

RMB 'million	Performance measures				
	Return on Equity (ROE) (Net profit after tax/ Shareholder's equity)		Cost/income ratio (Operating expense/ Operating income)		
	2007	2006	2007	2006	
28 CITIC Wantong Securities 中信万通证券	36%	15%	38%	42%	
29 Daiwa SMBC-SSC Securities 海际大和证券 #	-5%	-1%	304%	128%	
30 Daton Securities 大通证券	26%	7%	29%	66%	
31 Datong Securities 大同证券	61%	30%	34%	54%	
32a Dongguan Securities (consol) 东莞证券(合并)	81%	22%	23%	37%	
32b Dongguan Securities (company) 东莞证券(母公司)	81%	22%	23%	37%	
33a Donghai Securities (consol) 东海证券(合并)	55%	19%	29%	40%	
33b Donghai Securities (company) 东海证券(母公司)	55%	19%	28%	40%	
34a Essence Securities (consol) 安信证券(合并)	74%	8%	34%	46%	
34b Essence Securities (company) 安信证券(母公司)	74%	8%	34%	46%	
35a Everbright Securities (consol) 光大证券(合并) #	47%	25%	27%	36%	
35b Everbright Securities (company) 光大证券(母公司) #	46%	25%	27%	34%	
36 First Capital Securities 第一创业证券	51%	14%	37%	43%	
37a Fortune Securities (consol) 财富证券(合并)	13%	1%	45%	79%	
37b Fortune Securities (company) 财富证券(母公司)	13%	-	42%	79%	
38 Fortune Securities Brokerage 华宝证券经纪	13%	-1%	32%	83%	
39 Founder Securities 方正证券	49%	25%	33%	55%	
40 GF Huafu Securities 广发华福证券	49%	22%	32%	43%	
41a GF Securities (consol) 广发证券(合并)	58%	37%	35%	47%	
41b GF Securities (company) 广发证券(母公司)	52%	31%	34%	45%	
42 Golden Sun Securities 国盛证券	48%	36%	31%	82%	
43 Goldman Sachs Gao Hua Securities 高盛高华证券 #	10%	4%	86%	91%	
44a Goldstate Securities (consol) 金元证券(合并)	42%	10%	42%	58%	
44b Goldstate Securities (company) 金元证券(母公司)	42%	12%	39%	54%	
45a Great Wall Securities (consol) 长城证券(合并)	30%	74%	38%	38%	
45b Great Wall Securities (company) 长城证券(母公司)	26%	74%	35%	35%	
46 Guangzhou Securities 广州证券	48%	9%	32%	62%	
47 GuoDu Securities 国都证券	47%	22%	34%	44%	
48a Guolian Securities (consol) 国联证券(合并)	66%	17%	21%	38%	
48b Guolian Securities (company) 国联证券(母公司)	65%	17%	20%	37%	
49a Guosen Securities (consol) 国信证券(合并)	66%	44%	29%	35%	
49b Guosen Securities (company) 国信证券(母公司)	64%	42%	27%	33%	
50a Guotai Junan Securities (consol) 国泰君安证券(合并)	32%	30%	28%	47%	
50b Guotai Junan Securities (company) 国泰君安证券(母公司)	31%	30%	27%	47%	
51a Guoyuan Securities (consol) 国元证券(合并) *	44%	22%	23%	33%	
51b Guoyuan Securities (company) 国元证券(母公司) *	44%	22%	22%	32%	
52a Haitong Securities (consol) 海通证券(合并) *	15%	12%	33%	46%	
52b Haitong Securities (company) 海通证券(母公司) *	15%	11%	30%	44%	

"*" denotes PRC listed securities companies

"#" denotes Sino-foreign joint venture companies

	Income components						Growth rate				
	Net brokerage commission income /operating income		Net underwriting and sponsorship income/ operating income		Investment income/ operating income		Growth in net brokerage commission income	Growth in underwriting and sponsorship income	Growth in investment income	Growth in net profit before tax	Growth in net profit after tax
	2007	2006	2007	2006	2007	2006	2007	2007	2007	2007	2007
	72%	58%	-	5%	24%	14%	449%	-98%	653%	388%	313%
	-	-	14%	4%	244%	69%	N/A	50%	58%	-359%	-359%
	80%	92%	-	-	10%	0%	327%	N/A	N/A	894%	1056%
	94%	90%	-	-	0%	1%	396%	N/A	-70%	487%	365%
	72%	66%	-	3%	11%	-2%	497%	-75%	N/A	609%	716%
	73%	66%	-	3%	11%	-2%	497%	-75%	N/A	608%	716%
	36%	32%	2%	4%	46%	47%	543%	96%	446%	577%	573%
	36%	32%	2%	4%	46%	47%	527%	96%	442%	573%	570%
	83%	77%	1%	2%	11%	3%	1399%	704%	5366%	1712%	1765%
	83%	77%	1%	2%	11%	3%	1399%	704%	5358%	1713%	1767%
	43%	34%	2%	5%	35%	48%	521%	89%	251%	428%	417%
	45%	34%	2%	5%	36%	48%	526%	89%	248%	407%	396%
	30%	18%	7%	27%	59%	44%	342%	-34%	261%	419%	417%
	56%	76%	4%	6%	27%	-34%	368%	265%	N/A	1818%	2928%
	59%	84%	1%	4%	28%	-37%	360%	88%	N/A	2090%	4212%
	94%	93%	-	-	0%	0%	438%	0%	N/A	1231%	9214%
	78%	56%	5%	7%	11%	2%	402%	155%	1892%	361%	311%
	77%	72%	-	-	19%	12%	423%	-100%	711%	493%	395%
	51%	44%	3%	2%	23%	27%	391%	383%	243%	438%	406%
	53%	43%	3%	3%	25%	35%	425%	379%	208%	444%	420%
	76%	111%	3%	1%	19%	-15%	411%	1823%	N/A	487%	318%
	N/A	N/A	25%	1%	0%	0%	N/A	4394%	N/A	264%	157%
	47%	35%	2%	-	45%	56%	447%	27400%	225%	539%	563%
	48%	36%	2%	-	47%	55%	437%	27400%	235%	509%	521%
	31%	28%	1%	1%	48%	39%	326%	154%	371%	324%	281%
	38%	31%	1%	1%	57%	43%	326%	154%	354%	285%	240%
	64%	74%	1%	1%	32%	9%	365%	514%	1710%	1210%	956%
	33%	29%	3%	1%	45%	42%	354%	1679%	332%	369%	321%
	49%	45%	1%	2%	36%	23%	436%	81%	678%	525%	561%
	50%	46%	1%	2%	36%	23%	436%	81%	673%	524%	559%
	45%	41%	4%	8%	25%	35%	401%	138%	234%	393%	351%
	48%	44%	4%	9%	27%	36%	401%	138%	241%	392%	349%
	63%	50%	3%	12%	24%	29%	323%	-31%	184%	403%	441%
	64%	52%	2%	13%	25%	30%	327%	-39%	187%	428%	480%
	36%	26%	1%	2%	39%	46%	374%	132%	190%	317%	313%
	36%	26%	1%	2%	38%	47%	382%	132%	183%	314%	309%
	50%	45%	3%	6%	22%	32%	370%	124%	194%	1013%	1116%
	54%	49%	4%	7%	24%	35%	370%	124%	191%	1097%	1201%

RMB 'million	Performance measures				
	Return on Equity (ROE) (Net profit after tax/ Shareholder's equity)		Cost/income ratio (Operating expense/ Operating income)		
	2007	2006	2007	2006	
53 Hengtai Securities 恒泰证券	53%	16%	32%	47%	
54 Hexing Securities 和兴证券	62%	12%	30%	59%	
55a Hongta Securities (consol) 红塔证券(合并)	31%	N/A	19%	N/A	
55b Hongta Securities (company) 红塔证券(母公司)	31%	29%	19%	22%	
56a Hongyuan Securities (consol) 宏源证券(合并) *	34%	9%	25%	41%	
56b Hongyuan Securities (company) 宏源证券(母公司) *	36%	9%	24%	39%	
57a Hua An Securities (consol) 华安证券(合并)	40%	18%	25%	34%	
57b Hua An Securities (company) 华安证券(母公司)	40%	18%	25%	34%	
58 HuaChuang Securities 华创证券	54%	5%	39%	78%	
59 Huarong Securities 华融证券 N1	7%	N/A	42%	N/A	
60a Huatai Securities (consol) 华泰证券(合并)	65%	21%	35%	50%	
60b Huatai Securities (company) 华泰证券(母公司)	57%	22%	29%	43%	
61a Industrial Securities (consol) 兴业证券(合并)	55%	27%	31%	46%	
61b Industrial Securities (company) 兴业证券(母公司)	52%	26%	31%	44%	
62 Jianghai Securities 江海证券	56%	10%	40%	72%	
63 Minmetals Securities 五矿证券	10%	-3%	75%	156%	
64 Minsheng Securities 民生证券	49%	32%	26%	48%	
65a Nanjing Securities (consol) 南京证券(合并)	47%	10%	25%	48%	
65b Nanjing Securities (company) 南京证券(母公司)	47%	10%	25%	48%	
66 New Times Securities 新时代证券	57%	11%	31%	58%	
67a Northeast Securities (consol) 东北证券(合并) *	52%	14%	33%	69%	
67b Northeast Securities (company) 东北证券(母公司) *	52%	14%	32%	69%	
68a Orient Securities (consol) 东方证券(合并)	49%	43%	27%	23%	
68b Orient Securities (company) 东方证券(母公司)	49%	43%	27%	23%	
69 Pacific Securities 太平洋证券 *	30%	23%	29%	45%	
70a Ping An Securities (consol) 平安证券(合并)	40%	29%	41%	43%	
70b Ping An Securities (company) 平安证券(母公司)	40%	29%	41%	43%	
71a Qilu Securities (consol) 齐鲁证券(合并)	49%	2%	34%	56%	
71b Qilu Securities (company) 齐鲁证券(母公司)	49%	2%	33%	55%	
72 Rising Securities 日信证券	19%	1%	23%	56%	
73 S&E Securities 联讯证券	63%	31%	39%	58%	
74a Sealand Securities (consol) 国海证券(合并)	69%	9%	47%	70%	
74b Sealand Securities (company) 国海证券(母公司)	61%	11%	46%	63%	
75 Shaanxi Kaiyuan Securities 陕西开源证券	12%	2%	45%	90%	
76 Shanghai Far East Securities 上海远东证券	54%	18%	26%	37%	
77a Shanghai Securities (consol) 上海证券(合并)	46%	16%	30%	46%	
77b Shanghai Securities (company) 上海证券(母公司)	46%	16%	29%	42%	

* denotes PRC listed securities companies

denotes Sino-foreign joint venture companies

N1 Business commenced in 2007.

	Income components						Growth rate				
	Net brokerage commission income /operating income		Net underwriting and sponsorship income/ operating income		Investment income/ operating income		Growth in net brokerage commission income	Growth in underwriting and sponsorship income	Growth in investment income	Growth in net profit before tax	Growth in net profit after tax
	2007	2006	2007	2006	2007	2006	2007	2007	2007	2007	2007
	44%	49%	2%	5%	51%	11%	344%	65%	2148%	523%	543%
	96%	93%	-	-	0%	0%	391%	N/A	N/A	680%	785%
	22%	N/A	1%	-	51%	87%	N/A	N/A	N/A	N/A	N/A
	22%	9%	1%	-	51%	87%	360%	4500%	13%	102%	83%
	50%	36%	1%	4%	35%	30%	721%	53%	585%	813%	538%
	51%	38%	1%	4%	35%	31%	721%	53%	587%	767%	514%
	77%	59%	-	-	18%	39%	374%	75%	67%	302%	284%
	78%	59%	-	-	18%	39%	374%	75%	67%	302%	283%
	96%	92%	-	-	0%	0%	675%	N/A	N/A	1742%	2491%
	90%	N/A	-	N/A	4%	N/A	N/A	N/A	N/A	N/A	N/A
	61%	48%	2%	2%	24%	33%	525%	512%	267%	598%	715%
	54%	46%	3%	1%	29%	40%	408%	735%	220%	454%	519%
	45%	49%	1%	4%	32%	25%	380%	55%	565%	685%	758%
	49%	53%	1%	4%	33%	25%	379%	55%	592%	659%	748%
	91%	90%	-	-	0%	0%	486%	N/A	N/A	1026%	776%
	92%	84%	-	-	0%	0%	282%	N/A	N/A	N/A	N/A
	79%	67%	2%	1%	14%	14%	410%	1009%	327%	400%	214%
	57%	60%	-	2%	34%	27%	426%	5%	610%	711%	838%
	57%	60%	-	2%	34%	27%	425%	5%	610%	711%	838%
	47%	62%	1%	1%	48%	24%	327%	780%	1021%	821%	1155%
	64%	72%	1%	3%	26%	-23%	402%	143%	N/A	1132%	1206%
	64%	75%	1%	3%	26%	-24%	402%	143%	N/A	1133%	1196%
	29%	20%	1%	-	36%	39%	342%	1519%	188%	203%	203%
	29%	20%	1%	-	36%	39%	342%	1519%	188%	203%	203%
	43%	38%	1%	-	47%	32%	414%	N/A	579%	468%	362%
	44%	25%	9%	9%	32%	21%	331%	159%	285%	159%	148%
	44%	25%	9%	9%	31%	21%	333%	159%	285%	159%	147%
	73%	65%	-	-	14%	2%	1863%	2800%	14006%	4275%	4928%
	74%	65%	-	-	15%	2%	1863%	2800%	13975%	4143%	4667%
	34%	48%	-	2%	51%	17%	431%	-100%	2157%	1219%	1504%
	96%	93%	-	-	0%	0%	356%	N/A	N/A	573%	446%
	83%	73%	2%	7%	11%	12%	394%	-7%	298%	992%	1110%
	80%	71%	2%	7%	13%	13%	345%	-7%	298%	659%	685%
	87%	95%	-	-	8%	0%	363%	N/A	N/A	1589%	2400%
	31%	26%	-	-	43%	8%	409%	200%	2170%	379%	563%
	49%	35%	-	-	36%	38%	621%	95%	381%	554%	504%
	50%	36%	-	-	35%	37%	621%	144%	403%	552%	501%

RMB 'million		Performance measures				
		Return on Equity (ROE) (Net profit after tax/ Shareholder's equity)		Cost/income ratio (Operating expense/ Operating income)		
		2007	2006	2007	2006	
78a	Shanxi Securities (consol) 山西证券(合并)	38%	6%	24%	57%	
78b	Shanxi Securities (company) 山西证券(母公司)	38%	6%	23%	58%	
79	Shenyang Chenghao Securities 沈阳诚浩证券	39%	11%	41%	72%	
80a	Shenyin & Wanguo Securities (consol) 申银万国证券(合并)	54%	42%	30%	47%	
80b	Shenyin & Wanguo Securities (company) 申银万国证券(母公司)	52%	39%	28%	45%	
81a	SINOLINK Securities (consol) 国金证券 (合并)*	26%	17%	28%	36%	
81b	SINOLINK Securities (company) 国金证券 (母公司)*	26%	17%	28%	36%	
82a	SooChow Securities (consol) 东吴证券(合并)	64%	36%	36%	61%	
82b	SooChow Securities (company) 东吴证券(母公司)	63%	36%	36%	61%	
83	South China Securities 江南证券	5%	-275%	97%	78%	
84	Southwest Securities 西南证券	30%	7%	31%	73%	
85	Stockfly Securities 航空证券	29%	-1%	45%	93%	
86	Sun Securities 泰阳证券	51%	-25%	24%	48%	
87a	Tebon Securities (consol) 德邦证券(合并)	32%	10%	31%	38%	
87b	Tebon Securities (company) 德邦证券(母公司)	32%	10%	31%	38%	
88	TeemRise Securities 天源证券	41%	-16%	40%	123%	
89	Tianfeng Securities 天风证券	39%	-	46%	99%	
90	UBS Securities 瑞银证券	-21%	-	58%	N/A	
91	United Securities 联合证券	59%	2%	47%	65%	
92	Wanhe Securities 万和证券	39%	2%	43%	90%	
93	Wanlian Securities 万联证券	53%	10%	35%	67%	
94	West China Securities 华西证券	51%	37%	34%	40%	
95	Western Securities 西部证券	45%	37%	24%	22%	
96a	Xiamen Securities (consol) 厦门证券(合并)	64%	34%	46%	61%	
96b	Xiamen Securities (company) 厦门证券(母公司)	64%	35%	46%	61%	
97	Xian Huahong Securities 西安华弘证券	7%	1%	40%	75%	
98a	Xiangcai Securities (consol) 湘财证券(合并)	89%	-14%	42%	48%	
98b	Xiangcai Securities (company) 湘财证券(母公司)	89%	-14%	42%	46%	
99a	Xintai Securities (consol) 信泰证券(合并)	55%	10%	32%	54%	
99b	Xintai Securities (company) 信泰证券(母公司)	55%	10%	31%	54%	
100	XiZang Securities 西藏证券	34%	9%	39%	89%	
101	Yingda Securities 英大证券	37%	2%	40%	79%	
102	Yintai Securities 银泰证券	39%	4%	49%	75%	
103a	Zheshang Securities (consol) 浙商证券(合并)	39%	N/A	28%	N/A	
103b	Zheshang Securities (company) 浙商证券(母公司)	39%	28%	27%	42%	
104	Zhongcheng Securities 众成证券	64%	20%	40%	71%	
105	Zhongshan Securities 中山证券	35%	7%	47%	81%	
106	Zhongtian Securities 中天证券	53%	37%	16%	21%	
Average (consol)		40%	22%	34%	48%	
Average (company)		38%	21%	33%	45%	

*** denotes PRC listed securities companies

denotes Sino-foreign joint venture companies

	Income components						Growth rate				
	Net brokerage commission income /operating income		Net underwriting and sponsorship income/ operating income		Investment income/ operating income		Growth in net brokerage commission income	Growth in underwriting and sponsorship income	Growth in investment income	Growth in net profit before tax	Growth in net profit after tax
	2007	2006	2007	2006	2007	2006	2007	2007	2007	2007	2007
	58%	62%	4%	3%	26%	3%	398%	806%	4627%	849%	909%
	58%	63%	4%	3%	26%	1%	398%	806%	12024%	880%	965%
	91%	75%	-	-	2%	18%	260%	N/A	-63%	638%	505%
	61%	51%	-	8%	23%	-13%	364%	-79%	N/A	424%	278%
	64%	55%	-	9%	24%	-16%	377%	-79%	N/A	446%	291%
	43%	39%	3%	-	37%	50%	378%	8340%	221%	373%	411%
	43%	39%	3%	-	37%	50%	377%	8340%	221%	373%	411%
	71%	76%	2%	3%	15%	5%	420%	277%	1449%	692%	480%
	71%	76%	2%	3%	15%	5%	420%	277%	1432%	691%	480%
	131%	87%	-	2%	12%	0%	326%	-100%	N/A	43%	-23%
	51%	74%	7%	11%	35%	8%	302%	301%	2271%	401%	538%
	81%	92%	-	-	8%	4%	350%	N/A	923%	N/A	N/A
	92%	79%	-	1%	1%	-5%	403%	-100%	N/A	535%	389%
	32%	26%	5%	7%	57%	42%	376%	145%	420%	341%	340%
	32%	26%	5%	7%	57%	42%	376%	145%	420%	341%	340%
	97%	91%	-	-	0%	0%	421%	N/A	N/A	N/A	N/A
	97%	94%	-	-	0%	0%	379%	N/A	N/A	31267%	24567%
	-	N/A	83%	N/A	4%	N/A	N/A	N/A	N/A	N/A	N/A
	68%	73%	2%	13%	13%	8%	386%	-17%	844%	10685%	8950%
	95%	94%	-	-	0%	0%	298%	N/A	N/A	3004%	2591%
	70%	67%	-	-	12%	18%	376%	467%	195%	878%	1159%
	85%	47%	-	5%	10%	30%	406%	-92%	-7%	206%	189%
	57%	16%	-	-	31%	71%	606%	-10%	-15%	93%	89%
	91%	91%	-	-	1%	0%	404%	N/A	N/A	603%	422%
	91%	91%	-	-	1%	0%	404%	N/A	N/A	601%	419%
	88%	76%	-	-	0%	-1%	306%	N/A	N/A	667%	903%
	84%	58%	-	-	7%	45%	291%	-100%	-58%	156%	156%
	85%	61%	-	-	7%	46%	286%	N/A	-61%	155%	155%
	56%	60%	-	-	38%	22%	445%	N/A	888%	887%	654%
	57%	60%	-	-	38%	22%	445%	N/A	883%	883%	651%
	93%	91%	-	-	0%	0%	491%	N/A	N/A	2563%	2563%
	67%	92%	-	-	26%	0%	293%	N/A	N/A	2114%	2721%
	94%	83%	-	-	0%	0%	1176%	N/A	N/A	2225%	1407%
	76%	N/A	-	N/A	11%	0%	N/A	N/A	N/A	N/A	N/A
	77%	64%	-	-	11%	12%	473%	9700%	366%	458%	562%
	94%	93%	-	-	0%	0%	324%	N/A	N/A	752%	817%
	103%	107%	-	-	6%	0%	309%	650%	N/A	906%	661%
	32%	22%	-	-	47%	32%	340%	N/A	337%	232%	202%
	57%	48%	3%	5%	24%	24%	438%	170%	343%	495%	456%
	58%	48%	3%	6%	25%	27%	439%	159%	310%	469%	432%

Sector rankings for 2007

Ranking total assets		Ranking net profit after tax		Ranking return on equity	
2007	RMB 'M	2007	RMB 'M	2007	%
1	Guotai Junan Securities	105,367	1	CITIC Securities*	8,258.9
2	CITIC Securities*	98,696	2	Guotai Junan Securities	7,007.2
3	Haitong Securities*	94,573	3	Guosen Securities	6,883.3
4	China Galaxy Securities	94,422	4	GF Securities	6,869.5
5	GF Securities	85,497	5	Shenyin & Wanguo Securities	5,635.7
6	China Merchants Securities	77,965	6	Haitong Securities*	5,353.3
7	Shenyin & Wanguo Securities	76,474	7	China Galaxy Securities	5,125.0
8	Guosen Securities	64,642	8	China Merchants Securities	4,903.1
9	China Securities	63,722	9	Huatai Securities	4,739.8
10	Everbright Securities [#]	53,131	10	Everbright Securities [#]	4,537.0
11	Huatai Securities	49,022	11	Orient Securities	4,302.5
12	China Jianyin Investment Securities	37,851	12	China Securities	2,444.4
13	Orient Securities	35,350	13	China Jianyin Investment Securities	2,434.8
14	Qilu Securities	32,476	14	Changjiang Securities*	2,358.8
15	Essence Securities	31,314	15	Essence Securities	2,305.8
16	Changjiang Securities*	24,996	16	Guoyuan Securities*	2,249.6
17	China International Capital Corporation [#]	24,137	17	Qilu Securities	2,088.1
18	Ping An Securities	23,410	18	Hongyuan Securities*	2,043.6
19	United Securities	22,957	19	Industrial Securities	1,919.0
20	Hongyuan Securities*	22,325	20	Donghai Securities	1,565.5

Ranking cost/income ratio		Ranking growth in net profit after tax		Ranking net brokerage commission income N1	
2007	%	2007	%	2007	RMB 'M
1	Zhongtian Securities	16%	1	Tianfeng Securities	24567%
2	Hongta Securities (company level)	19%	2	Fortune Securities Brokerage	9214%
3	Guolian Securities (company level)	20%	3	United Securities	8950%
4	Guoyuan Securities (company level)*	22%	4	Qilu Securities	4667%
5	Rising Securities	23%	5	Fortune Securities	4212%
6	Dongguan Securities (company level)	23%	6	Yingda Securities	2721%
7	Shanxi Securities (company level)	23%	7	Wanhe Securities	2591%
8	Central China Securities (company level)	24%	8	XiZang Securities	2563%
9	Hongyuan Securities (company level)*	24%	9	HuaChuang Securities	2491%
10	Sun Securities	24%	10	Shaanxi Kaiyuan Securities	2400%
11	Western Securities	24%	11	Caida Securities	2238%
12	Nanjing Securities (company level)	25%	12	Essence Securities	1767%
13	Hua An Securities (company level)	25%	13	Rising Securities	1504%
14	Shanghai Far East Securities [#]	26%	14	Yintai Securities	1407%
15	Minsheng Securities	26%	15	Haitong Securities*	1201%
16	Everbright Securities (company level) [#]	27%	16	Northeast Securities*	1196%
17	China Fortune Securities	27%	17	Chinalion Securities	1194%
18	Caida Securities	27%	18	Wanlian Securities	1159%
19	Zheshang Securities (company level)	27%	19	New Times Securities	1155%
20	Guosen Securities (company level)	27%	20	China Fortune Securities	1128%

Ranking underwriting and sponsorship income N1		Ranking investment income		Ranking asset management income N1	
2007	RMB 'M	2007	RMB 'M	2007	RMB 'M
1	CITIC Securities*	1,808.9	1	CITIC Securities (company level)*	5,534.0
2	China Galaxy Securities	925.9	2	GF Securities (company level)	3,507.3
3	UBS Securities	824.9	3	Everbright Securities (company level) [#]	3,382.8
4	BOC International (China) [#]	707.8	4	Guotai Junan Securities (company level)	3,370.2
5	Guosen Securities	545.4	5	Guosen Securities (company level)	3,300.4
6	GF Securities	476.0	6	Orient Securities (company level)	3,065.9
7	Haitong Securities*	368.6	7	Shenyin & Wanguo Securities (company level)	2,966.6
8	Guotai Junan Securities	299.9	8	Huatai Securities (company level)	2,721.9
9	Goldman Sachs Gao Hua Securities [#]	296.6	9	Haitong Securities (company level)*	2,487.3
10	Ping An Securities	280.0	10	China Merchants Securities (company level)	2,416.5
11	Huatai Securities	245.6	11	Changjiang Securities (company level)	2,408.0
12	China Securities	225.3	12	Great Wall Securities (company level)	1,727.2
13	China Jianyin Investment Securities	212.4	13	Donghai Securities (company level)	1,615.9
14	Everbright Securities [#]	186.3	14	Guoyuan Securities (company level)	1,539.9
15	Southwest Securities	159.7	15	Hongyuan Securities (company level)*	1,514.7
16	China Merchants Securities	130.6	16	Industrial Securities (company)	1,501.9
17	Orient Securities	108.5	17	China Galaxy Securities	1,450.3
18	Founder Securities	99.3	18	Shanghai Securities (company level)	1,192.7
19	United Securities	79.6	19	China Securities (company level)	1,174.9
20	First Capital Securities	79.6	20	Hongta Securities (company level)	1,095.8

1	Xiangcai Securities	89%
2	Dongguan Securities	81%
3	CITIC-Kington Securities	77%
4	Essence Securities	74%
5	China Merchants Securities	66%
6	Guolian Securities	65%
7	Zhongcheng Securities	64%
8	Xiamen Securities	64%
9	Guosen Securities	64%
10	SooChow Securities	63%
11	S&E Securities	63%
12	Hexing Securities	62%
13	Datong Securities	61%
14	Sealand Securities	61%
15	United Securities	59%
16	New Times Securities	57%
17	Huatai Securities	57%
18	Caida Securities	57%
19	Jianghai Securities	56%
20	Changcai Securities	56%

1	China Galaxy Securities	10,486.9
2	Guotai Junan Securities	8,594.8
3	Shenyin & Wanguo Securities	7,990.9
4	GF Securities	7,403.7
5	Guosen Securities	5,929.6
6	China Securities	5,835.2
7	Haitong Securities*	5,612.2
8	China Merchants Securities	5,184.3
9	Huatai Securities	5,078.8
10	Essence Securities	4,274.2
11	Everbright Securities [#]	4,268.1
12	Qilu Securities	3,753.6
13	CITIC Securities*	3,667.5
14	China Jianyin Investment Securities	3,659.3
15	United Securities	2,613.5
16	CITIC-Kington Securities	2,551.8
17	Orient Securities	2,469.2
18	Industrial Securities	2,216.2
19	Hongyuan Securities*	2,212.1
20	West China Securities	2,167.8

"*" denotes PRC listed securities companies

"#" denotes Sino-foreign joint venture companies

The above ranking is computed based on company level accounts.

N1 The breakdown for net brokerage commission, underwriting and sponsorship commission, and asset management income of China International Capital Corporation have not been separately disclosed. We have excluded it from the ranking.

Sector rankings for 2006 ^{N2}

Ranking total assets		Ranking net profit after tax		Ranking return on equity	
2006	RMB 'M	2006	RMB 'M	2006	%
1	Guotai Junan Securities	38,289	1	CITIC Securities*	1,773.7
2	Shenyin & Wanguo Securities	35,700	2	Guosen Securities	1,533.6
3	CITIC Securities*	31,221	3	Shenyin & Wanguo Securities	1,439.8
4	GF Securities	30,783	4	Orient Securities	1,421.4
5	Haitong Securities*	23,627	5	GF Securities	1,322.2
6	China Securities	23,223	6	China Merchants Securities	1,251.8
7	Huatai Securities	20,177	7	Guotai Junan Securities	1,208.2
8	China Merchants Securities	18,918	8	Everbright Securities ^f	914.7
9	Orient Securities	15,645	9	Huatai Securities	766.0
10	Essence Securities	14,731	10	China International Capital Corporation ^f	726.6
11	Guosen Securities	14,419	11	Western Securities	665.4
12	Everbright Securities ^f	14,035	12	Hongta Securities	652.8
13	China Jianyin Investment Securities	13,233	13	Ping An Securities	602.3
14	Changjiang Securities*	10,102	14	Guoyuan Securities*	550.6
15	Ping An Securities	8,919	15	Changjiang Securities*	510.3
16	Guoyuan Securities*	8,067	16	Great Wall Securities	459.5
17	United Securities	8,052	17	BOC International (China) ^f	436.0
18	China International Capital Corporation ^f	8,008	18	Haitong Securities*	411.4
19	Shanghai Securities	7,777	19	CITIC-Kington Securities	366.2
20	Hongyuan Securities*	7,762	20	Xiangcai Securities	345.9
Ranking cost/income ratio		Ranking net brokerage commission income ^{N1}		Ranking underwriting and sponsorship income ^{N1}	
2006	%	2006	RMB 'M	2006	RMB 'M
1	Zhongtian Securities	21%	1	Guotai Junan Securities	2,015.1
2	Western Securities	22%	2	Shenyin & Wanguo Securities	1,676.0
3	Hongta Securities (company level)	22%	3	GF Securities	1,411.0
4	Orient Securities (company level)	23%	4	Haitong Securities*	1,193.3
5	Guoyuan Securities (company level)*	32%	5	Guosen Securities	1,183.0
6	Guosen Securities (company level)	33%	6	China Securities	1,172.4
7	CITIC Securities (company level)*	34%	7	Huatai Securities	1,000.2
8	Everbright Securities (company level) ^f	34%	8	China Merchants Securities	895.9
9	Hua An Securities (company level)	34%	9	CITIC Securities*	746.0
10	Great Wall Securities (company level)	35%	10	China Jianyin Investment Securities	738.3
11	Capital Securities Brokerage	35%	11	Everbright Securities ^f	682.0
12	SINOLINK Securities (company level)*	36%	12	Orient Securities	559.1
13	Guolian Securities (company level)	37%	13	United Securities	538.2
14	Dongguan Securities (company level)	37%	14	Changjiang Securities*	465.7
15	BOC International (China) (company level) ^f	37%	15	CITIC-Kington Securities	463.4
16	Shanghai Far East Securities	37%	16	Industrial Securities	462.7
17	Tebon Securities (company level)	38%	17	Sun Securities	430.3
18	Changjiang Securities (company level)*	38%	18	West China Securities	428.6
19	Central China Securities (company level)	39%	19	Xiangcai Securities	355.9
20	China Merchants Securities (company level)	39%	20	Sealand Securities	351.1
Ranking investment income		Ranking asset management income ^{N1}			
2006	RMB 'M	2006	RMB 'M		
1	CITIC Securities (company level)*	1,228.5	1	Orient Securities	303.3
2	Guotai Junan Securities (company level)	1,172.8	2	China Merchants Securities	267.3
3	GF Securities (company level)	1,138.9	3	Western Securities	123.8
4	Orient Securities (company level)	1,064.4	4	Huatai Securities	42.5
5	Hongta Securities (company level)	973.2	5	CITIC Securities*	35.0
6	Everbright Securities (company level) ^f	972.0	6	Minsheng Securities	29.1
7	Guosen Securities (company level)	968.4	7	Everbright Securities ^f	28.1
8	Western Securities	951.6	8	Guotai Junan Securities	21.9
9	China Merchants Securities (company level)	881.4	9	GF Securities	19.2
10	Haitong Securities (company level)*	854.2	10	Guoyuan Securities*	10.7
11	Huatai Securities (company level)	851.0	11	Haitong Securities*	10.1
12	Changjiang Securities (company level)*	730.0	12	Guosen Securities	9.9
13	Guoyuan Securities (company level)*	543.4	13	Fortune Securities	7.9
14	Great Wall Securities (company level)	380.6	14	Changjiang Securities*	4.2
15	Donghai Securities (company level)	298.3	15	Hongta Securities	2.2
16	West China Securities	277.2	16	Hongyuan Securities*	0.9
17	Xiangcai Securities (company level)	269.7	17	Donghai Securities	0.7
18	Ping An Securities (company level)	260.4	18	Industrial Securities	0.5
19	Shanghai Securities (company level)	236.9	19	Shenyin & Wanguo Securities	0.2
20	Guodu Securities	230.8	20	First Capital Securities	0.1

N2 Sector rankings for 2006 have been prepared based on the comparative figures disclosed in the accounts for the year ended 31 December 2007.

Financial highlights and key ratio explanation

1	Net brokerage commission income	Gross brokerage commission income net of direct expenses
2	Net underwriting and sponsorship commission income	Gross underwriting and sponsorship commission income net of direct expenses
3	Net asset management income	Net service income from management of investments held in trust of customers
4	Investment income	(a) Gain/loss on sale of trading/available for sale financial assets/liabilities and derivatives, (b) income earned during the holding period of financial assets/liabilities, including derivatives, and (c) income earned from long term investment
5	Fair value gain/loss on trading and derivatives position	Unrealised gain/loss on mark-to-market valuation of trading and derivatives financial assets and liabilities at year end, including equity derivatives issued
6	Net interest income	Interest income net of interest expense
7	Operating income	Includes net commission income, net interest income, investment income, exchange gain/loss and other operating income
8	Operating expense	Includes operational expenses, depreciation and business tax and surcharges
9	Asset impairment charge/ (writeback)	Includes charge/(writeback) on bad debts, long term investment, fixed assets, intangible assets etc
10	Net profit before tax	Profit before income tax, minority interest and transfers to/from reserves and appropriation
11	Net profit after tax	Profit after income tax but before minority interest and transfers to/from reserves and appropriation
12	Number of branches	Operation centres but not including services centres
13	Total assets	Includes client monies held in segregated accounts
14	Client monies held in segregated accounts	Money held in bank deposits on behalf of clients
15	Trading and derivative financial assets/liabilities	Financial instruments, short positions and derivatives acquired for selling or repurchasing in the near term. Derivatives financial liabilities also include derivatives issued and sold to customers. These are marked-to-market at the period end and the revaluation gains or losses are taken to the profit and loss account.
16	Available-for-sale and held-to-maturity financial assets	Financial assets intended to be held on a continuing basis (available-for-sale) or held to maturity. Available-for-sale financial assets are marked-to-market at the period end and the revaluation gains or losses are charged to reserve, unless there is impairment. Held-to-maturity financial assets are stated at amortised cost less impairment.
17	Long term investment	Equity investment in subsidiaries, associates and joint ventures etc.
18	Short-term, long-term loans and subordinated debts	Short-term and long-term borrowings and subordinated debts issued by the company
19	Paid-up share capital	Fully paid-up issued share capital
20	Reserves	Capital reserve, surplus reserve, general reserve, trading risk reserve and retained earnings

Securities companies ratings — Five-grades eleven-rankings

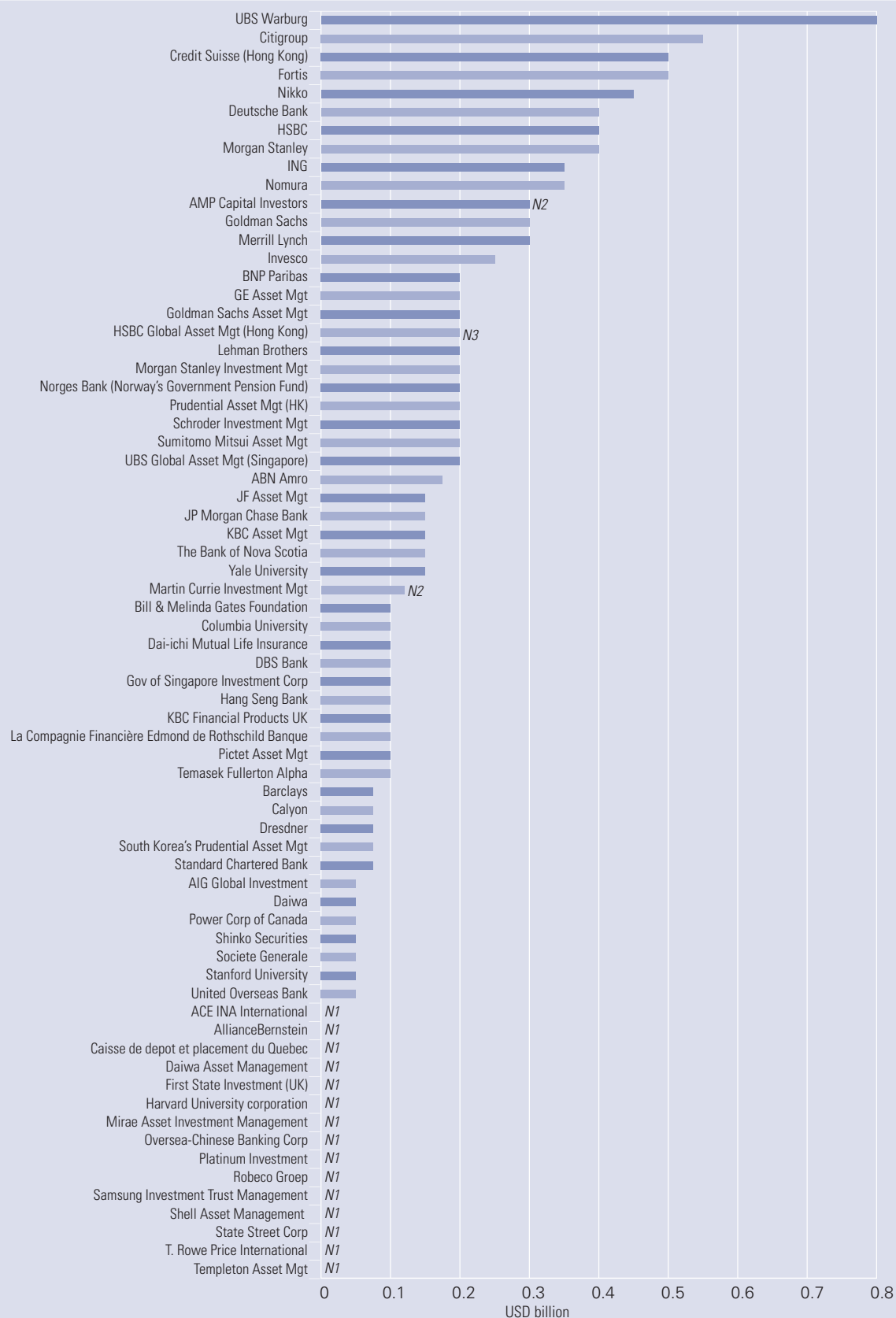
Name of securities company	Rating
Caitong Securities Brokerage	AA
China International Capital Corporation	AA
China Merchants Securities	AA
CITIC Securities	AA
Everbright Securities	AA
Guosen Securities	AA
Guotai Junan Securities	AA
Haitong Securities	AA
Huatai Securities	AA
Shenyin & Wanguo Securities	AA
China Galaxy Securities	A
China Jianyin Investment Securities	A
China Securities	A
Donghai Securities	A
Founder Securities	A
GF Huafu Securities	A
Guangfa Securities	A
Guodu Securities	A
Guolian Securities	A
Guoyuan Securities	A
Hongyuan Securities	A
Hongta Securities	A
Industrial Securities	A
Nanjing Securities	A
Orient Securities	A
Qilu Securities	A
Rising Securities	A
Ping An Securities	A
Shanghai Securities	A
SINOLINK Securities	A
Soochow Securities	A
Western Securities	A
XiZang Securities	A
Guohai Securities	BBB
Minsheng Securities	BBB

Sources: This list is prepared based on public information posted on the companies' websites and newspaper reports.

The new CSRC ratings system is a more comprehensive ratings scheme in which securities companies are placed into five grades from A to E, with 11 ratings in total (AAA, AA, A; BBB, BB, B; CCC, CC, C; D and E). Along with criteria similar to that set out in the previous tier system, this new grading places a particular focus on the robustness of the risk management systems a securities company has in place. A company's rating will also determine the size of the investor protection fund they must maintain.

Qualified Foreign Institutional Investors

List of 69 QFII approved by the CSRC and investment quotas granted by SAFE as at 10 October 2008



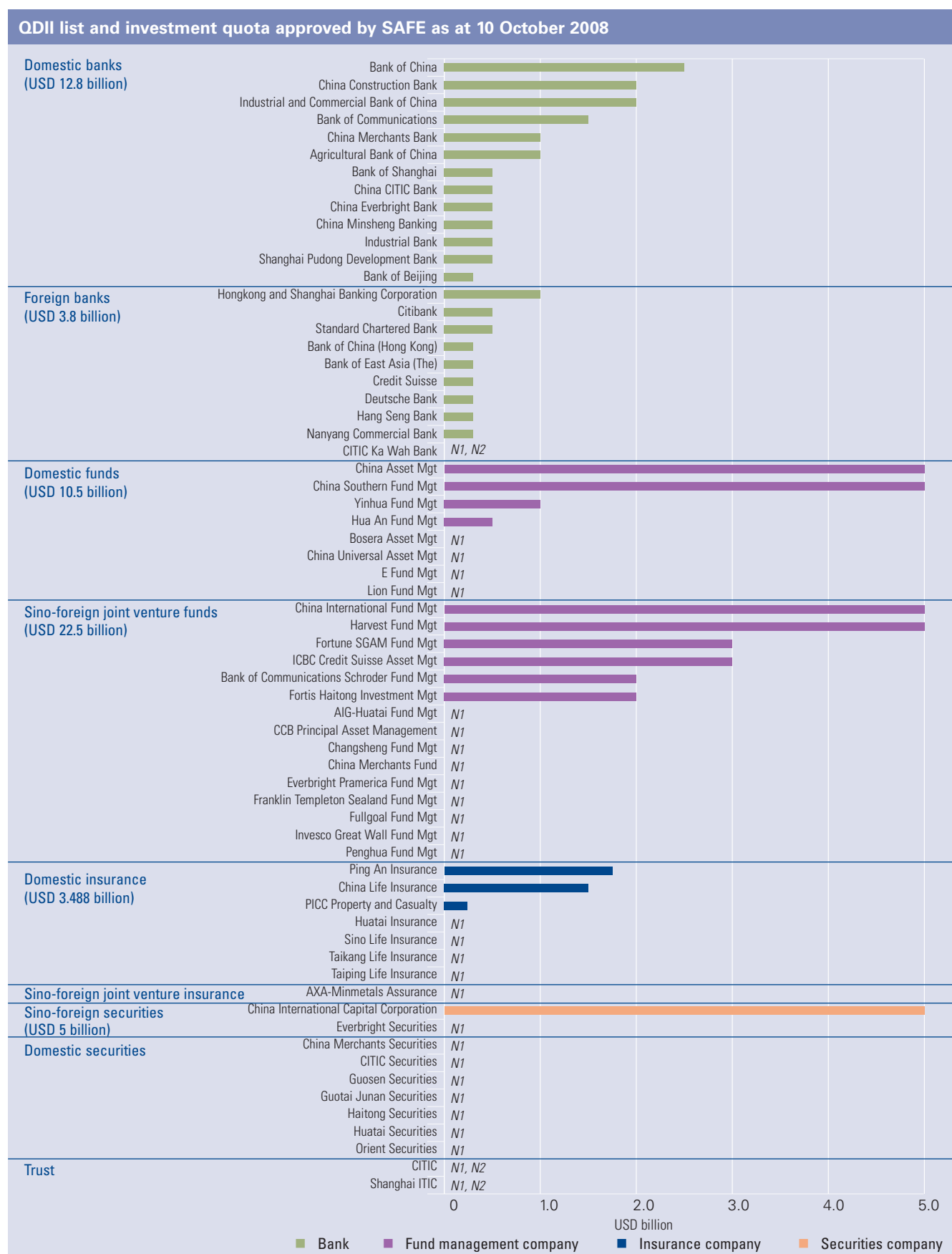
Source: CSRC, SAFE, KPMG research

N1 - Pending an investment quota from SAFE

N2 - Based on media reports

N3 - Formerly HSBC Investments (Hong Kong)

Qualified Domestic Institutional Investors



Source: CSRC, SAFE, KPMG research.
 N1 - Pending an investment quota from SAFE
 N2 - Based on media reports

Securities firms with stakes in mainland futures brokerages

Securities firm	Futures brokerage	Stake as at 31 December 2007
BOC International Securities	BOC International Futures	100%
Bohai Securities	Herong Futures	99.6%
Caitong Securities	Zhejiang Yong An Futures	51.08%
Central China Securities	Central China Futures	83.61%
Changjiang Securities	Changjiang Futures	100%
China Galaxy Securities	Galaxy Futures	49.99%
China Merchants Securities	China Merchants Futures	100%
China Securities	China Futures	100%
Cinda Securities	Cinda Futures	100%
CITIC Securities	CITICS Futures	100%
Daton Securities	Dalian Liangyun Futures	51%
Dongguan Securities	Dongguan Futures	49%
Donghai Securities	Donghai Futures	93.34%
Essence Securities	Essence Futures	93.38%
Everbright Securities	Everbright Futures	100%
First Capital Securities	Baifu Futures	96%
Fortune Securities	Triumph Futures	97%
Founder Securities ¹	Founder Futures	66.7%
GF Securities	GF Futures	100%
Goldstate Securities	Goldstate Futures	49%
Great Wall Securities	Zhejiang Jinda Futures	49%
GuoDu Securities	China Credit Futures	62.31%
Guolian Securities	Guolian Futures	71%
Guosen Securities	Zhengxin Futures	100%
Guotai Junan Securities	Guotai Junan Futures	100%
Guoyuan Securities	Guoyuan Antai Futures	55%
Haitong Securities	Haitong Futures	63.67%
Hongta Securities	Yunnan Guozi Futures	60.4%
Hongyuan Securities	Hongyuan Futures	100%
Hua An Securities	Hua An Futures	50%
Huatai Securities	Great Wall Futures	60%
Industrial Securities	Industrial Futures	84.5%
Minsheng Securities	Shangxi Wuchan Futures	82%
Nanjing Securities	Hubei Jinlong Futures	68.82%
Northeast Securities	Bohai Futures	96%
Orient Securities	Shanghai Orient Futures	100%
Ping An Securities	Ping An Futures	78.75%
Qilu Securities	Luzheng Futures	89.88%
Shanghai Securities	Shanghai Shiyou Futures	100%
Shanxi Securities	Dahua Futures	66.5%
Shenyin & Wanguo Securities	Shenyin & Wanguo Futures	70%
SINOLINK Securities	Sinolink Futures	95.5%
SooChow Securities	SooChow Futures	74.5%
South China Securities	South China Futures	100%
Tebon Securities	Tebon Futures	88%
Tianfeng Securities	Northern Futures	32.8%
West China Securities	Daye Futures	100%
Xiangcai Securities	Xiangcai Qinian Futures	50%
Xintai Securities	Jiangsu Suwu Futures	58.5%
Zheshang Securities	Tianma Futures	100%

Source: Securities companies' 2007 annual reports, and other publicly available information

¹ The CSRC approved Founder Securities' acquisition of Sun Securities on 12 May 2008. Zhongchen Futures and Sun Futures, in which both parties held stakes before the acquisition, then merged into Founder Futures.

Securities firms with stakes in mainland fund management companies

Securities firms	Fund management companies	Stake as at 31 December 2007
BOC International (China) Securities	Bank of China Investment Management	67%
Capital Securities	China Post and Capital Fund Management	28%
Changjiang Securities	Changxin Asset Management	49%
	Lordabbett China Asset Management	30%
China Dragon Securities	Huashang Fund Management	46%
China Merchants Securities	Bosera Fund Management	25% NB1
	China Merchants Fund Management	33.3%
CITIC Securities	China Asset Management	100%
	CITIC Fund Management	100%
Everbright Securities	Everbright Pramerica Fund Management	67%
First Capital Securities		29%
Northeast Securities	Yinhua Fund Management	21%
Southwest Securities		29%
GF Securities	GF Fund Management	48.33%
	E Fund Management	25%
Great Wall Securities	Great Wall Fund Management	47.06%
Goldstate Securities	KBC-Goldstate Fund Management	51%
Guodu Securities	Lombarda China Fund Management	47%
Guotai Junan Securities	Guotai Junan Allianz Fund Management	67%
Guosen Securities	Penghua Fund Management	50%
Guoyuan Securities	Changsheng Fund Management	41%
Haitong Securities	Fortis Haitong Investment Management	51%
	Fullgoal Fund Management	27.78%
Huatai Securities	AIG - Huatai Fund Management	49%
	China Southern Fund Management	45%
	Rongtong Fund Management	20%
Hua An Securities	Harfor Fund Management	49%
Industrial Securities	Aegon-Industrial Fund Management	64.29%
Orient Securities	China Universal Asset Management	47%
	Great Wall Fund Management	17.65%
Sealand Securities	Franklin Templeton Sealand Fund Management	51%
Shenyin & Wanguo Securities	SYWG BNP Paribas Asset Management	67%
Soochow Securities	Soochow Asset Management	49%
Qilu Securities	Wanjia Asset Management	60%
Wanlian Securities	Guotai Asset Management	20%

Pending transactions

1. Western Securities and Bank of New York Mellon have agreed to set up a fund management joint venture. (China Industry Daily News, 22 November 2007)
2. China International Capital Corporation (CICC) and Shanghai International Group will team up to establish a fund management company based in Shanghai. CICC will take a 40% stake. (Ta Kung Pao, NewsTrak Daily, 4 June 2008)
3. CITIC Securities has gained approval for proposed scheme of CITIC Industry Investment Fund Management from the National Development and Reform Commission. CITIC Securities will contribute 67% of the registered capital of this fund management company. (Xinhua News Agency, 8 June 2008)

Source: Company accounts and newspaper

NB1 China Merchants Securities will purchase another 48% stake in Bosera Fund Management, subject to regulatory approval, raising its stake from 25% to 73%. (China Knowledge press, 27 December 2007)

Recent financial turmoil – financial risk management



The recent financial turmoil and the disruption it is bringing to the markets are changing the way financial institutions are looking at risk management. One of the challenges that market participants are facing is a shortage of skills and expertise, especially for financial institutions planning to adopt more advanced risk management practices. Companies are therefore increasingly turning to independent external advisors to assess and design market risk management programs, considering internal cost reduction and efficiency requirements as well as regulatory mandates.

Futures and options serve as a critical risk management tool, and can be an efficient way to hedge against market volatility. While China's financial market is introducing index futures and margin financing, the relevant regulations are also being strengthened. The futures business is expected to be exclusively licensed in the early stage of the futures market development, while securities firms will need to have compliance supervisors and establish a system for reporting irregularities. Meanwhile, the CSRC is responsible for evaluating compliance management and implementing rigorous rules for options and margin trading. What complicates the matter are regulatory rulings requiring new and increasingly sophisticated risk measurement, valuation and accounting capabilities.

How KPMG Financial Risk Management can help

KPMG's Financial Risk Management (FRM) practice provides leading risk management services that can help your organisation avoid financial loss, reduce operating costs, increase operational efficiency, and enhance stakeholder value. Our industry-focused professionals bring specialised skills and experience in risk management, operations, governance, internal audit, and information technology.

Derivatives operations

KPMG can help you understand and meet new regulatory and marketplace demands on your derivatives operations, from clearing and settlement processes to documentation.

We have significant experience in derivatives middle-office and back-office operations. Our product knowledge spans the over-the-counter (OTC) derivative market, with pronounced capability in credit derivatives. Our group is adept at dealing with the most complex derivatives structures and has worked with leading financial services organisations to improve operational effectiveness and mitigate risk.

Model validation

A derivative trading organisation faces inherent risks in the pricing, modelling, and valuation of OTC and exchange-traded derivative transactions. Issues of misspecification, inappropriate models, and improper implementation are key concerns for both management and regulators.

KPMG's model validation services can assist organisations that seek independent control assurances, enhanced internal risk management and reporting capabilities, and regulatory compliance assistance. We can conduct model reviews to assess the processes related to model controls, review the mathematical integrity of the model, and determine the quality of the data processes that support the models.

Valuation

The recent financial turmoil reveals another issue in the financial market – the valuation of securities, particularly in terms of derivatives and structured products which carry a number of financial risks. Our professionals can assist you to validate assumptions driving derivative and portfolio valuations and independently value derivative and structured products.

Our valuation services address the following:

- Valuation assumption reasonableness: Key areas include forward-curve assumptions (e.g. interest rates and physical forwards), price volatility, correlations, market and credit premiums, market liquidity adjustments, and statistical confidence assumptions.
- Instrument and position valuations: KPMG independently values positions, documents and key assumptions, and highlights parameter variances.

Credit limit system

The US subprime crisis calls a big challenge to the credit culture. KPMG advises clients on the design of credit limit systems that are integrated with the capital management of the organisation, so that organisations can align their actual credit risk with their capacity to absorb it.

Exposure measurement and collateral management

The correct measurement of exposure – including the effects of collateral – is a key form of effective credit risk management and forms the basis for subsequent efforts in risk management.

Benefits

Working with KPMG's FRM services provides many benefits:

- Reduced exposure to unexpected losses
- Accurate transaction reporting and accounting
- Improved product pricing methodology
- Independent review of the derivative portfolio
- Better monitoring of counterparty credit exposure
- Increased risk communication and hedging capability



Overview of Sino-foreign joint venture players

Date of establishment	Foreign partner	Chinese partner(s)	JV securities companies
July 1995	Morgan Stanley (34.3%) Mingly Corporation (7.35%) The Government of Singapore Investment (7.35%)	China Jianyin Investment (43.35%) China National Investment & Guaranty Corporation (7.65%)	China International Capital Corporation
April 1996	China Everbright Limited (39.31%)	China Everbright Group (40.92%) Jiayuguan Hongfeng Group (4.42%) Xiamen Xinshiji Group (3.9%) Dongguan Lianjing Investment (2.76%) Dazhong Transportation (Group) (2.07%) Others (6.62%)	Everbright Securities
January 2002	BOC International Holdings (49%)	China National Petroleum (21%) State Development & Investment (12%) Yuxi Hongta Tobacco (Group) (6%) China General Technology (Group) Holdings (6%) Shanghai State-Owned Assets Operation (6%)	BOC International (China)
December 2002	Credit Lyonnais Securities Asia (33.33%)	Fortune Securities (66.67%) [acquired from Hunan Valin Iron & Steel Group]	China Euro Securities
June 2004	Daiwa Securities SMBC (33.33%)	Shanghai Securities (66.67%)	Daiwa SMBC-SSC Securities
June 2004	Goldman Sachs (Asia) (33%)	Beijing Gaohua Securities (67%)	Goldman Sachs Gaohua Securities
December 2006 (via acquisition)	UBS (20%) IFC (4.99%)	Beijing Guoxiang Asset Management (33%) COFCO (14%) State Development & Investment (14%) China Jianyin Investment (14.01%)	UBS Securities (formerly Beijing Securities)
June 2008	Credit Suisse (33.3%)	Founder Securities (66.7%)	Credit Suisse-Founder Securities
Pending	Deutsche Bank (33%)	Shanxi Securities (67%)	
Pending	Citigroup	Central China Securities	

Source: 2007 CSRC annual report and publicly available information

¹ BNP Paribas, the foreign partner of Changjiang BNP Paribas Peregrine Securities, transferred its entire 33% stake to Changjiang Securities on 8 December 2006, turning Changjiang BNP Paribas Peregrine Securities into a wholly-owned subsidiary of Changjiang Securities, a domestic securities firm.

² It has been reported that Deutsche Bank has signed a deal with Shanxi Securities to set up a securities joint venture.

Contact us

KPMG China has more than 8,500 staff working in twelve offices: Beijing, Shenyang, Qingdao, Shanghai, Nanjing, Chengdu, Hangzhou, Fuzhou, Guangzhou, Shenzhen, Hong Kong and Macau.

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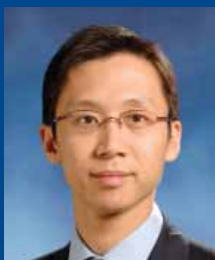
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