

Cheat Sheet - CITIC Securities Strategic Partnership (25 Jul 08)

1. Cash Payment from CS to LB (\$ mm)

a) Sensitivity on different combinations of level of ownership

Based on 23Jul share price

		CS's stake in LB								
		10.0%	12.5%	15.0%	17.5%	20.0%	22.5%	25.0%	27.5%	30.0%
LB's stake in CS	2.5%	1,025	1,490	1,983	2,505	3,060	3,651	4,281	4,955	5,677
	5.0%	391	856	1,348	1,871	2,426	3,017	3,647	4,320	5,042
	7.5%	-278	187	680	1,202	1,757	2,348	2,978	3,652	4,373
	10.0%	-984	-519	-26	496	1,051	1,642	2,272	2,946	3,667
	12.5%	-1,730	-1,265	-773	-250	305	895	1,526	2,199	2,921
	15.0%	-2,520	-2,055	-1,563	-1,040	-486	105	735	1,409	2,131

Based on target price (LB \$38.11; CS RMB36.46 at exch rate of 1:6.5)

		CS's stake in LB								
		10.0%	12.5%	15.0%	17.5%	20.0%	22.5%	25.0%	27.5%	30.0%
LB's stake in CS	2.5%	1,987	2,827	3,716	4,660	5,662	6,729	7,868	9,084	10,388
	5.0%	983	1,823	2,713	3,656	4,658	5,726	6,864	8,080	9,384
	7.5%	-75	765	1,655	2,598	3,600	4,667	5,806	7,022	8,326
	10.0%	-1,192	-352	538	1,481	2,483	3,551	4,689	5,906	7,209
	12.5%	-2,373	-1,533	-643	300	1,303	2,370	3,508	4,725	6,028
	15.0%	-3,623	-2,783	-1,893	-950	53	1,120	2,258	3,475	4,778

+ve means CS to pay LB

-ve means LB to pay CS

b) Sensitivity on different share price (Assuming CS acquires 20% of LB of which 5% is share swap)

		LB's Share Price (\$)														
		12	14	16	18	20	22	24	26	28	30	32	34	36	38	40
CS's Share Price (RMB)	12	1,469	1,816	2,164	2,511	2,858	3,205	3,552	3,900	4,247	4,594	4,941	5,288	5,636	5,983	6,330
	14	1,367	1,714	2,061	2,408	2,756	3,103	3,450	3,797	4,144	4,492	4,839	5,186	5,533	5,880	6,228
	16	1,265	1,612	1,959	2,306	2,653	3,001	3,348	3,695	4,042	4,389	4,737	5,084	5,431	5,778	6,125
	18	1,162	1,509	1,857	2,204	2,551	2,898	3,245	3,593	3,940	4,287	4,634	4,981	5,329	5,676	6,023
	20	1,060	1,407	1,754	2,101	2,449	2,796	3,143	3,490	3,837	4,185	4,532	4,879	5,226	5,573	5,921
	22	957	1,305	1,652	1,999	2,346	2,693	3,041	3,388	3,735	4,082	4,429	4,777	5,124	5,471	5,818
	24	855	1,202	1,550	1,897	2,244	2,591	2,938	3,286	3,633	3,980	4,327	4,674	5,022	5,369	5,716
	26	753	1,100	1,447	1,794	2,142	2,489	2,836	3,183	3,530	3,878	4,225	4,572	4,919	5,266	5,614
	28	650	998	1,345	1,692	2,039	2,386	2,734	3,081	3,428	3,775	4,122	4,470	4,817	5,164	5,511
	30	548	895	1,243	1,590	1,937	2,284	2,631	2,979	3,326	3,673	4,020	4,367	4,715	5,062	5,409
	32	446	793	1,140	1,487	1,835	2,182	2,529	2,876	3,223	3,571	3,918	4,265	4,612	4,959	5,307
	34	343	691	1,038	1,385	1,732	2,079	2,427	2,774	3,121	3,468	3,815	4,163	4,510	4,857	5,204
	36	241	588	936	1,283	1,630	1,977	2,324	2,672	3,019	3,366	3,713	4,060	4,408	4,755	5,102
	38	139	486	833	1,180	1,528	1,875	2,222	2,569	2,916	3,264	3,611	3,958	4,305	4,652	5,000
	40	36	384	731	1,078	1,425	1,772	2,120	2,467	2,814	3,161	3,508	3,856	4,203	4,550	4,897

2. Trading Comparables (excluding outliers)

- Trading comparables for Asia Pacific broker/investment banks (weighted based on LB franchise footprint FY 07 revenue¹) has average P/FY07E at 14.3x, and P/FY07 Book at 1.8x; based on 15 Jul 08 stock prices

	P/FY07 Earnings	P/FY07E Book
Australia	6.0	1.7
China	22.0	6.4
HK	3.9	1.0
India	14.2	2.1
Japan	23.6	1.2
SE Asia	6.2	0.9
Korea	10.7	1.2
Taiwan	15.5	1.2
Weighted Avg.	14.3	1.8