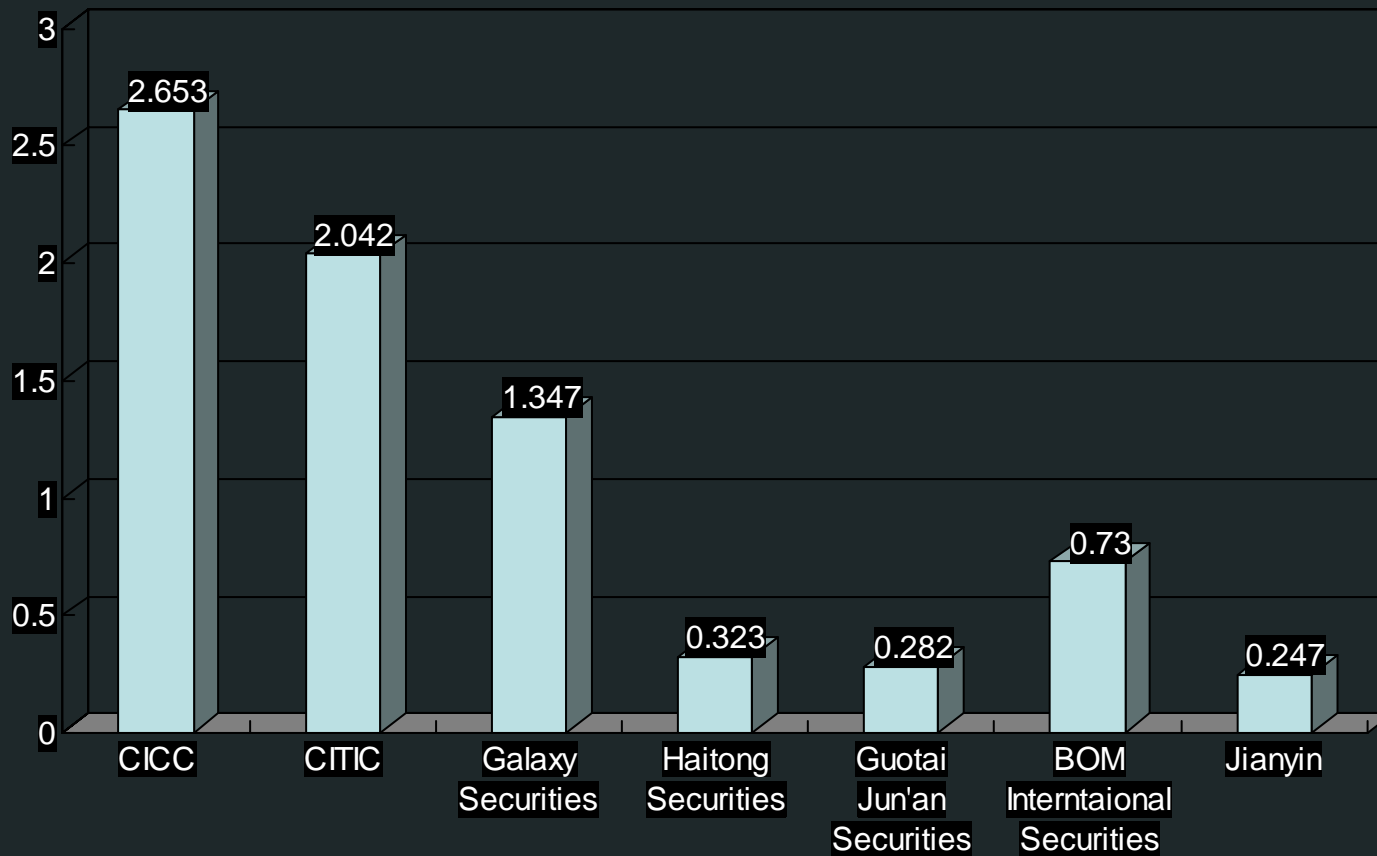


China Investment Bank Industry Report, 2007-2008



- The total revenue from stocks and stock linked underwriting business in China securities market reached RMB11.4 billion in 2007, of which, the underwriting revenue from IPO was RMB9 billion, the revenue from public offering increase RMB1.4 billion, the revenue from share allotment underwriting RMB480 million, the revenue from underwriting of convertible bonds RMB590 million. As for China International Capital Corporation Limited, the underwriting revenue in 2007 reached RMB 2.7 billion, occupying 30% of the total market shares.

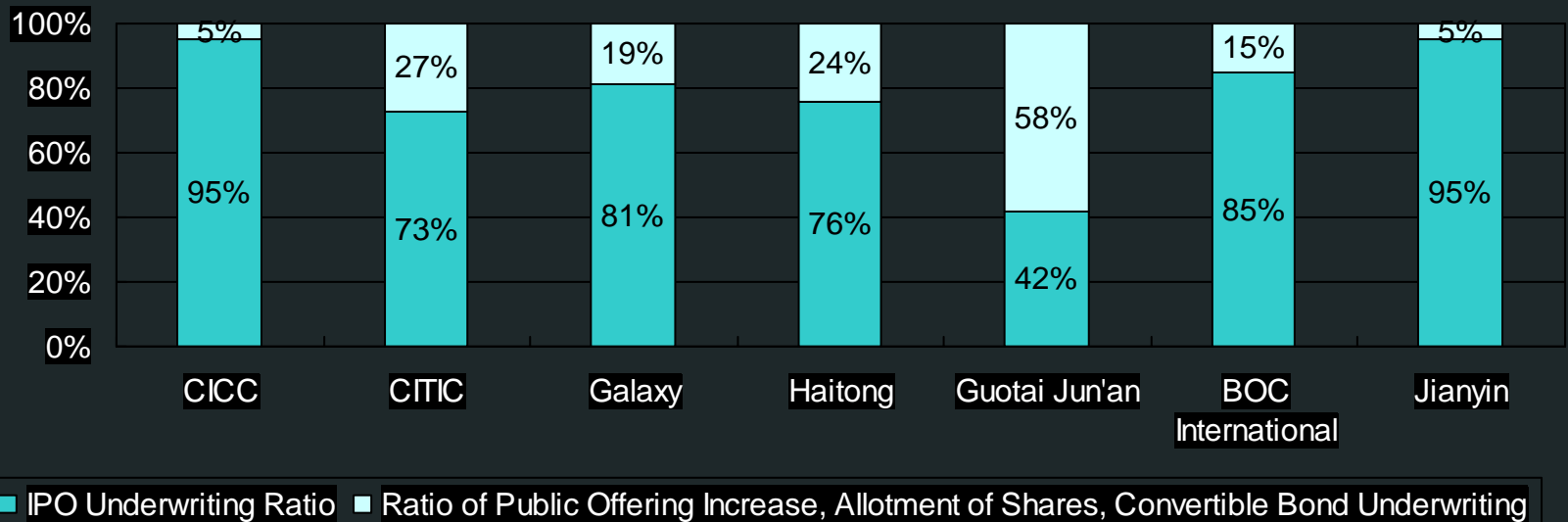
Revenue of Some Securities Companies, 2007 (Unit: billion yuan)



Note: 2% commission charge rate for underwriting

- IPO occupies a large proportion in the stock and stock linked underwriting business. The securities companies can acquire RMB8.9 billion revenue in IPO financing activities of the listed company. As for single securities company, in the underwriting revenue of China International Capital Corporation Limited, IPO occupies 95% and IPO of CITIC 73%.

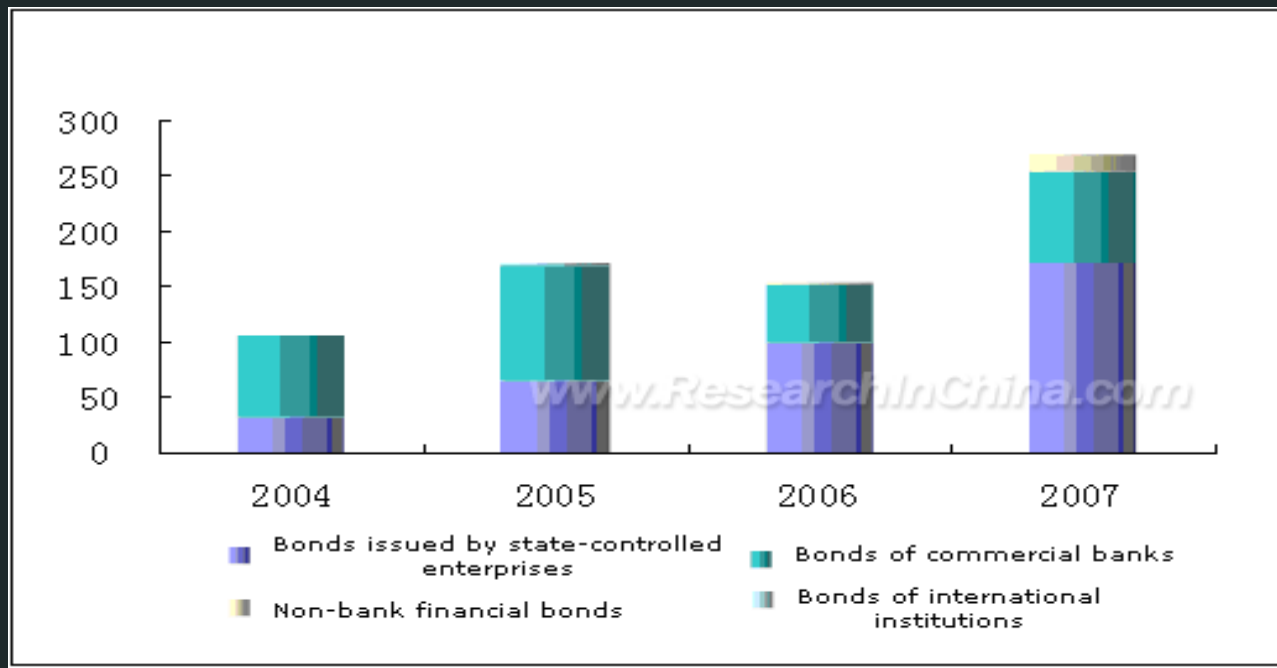
Ratio of Stock and Stock Linked Underwriting Revenue in Some Securities Companies, 2007 (%)



Note: 2% commission charge rate for underwriting

- China enterprise related bonds (excluding bonds issued by listed companies) scale reached RMB270 billion in 2007, up 74% over the year of 2006. However, the financing of enterprise related bonds mainly focus on bonds issued by state-controlled enterprises and commercial bank bonds.

- Operating Revenues of Enterprise Related Bonds, 2004-2007 (unit: billion yuan)**



Note: excluding bonds issued by listed companies

- The accumulative raised capitals of the listed companies that raised 10 billion yuan more capitals respectively in IPO amounted to RMB383 billion in 2007, occupying 67% of the total raised funds in the securities market. As the launch of the Second Board in 2008 can bring a lot of opportunities of going on public and financing to medium- and small-sized enterprises, the major source of the underwriting revenue of securities companies is expected to shift towards medium- and small-sized enterprises in 2008.
- Firstly, the report analyzes the status quo of China capital market and China investment bank industry from the angle of economic and policy environments. Then, it makes a detailed research on the competitive pattern of stocks and stock linked business as well as enterprise related bonds business. Finally, it introduces four foreign-funded banks, six securities companies and two local investment banks. The stocks and stock linked business mentioned in this report mainly includes IPO, public offering increase, allotment of shares and convertible bonds. The enterprise related bond business mainly includes bonds issued by state-controlled enterprises (excluding bonds issued by listed companies), commercial bank bonds, non-bank financial bonds and bonds of international institutions.

Table of Contents

- 1 China economic and policy environments
 - 1.1 Status quo of China capital market
 - 1.1.1 Capital market takes its initial shape as fortune management platform
 - 1.1.2 Indirect financing is still the main force
 - 1.1.3 Securitization rate exceeds international average level
 - 1.2 Macro economic environment
 - 1.2.1 CPI growth margin may slightly exceed the anticipation
 - 1.2.2 Continuous RMB appreciation
 - 1.2.3 Surplus fluidity
 - 1.3 Policy environment
 - 1.3.1 The 11th increase of reserve rate by Central Bank of the Republic of China
 - 1.3.2 Supervision environment

- 2 Investment banks overview
 - 2.1 Definition of investment bank
 - 2.1.1 Definition
 - 2.1.2 Key operations
 - 2.1.3 Difference between investment bank and commercial bank
 - 2.2 Status quo of China investment banks
 - 2.2.1 Securities companies: large amount, small size and low international competitiveness
 - 2.2.2 Indefinite property right
 - 2.2.3 Similar operations and few varieties
 - 2.3 New listed companies in Shanghai and Shenzhen, 2007-2008
 - 2.4 New listed companies on Main board of HK, 2007
- 3 Analysis of key operation of investment banks
 - 3.1 Stocks and stock linked business
 - 3.1.1 IPO
 - 3.1.2 Public offering increase, allotment of shares, underwriting of convertible bonds
 - 3.2 Enterprise related bonds business
 - 3.2.1 Bonds issued by state-controlled enterprises
 - 3.2.2 Commercial bank bonds
 - 3.2.3 Non-bank financial bonds
 - 3.2.4 International institution bonds
 - 3.3 Second Board
 - 3.4 Assets securitization business
 - 3.5 Merger and acquisition business
 - 3.6 Developmental trends
 - 3.6.1 Supervision is loosened
 - 3.6.2 The trend of disintermediation is inevitable
 - 3.6.3 Merger & integration are necessary trends

4 Introduction of key companies

4.1 Merrill Lynch

4.1.1 Company Profile

4.1.2 Operations

4.2 UBS Securities

4.2.1 Company Profile

4.2.2 Operations

4.3 Morgan Stanley

4.3.1 Company Profile

4.3.2 Operations

4.4 Goldman Sachs

4.4.1 Company Profile

4.4.2 Operations

4.5 CITIC

4.5.1 Company Profile

4.5.2 Operations

4.6 Haitong Securities

4.6.1 Company Profile

4.6.2 Operations

4.7 Northeast Securities

4.7.1 Company Profile

4.7.2 Operations

4.8 Guoyuan Securities

4.8.1 Company Profile

4.8.2 Operations

4.9 Hongyuan Securities

4.9.1 Company Profile

4.9.2 Operations

4.10 BOC International (China) Limited

4.10.1 Company Profile

4.10.2 Operations

4.11 China eCapital Corporation

4.11.1 Company Profile

4.11.2 Operations

4.12 Richlink International Capital Co., Ltd.

4.12.1 Company Profile

4.12.2 Operations

- 5 Conclusion

Selected Charts

- Comparison of direct financing and indirect financing, 1998-2006
- Change of CPI growth rate, 2006-2007
- Change of RMB exchange rate, 2005-2007
- Trade surplus and foreign exchange reserve
- Change of M2/GDP, 2000-2006
- Revenue structure of American investment banks, 2004-2006
- Revenue structure of Chinese securities companies, 2006-2007
- Change of current assets, fixed assets and other assets of Goldman Sachs, 2005-2006
- Change of operating profit and net profit of Goldman Sachs, 2005-2006
- Change of market shares of operations of China CITIC Bank, 2006-2007
- Shareholders of UBS Securities
- Current assets, total assets, liabilities and owners' equity of UBS Securities, 2006
- Major shareholders of CITIC Securities
- Major shareholders of Haitong Securities
- Major shareholders of Northeast Securities
- Major shareholders of Guoyuan Securities
- Major shareholders of Hongyuan Securities
- Investment projects of Richlink International Capital Co., Ltd.

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