



China's Trust Sector: A new chapter

FINANCIAL SERVICES

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Cliff Chau

Welcome to our inaugural report on the trust sector in China. We view the timing of this report as particularly opportune, as recent reforms undertaken by the China Banking Regulatory Commission (CBRC) have set the stage for the trust sector to become a much more significant player in China's booming wealth management sector.

China's trust still stands as one of the least understood players in the Mainland financial services sector and it still has a long way to go before it can catch up with its peers. However, China's regulators have demonstrated that they are open to innovative ideas and new financial products and have given trust companies the tools they need to succeed. Nonetheless, many challenges still exist for trust companies. These include finding a niche in the asset management industry and being able to offer new products to distinguish themselves from competitors in related sectors.

This KPMG report considers all of these challenges, as well as providing an analysis of the recent reforms in the industry.

We are delighted to see the production of this report, it being our first piece of thought leadership covering this increasingly important sector.

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Introduction



A trust company or *Xintuo gongsi*, as the term is used in China, is a uniquely Chinese financial institution, combining characteristics from the private equity, asset management and banking sectors. They should not be confused with how the term trust is applied in the West. This sector still stands as one of the least understood areas of China's financial services sector and, until recently, was closed off to foreign and domestic investors, alike. This, however, is set to change.

In stark contrast to the dramatic rebound of the securities sector in the last two years and the turnaround of the banking sector over the last five years, China's trust industry has been something of a weak link in the financial sector. This is despite the ongoing liberalisation of the financial services sector since the country joined the World Trade Organisation. Nonetheless, in the past year there have been considerable developments and the trust sector has increasingly become a target of both foreign and domestic investors seeking to obtain a stake in China's rapidly growing financial services sector. This shift has been primarily brought about by regulatory changes instituted in January 2007, which sought to clarify the future development of the trust sector and set out standards to reduce the previous uncertainty.

The trust sector is still small compared to other areas of the finance industry, with assets entrusted totalling approximately RMB 600 billion as at September 2007, according to the China Banking Regulatory Commission (CBRC). However, in the coming years, trust companies are expected to become a more significant funding channel for other institutions as well as a force in China's booming wealth management industry.

History of China's trust sector

The origins of China's trust sector stretch back to October 1979 with the establishment of China International Trust & Investment Co. (CITIC). From these beginnings, the sector developed rapidly and by the end of 1992 there were 1,000 such entities.¹ Without the same level of regulatory constraint placed on other players in the financial sector, trust companies thrived and were widely utilised by government bodies to invest in earmarked projects as well as to act as conduits for capital into promising areas of the Chinese economy.

However, their most common function was lending to construction subsidiaries in which the trust and investment company (TIC), as trust companies were known back then, would play the dual role of both the overseas and domestic partner. While generating huge profits when property markets were booming, the companies incurred massive losses when China's real estate markets ran into trouble in the late 1990s.

¹ China Hand, *Economist Intelligence Unit*, March 2006.

During this period the problems and debt stemming from trust operations dealt a serious blow to the sector. A number of notable bankruptcies shook the sector in the following years, beginning with Guangdong ITIC (GITIC) in 1998, and followed by Hainan ITIC (HITIC), which defaulted on USD 370 million worth of Samurai bonds owed to Sumitomo Bank and other Japanese creditors, causing considerable tension among foreign investors.² In 2000, the International Monetary Fund (IMF) estimated that the debt of Chinese trust and investment companies totalled between USD 12 billion and USD 20 billion.³

Reforming the TICs

The People's Bank of China (PBOC) served as the regulator of the trust industry until 2003, but attempts at reform did not have the desired results and in 2000 the bank ordered all trust companies to stop their business and resubmit to be certified.

The following years saw the implementation of a number of new laws and regulations to increase risk management and supervision of the sector. In October 2001, the *Trust Law* was released and a year later, in light of still unacceptable levels of risk, the PBOC released the *Provisional Rules on Entrusted Funds Management of Trust and Investment Companies*. These two laws attempted to reform the sector by first improving regulatory oversight and establishing a framework for punishing companies operating outside of the law, as well as to dramatically limit the business scope of TICs. In particular, TICs were no longer allowed to borrow from abroad, guarantee minimum returns, or take deposits of any sort.

Despite their dramatically reduced operating scope, TICs quickly rebounded and by the end of 2004 the sector had assets totalling RMB278.4 billion (equivalent to just under 1 percent of total bank assets) and managed wealth of RMB204.2 billion.⁴

This rapid growth, driven by promises of high returns, set the authorities on edge. It culminated in the China Banking Regulatory Commission (CBRC) taking over supervisory and regulatory oversight of the trust sector in 2003 and launching investigations into several TICs in early 2004. Three scandals emerged, with the default by Jinxin Trust and Investment on one of its trust products causing the biggest stir.⁵

² Japan sees no progress in China HITIC settlement, *Reuters*, 27 July 2001.

³ China finance — Beijing to clean up the trust and investment sector, *Economist Intelligence Unit*, 8 November 2000.

⁴ Trust industry: how far is the way to be 4 [sic] pillar of China's finance?, *Xinhua Finance*, 1 March 2005.

⁵ Trust Association in the Works, *China Business Weekly*, 14 September 2004.

The CBRC, using its mandate to reform the trust sector, issued numerous guidelines after 2004, including one requiring TICs to issue annual reports on their financial performance. By January 2005, the number of players had dropped sharply, with only 59 TICs registered with the CBRC. Following continued reforms, in 2007 the CBRC succinctly described its aims for the sector as the following:

"[the] objective of the new regulations is to motivate trust companies to evolve from being a financial platform into truly professional institutions entrusted to manage third party wealth, and encourage trust companies to reorganise and innovate business based on the needs of the market and actual operational situations, in order to aim for trust companies to develop into risk-controlled, legally compliant, innovative and competitive professional financial institutions within three to five years."⁶

Key regulatory changes

In light of the restructuring in 2007, the trust sector is once again becoming a major force in China's finance industry. The most important step in the reform of the sector occurred with new legislation passed by the CBRC in 2007, entitled *Measures on Administration of Trust Companies and Measures on Administration of Collective Fund Trust Schemes of Trust Companies*. This went further than any previous regulations in opening and restructuring the trust sector.

The most symbolic change made by the CBRC was the renaming of Trust and Investment Companies as simply trust companies to place greater emphasis on their trust role. Overall, the legislation marked a turning point that led to a fundamental restructuring of the industry, second only in scope to the restructuring of commercial banks that began in the late 1990s. The amount of change these regulations have brought, and will continue to bring, is immense. The thrust of the regulations is to help trust companies compete with their investment management peers by carving out a niche serving higher net worth individuals and institutional investors while increasing transparency.

Under the new regulations, greater limitations have been placed on who may invest in a trust product, particularly with respect to requirements for individuals. Qualified investors must now fall into one of the following categories:

- Individuals or organisations whose investment in a trust plan exceeds RMB 1 million
- Individuals or families who can prove their total financial assets exceed RMB 1 million during the subscription period

⁶ CBRC Website.



- Individuals whose proven annual income was in excess of RMB 200,000 during the three years prior to the investment, or together with their spouse had a combined income greater than RMB 300,000 during the same period.

In essence, the standards for individual investors to join a trust plan have been substantially increased and are intended to reorient trust companies from the retail space to high-end individuals and institutions.

Another important change has been to set limits on the number of individual investors in a trust plan. This is capped at 50. More notably though, there has been no limit placed on the number of institutional investors, reflecting the CBRC's desire for a greater focus on these investors.

However, the most fundamental changes for trust companies relate to their scope of business as they may now engage in a much wider range of activities. Previously, they were only allowed to underwrite bonds, but now the securities markets, including equity, are also open to them. With approval from the CBRC, they may also offer underwriting in a complementary product area such as Real Estate Investment Trusts (REITs) and securitisation. Similarly, with the prerequisite licenses, they are now allowed to engage in pension fund management, wealth management in overseas investments, private equity investments, asset securitisation and financing leases.

In 2007, the CBRC also stipulated that trust companies have a three-year period in which to achieve compliance with the new regulations and risk management guidelines. If, by 2010, any company has failed to do so, it can lose its license.

The CBRC has set out the following requirements for a trust company to be granted the new license:

- It has sound corporate governance mechanisms in place to ensure compliance with regulations and strong risk management controls
- It has a good reputation and sound performance as well as a satisfactory information disclosure system
- It has the necessary senior managers and professionals to conduct its business
- It has not committed any illegal or irregular acts within the latest three years
- All its due trust products can be subject to normal liquidation and the operation of its current trust products is stable

- The value of its net assets after accounting for loss reserves can not be less than RMB 300 million
- It has no such outstanding issues of significance, such as pending litigation
- It has complied with other requirements for prudence as prescribed by the CBRC.

The chart below lists the companies which have received this recertification as of 1 December 2007.

Trust companies approved for new trust certification license (as at 25 February 2008):

Dongguan Trust and Investment, Dalian Huaxin Trust, Guolian Trust, National Trust, SDIC Trust, Huachen Trust, Hangzhou Industrial and Commercial Trust, Equity Trust, Fortune Trust, Jiangsu International Trust and Investment, Bank of Communications International Trust, Yingda International Trust, Shandong International Trust and Investment, Shanxi Trust, Hefei Xingtai Trust, Shanghai International Trust, Xiamen International Trust, Yunnan International Trust, New China Trust, Suzhou Trust, China Credit Trust, CITIC Trust, Zhonghai Trust Co., Zhongrong International Trust, Guangdong Yuecai Trust, Zhongyuan Trust, China Foreign Economy and Trade Trust and Investment, Xi'an International Trust, Beijing International Trust, Chongqing International Trust, China Zhongtou Trust and Bohai International Trust.

The new law also clearly states which related party transactions are prohibited. In particular, trust companies are no longer permitted to offer funding for shareholders.

In another stipulation, it is now easier for trust companies to establish branch offices in other provinces (following CBRC approval), giving them a greater opportunity to increase their size geographically. The previous legislation required them to obtain a "cross-location trust business license" and was much more onerous. In addition, promotional activities by trust companies are now permitted within financial institutions, whereas before all such activities were prohibited.

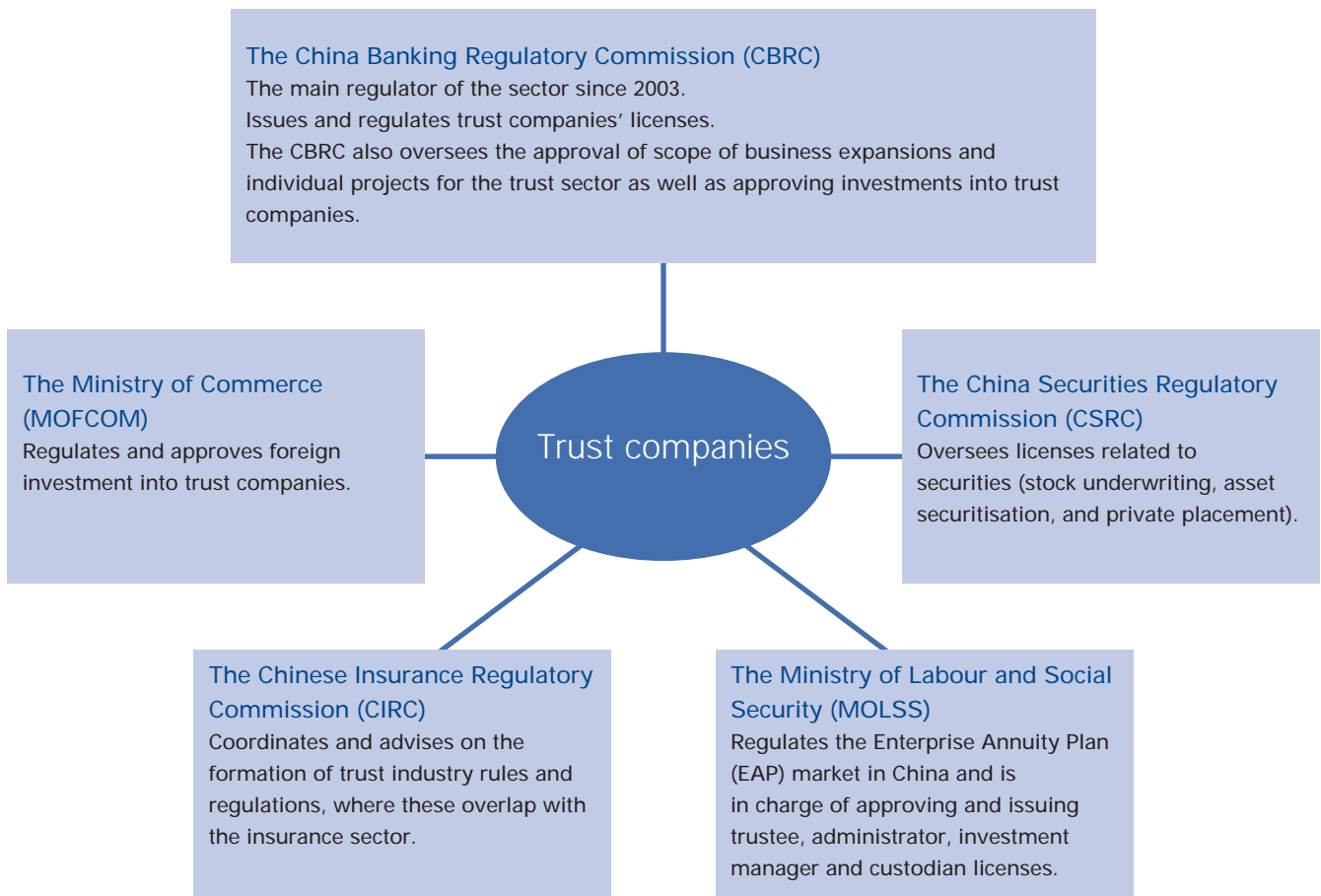
A final change relates to risk management. Proprietary investments by trust companies are now limited to investments in financial institutions, financial products or self-use products. Investment in other sectors must be approved by

the CBRC. This goes a long way in reducing conflicts of interest between a trust company's on-balance-sheet business and its trust business. Loans and credit can also only be inter-bank and they must be below 20 percent of net assets unless special approval from the CBRC is granted.

Regulatory structure

With the onset of regulatory relaxation across the entire finance industry, there is also increasing overlap. The expanded business scope of trust companies is increasingly putting them in competition with other areas of the finance industry. This has also made the regulatory structure in the trust sector rather complicated in comparison to other areas in the finance sector in China. While the CBRC is still the key regulator, depending on what license is being applied for by a trust company, up to five regulatory bodies may be involved.

Regulatory bodies influencing the trust sector



The opportunity for foreign investors



China is open to foreign investment into the trust sector as part of its effort to restructure domestic trust firms into professional wealth management organisations. Foreign financial institutions in turn are eager to gain access to China's growing wealth management industry. Initially, the regulations overseeing foreign investments into trust companies were similar to those into banks, namely that a single foreign investor was capped at a 20 percent investment while total foreign investment could not exceed 25 percent.

However, on 3 August 2007, the CBRC released new regulations, *Implementation Measures on Administrative Allowances for Non-bank Financial Institutions*, which explicitly permit overseas financial institutions to invest in trust companies. A cap of 20 percent has been maintained on single investors and related companies but there is no mention of a cap of 25 percent on total foreign investment.

Furthermore, a single overseas institution, including its related companies, may not invest in more than two trust companies. Foreign investors are also required to have total assets over USD 1 billion and, once an investment has been made, are required to hold it for at least three years.

To date, foreign involvement in this sector has been fairly limited. The first foreign participation was, curiously enough, with the French supermarket chain Auchan. In December 2003, Beijing International Trust and Investment Corp (BITIC) and Auchan launched a REIT, the first of its kind in China, for Auchan's mall in Tianjin.⁷ In 2004, Shanghai International Trust and JP Morgan Asset Management joined forces to set up China International Fund Management, and the next year SITIC jointly established China's first inter-dealer broker, Shanghai Guoli, with Tullett Prebon.⁸

However, direct investment by a foreign investor has not been allowed until recently and it was only in late 2007 that Ashmore Investment Management of the UK became the first foreign investor to gain approval for a 19.99 percent stake in a trust company, namely Beijing International Trust.⁹ This was followed shortly after in early 2008 by National Australia Bank, which got CBRC approval to invest in Union Trust. A number of other prominent deals are in the pipeline. Barclays Capital has inked an agreement to take a 19.9 percent stake in New China Trust & Investment,¹⁰ while Royal Bank of Scotland has also reached agreement with Suzhou Trust to take a 19.9 percent stake, a move that is thought to be motivated by RBS's desire to further develop its investment banking operations in China. Both deals are still awaiting final regulatory approval.

The level of foreign interest recently aroused by this sector should not be particularly surprising in light of the dramatically expanded business scope of trust companies, as they offer the potential to access some of the most

⁷ Beijing Intl Trust and Investment launches China's first REIT project, *Xinhua Financial Network News*, 10 December 2003.

⁸ China Becomes World's Most Potential Investment Place, *SinoCast China Business Daily News*, 5 August 2004 and Tullett Prebon Venture Has Good Start, *SinoCast China Financial Watch*, 23 December 2005.

⁹ CBRC approves UK Ashmore becoming shareholder of Beijing Trust, *Xinhua News Agency*, 12 November 2007.

¹⁰ UPDATE 1 – Barclays gets nod to buy stake in China trust firm, *Reuters News*, 23 July 2007; NAB's high hopes for China union, *Australian Financial Review (Abstracts)*, 11 September 2007 and RBS considers China growth, *Financial Times*, 20 December 2007.

closed parts of China's financial markets. The fact that provincial limits on trust companies have largely been removed also leaves open the possibility for nationwide expansion.

The licenses of the larger, more successful trust companies give them access to a wide selection of asset classes, including hard to access asset classes such as private equity, real estate and alternative investments.

The refocusing of trust companies to high net worth individuals and corporates is also particularly appealing as these two areas represent a market that is seen as having untapped potential.

Another key attraction to this sector is that trust companies give foreign investors access to local funding (via clients of the trust) which can then be channelled into desirable investment targets. This offers much greater leeway in investing in PRC projects. Likewise, other players in the financial sector, such as securities firms and banks, are increasingly difficult to buy into and often only at extremely high valuations, since both sectors have recently been making record profits. On the other hand, stakes in trust companies can still be acquired for relatively smaller sums.

Given how recent these changes have been, there are no real test cases to learn from and concrete details on how this historically challenged sector will develop are still hard to come by. For example, while trust companies are now free to establish branches beyond their home province, they still require approval to do so and the pace of these approvals remains unclear. Also, the amount of overlap has led to an unusually complex regulatory approval system. Unlike the commercial banking sector, which primarily only answers to the CBRC, trust companies are beholden to a wide range of regulatory approvals, depending on the type of service or action they are seeking to undertake.

Likewise, given the previous status of trust companies as semi-governmental financial institutions, many trust companies are still partially state-owned, meaning that approval from the State-owned Assets Supervision and Administration Commission (SASAC) would also be needed for a deal to go through. All of these factors could create complications for investors and lead to prolonged waiting periods for approvals.

Despite the increased variety of service offerings, only a small number of the 54 trust companies in China have actually been able to participate in these new services. With respect to asset securitisation, to date fewer than ten trust companies have been approved by the CBRC to act as a trustee for these special purpose trusts, including China Credit Trust, Yingda International Trust, Zhonghai Trust, Shanghai International Trust, Fortune Trust, and Ping An Trust. Fortune

Trust is operating in partnership with GMAC-SAIC Automotive Finance and has been granted approval to offer automobile mortgage loan securitisation, which would involve the sale of securities backed by automobile loans.¹¹

Another area opened to trust companies is Enterprise Annuity Plans (EAPs). Current regulations call for licensing in four different areas to serve the Enterprise Annuity market: asset managers, trustees, custodians and administrators. No single firm in the financial sector has been granted all four licenses, although licensees are starting to build alliances. As of 1 January 2008, only a small number of trust companies have received the go ahead to act as trustees for EAPs (including CITIC Trust, Fortune Trust, SDIC Trust, and China Credit Trust) and only Fortune Trust and CITIC Trust have obtained approval to administrate EAPs. Application criteria are particularly difficult for EAP licenses. In addition to high capital and net asset requirements, trust companies must have a violation-free track record over the preceding three years and must have put into place a stringent risk management system.

Securities underwriting has met with even more difficulty, with only a few trust companies being granted the right to underwrite bonds, notably Shenzhen International Trust, China Credit Trust, Ping An Trust, and CITIC Trust. No trust companies have been approved to underwrite stocks.

CITIC Trust and Shanghai International Investment and Trust are the only two trust companies to have obtained QDII licenses as of 28 January 2008. The application criteria for a QDII license is particularly rigorous, with trust companies required to have not less than RMB 1 billion in registered capital, or the equivalent in convertible foreign currency, two years of good ratings by the CBRC and have shown profit over the previous two years.

There are also reports indicating that financial futures may be opened to the trust sector.

Specific capital requirements for different business licences

Type of business	Minimum registered capital (RMB)	Minimum net assets (RMB)
Standard	300 million	300 million
Insurance Funds / Infrastructure Investments	1.2 billion	1.2 billion*
Banks Mortgage-backed Securities	500 million	500 million
Enterprise Annuity Plans (EAP)	1 billion	1.5 billion
QDII	1 billion	Not less than registered capital post loss provisions

* In addition to having minimum net assets of RMB 1.2 billion at the time of application, minimum net assets must not have gone below RMB 500 million for the preceding three years.

¹¹ CBRC approves 2 firms making [sic] auto mortgage loan securitization, *Xinhua China Money*, 3 December 2007.

The opportunity for domestic investors



Unlike the banking sector, which has attracted far greater foreign investor interest than domestic investor interest, the trust sector is being actively targeted by companies both inside and outside China. However, this sector has also been quite slow in opening up to investors in the Chinese financial sector. While there are no specific rules limiting investments by commercial banks, insurance companies, fund management firms or securities brokerages, the regulatory authorities have been slow to approve such investments in this sector. This appears set to change.

Of particular note was Bank of Communications' acquisition of 85 percent of Hubei International Trust and Investment Corp for USD 161.2 million, which went into operation on 28 October 2007 under the new name of Bank of Communications International Trust Co Ltd.¹² This deal made Bank of Communications the first domestic bank to take a stake in a local trust company since 1993. China Minsheng Bank has also been approved for a minority stake in Shaanxi International Trust & Investment Corp.¹³ By doing so, China Minsheng Bank hopes to fold the trust company into its new wealth management services platform. China Construction Bank is also in negotiations to take a stake in Hefei Xingtai Trust as per its efforts to diversify its business into other financial segments.¹⁴ A number of other major banks, including Industrial and Commercial Bank of China and Everbright Bank, are reportedly seeking out investments in the trust sector as well.

Other players in the financial services sector, particularly insurance companies and securities companies, have also taken a keen interest in China's trust industry. China Life Insurance in particular has reportedly been in negotiations to take a 60 percent stake in China Credit Trust.¹⁵ Part of the rationale behind the deal, is that it would grant China Life access to China Credit Trust's annuity trust license (China Life is already approved to work as an annuity investment manager and annuity account manager for Enterprise Annuity Funds). In addition, Fanya Trust and Investment and Jiaozuo Trust and Investment were recently acquired by Donghai Securities, a state-owned securities brokerage dealer.¹⁶

¹² China launches first bank-invested trust company, *Global Banking News*, 31 October 2007.

¹³ Shaanxi International Trust Raises Stake in Insurer, *SinoCast*, 5 December 2007.

¹⁴ China Construction Bank to acquire 80% stake in Hefei Xingtai Trust, *Datamonitor*, February 22, 2008.

¹⁵ China Life Eyes Trust Company Stake, *SinoCast*, 3 January 2008.

¹⁶ 泛亚、焦作两信托公司转嫁东海证券 韦小敏 *Securities Times News*, 11 October 2007.

Service overlap



The main driver behind the renewed domestic investor interest in trust companies is the increased level of service overlap across the finance sector and the increased potential for mutually beneficial alliances caused by the expanded mandates of trust companies.

1. Commercial banks: Due to the vast networks, high capital levels, established reputations and diversified customer base of commercial banks, many have been successful with entrusted loans. Trust companies lack the same level of geographical reach as well as the commercial bank's strength of relationships with their customers. To compensate, trust companies are focusing on emphasising the range of products they can provide. Going forward, alliances with commercial banks (either via an informal arrangement or a stake purchase by a bank) are a strong possibility with trust companies leveraging the strengths of the bank to focus on products for wealthy individuals and institutions.

2. Securities companies: While no trust company has yet received a license to engage in stock underwriting, this is expected to change in the near future, which will put the two sectors into direct competition.

The recent revitalisation of China's capital markets has compelled securities companies to broaden their activities and a number of securities companies have already established asset management services. The potential returns and continuity of management fee income are especially attractive. This may well increase the attractiveness of alliances between securities companies flush with capital and trust companies with complementary business scopes. However, there has been limited activity between the two to date.

3. Fund management companies: Equity and exchange traded fund products have gained greatly in popularity with the recovery of the equities market. However, such products are typically structured for the mass market and are limited to equity, bond and money markets. Certain asset classes, such as private equity, real estate, infrastructure and alternative investments, are still closed to fund management companies, but are not closed to trust companies. While trust companies are more focused on a niche market catering to high end individuals and institutional investors, there will be certain areas of overlap.

4. Insurers: Insurers are increasingly offering products that capitalise on recent regulatory changes that allow them to invest in the securities markets. Insurance institutions are also expected to get policy support on setting up their own fund management firms. The CIRC and the CSRC agreed in June 2007 that the time is ripe for insurance companies to enter the fund management industry and China Life, Ping An and PICC have already submitted their applications for initiating fund management firms. China Life's foray into the trust sector through its push for a stake in China Credit Trust reflects a desire to break into the sector via other channels.

Outlook

Moving forward, the new reforms, significant investor interest and excess liquidity in the Chinese economy should help to develop China's trust industry into a key player in China's booming financial sector. While it may be too soon to predict whether the trust sector will develop as rapidly as the banking and securities sectors have over the past few years, it is reasonable to believe that this is very much an up and coming area with bright prospects. It fills a unique niche in China's financial services industry and offers investors access to a wide range of Financial Services options.

The reforms implemented by the CBRC represent a serious effort to drive sustainable growth in this sector while establishing the fundamentals for its future development and reducing the uncertainty that previously surrounded it.

Summary Financials for Trust Companies — 2006

Name (ranked by total assets)	City/province	Total assets (RMB million)
1 Ping An Trust and Investment Co. (PATIC)	Guangdong	16,586.7
2 Chongqing International Trust Co.	Chongqing	4,803.6
3 Shenzhen International Trust and Investment Co.	Guangdong	4,258.7
4 Shanxi Trust Co.	Shanxi	3,978.7
5 Shanghai International Trust Co.	Shanghai	3,441.2
6 Jiangsu International Trust and Investment Co.	Jiangsu	3,199.8
7 CITIC Trust Co.	Beijing	2,957.0
8 Jilin Province Trust and Investment Co.	Jilin	2,732.1
9 Tianjin Trust and Investment Co.	Tianjin	2,568.0
10 China Credit Trust Co. (CCT)	Beijing	2,502.2
11 Beijing International Trust Co.	Beijing	2,428.2
12 Fortune Trust Co.	Shanghai	1,711.1
13 Shandong International Trust and Investment Co. (SITIC)	Shandong	1,664.7
14 Guoyuan Trust Co.	Anhui	1,559.7
15 SDIC Trust Co.	Liaoning	1,372.8
16 Hangzhou Industrial and Commercial Trust Co.	Zhejiang	1,349.7
17 China Foreign Economy and Trade Trust and Investment Co. (FOTIC)	Beijing	1,349.6
18 Dalian Huaxin Trust Co.	Liaoning	1,276.0
19 Tibet Autonomous Region Trust and Investment Co.	Tibet	1,272.1
20 Zhonghai Trust Co.	Shanghai	1,263.5
21 Zhongtai Trust Co.	Shanghai	1,205.2
22 Zhongyuan Trust Co.	Henan	1,051.6
23 Guolian Trust Co.	Jiangsu	1,036.1
24 Xiamen International Trust Co.	Fujian	1,026.4
25 New China (Xinhua) Trust Co.	Chongqing	1,002.0
26 Gansu Trust and Investment Co. (GTIC)	Gansu	974.8
27 Shaanxi International Trust and Investment Co.	Shannxi	934.1
28 Hunan Trust and Investment Co.	Hunan	760.4
29 Anxin Trust	Shanghai	707.6
30 Guangdong Yuecai Trust Co.	Guangdong	640.3
31 Golden Harbour (Jingang) Trust Co.	Zhejiang	636.5
32 Dongguan Trust and Investment Co.	Guangdong	621.9
33 Union Trust Co.	Fujian	618.0
34 Hefei Xingtai Trust Co.	Anhui	599.3
35 National Trust Co.	Beijing	592.7
36 Western Trust and Investment Co.	Shannxi	586.0
37 New Times Trust and Investment Co.	Inner	568.7
38 Yunnan International Trust Co.	Yunnan	512.8
39 Bridge Trust Co.	Henan	447.9
40 Xian International Trust Co.	Shannxi	423.5
41 Suzhou Trust Co.	Jiangsu	395.5
42 Zhongrong International Trust Co.	Heilongjiang	369.7
43 Xinjiang International Trust and Investment Co.	Xinjiang	350.6
44 Hebei International Trust and Investment Co.*	Hebei	207.5
45 Bank of Communications International Trust Co.	Hubei	N/A
46 Huachen Trust Co.	Inner Mongolia	N/A
47 Equity Trust Co.	Chengdu	N/A
48 Yingda International Trust Co.	Shandong	N/A
49 China Zhongtou Trust Co.	Hangzhou	N/A
50 Qingdao Hisyn Trust and Investment Co.	Qingdao	N/A
51 Northern International Trust and Investment Co.	Tianjin	N/A
52 Jiangxi International Trust and Investment Co.	Jiangxi	N/A
53 Shanghai AJ Trust and Investment Co.	Shanghai	N/A
54 Yunnan International Trust Co.	Yunnan	N/A

* now called Bohai International Trust Co. Source: Wind Info

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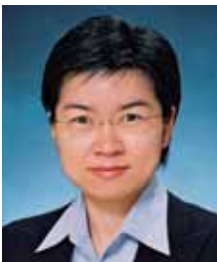
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