

Research Highlights

1. CMHI(144.HK) - 8M13 container volume grew 15.8%, with gain in overseas contribution

[Yiqian Li] In the first eight months of 2013, CMHI's total container throughput rose to 46mn TEUs, up 15.8% YoY (vs. up 11.8% YoY in 1H13). Management guided stronger volumes growth in 2H13. CMHI's ports in Mainland China recorded container throughput of 38mn TEUs, up 5.8% YoY, sustaining its leading position among China's port operators. Overseas ports recorded a total container throughput of 3.5mn TEUs, thanks to the incremental throughput of Terminal Link, Port de Djibouti, and CICT. In 1H13, CMHI's port operation profits rose by 15.2% YoY to HK\$1906mn; profits from Shanghai International Port (SIPG) and overseas terminals rose by 25% YoY and 195% YoY respectively. SIPG and new overseas terminals are becoming the key growth drivers.

The recent approval of Shanghai Free Trade Zone will improve CMHI's container volumes. Waigaoqiao and Yangshan Port Bonded Areas are located in the Shanghai Free Trade Zone. This is the docking area of SIPG's terminals. SIPG, as a major land owner in the free trade zone, should be perceived as a beneficiary of stronger trade volumes and rising land value. Since 2010, SIPG has been the No.1 in container throughput in the world for three consecutive years, and CMHI is expected to benefit from SIPG's volume growth.

Other business segments saw weak earnings. Net earnings from bonded logistics and cold chain operations declined by 45% YoY to HK\$10mn, due to the negative impacts of the deconsolidation of Nanshan at end-2012. Port related manufacturing operations declined by 43% YoY to HK\$157mn in earnings. Despite an increase in the container sales volume, prices of dry cargo units, reefer containers and special-purpose units declined amid weak shipping demand.

Maintain "Neutral" rating. We expect 2013-2015E EPS of HK\$1.55, 1.75 and 2.05 (Prev. HK\$1.82, 2.11, 2.45). Using the sum-of-parts method, we derive a 12-month target price of HK\$26.43 (Prev. HK\$23.89), which implies 17.1x, 15.1x and 12.9x 2013-2015E P/E or 1.4x 2013E P/B. We reiterate "Neutral" rating. According to the latest Qianhai lands transfer price, we estimated the current value of the Qianhai land owned by CMHI may be equivalent to HK\$3.32/share. But because the use of the land is still uncertain, we didn't put the value of this part into our valuation.

A-share Research Highlights (CMS Research Center)

1. Telecommunication industry – 4G licenses are about to be released

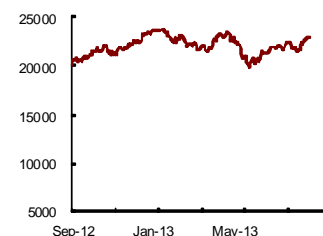
[Luo Cong, Chen Peng and Zhou Yan, Sep. 11, 2013] We maintain the industry's Outperform rating. The investment themes of mobile Internet and private networks will continue in the short term, so we suggest focusing on these themes in allocation. Key recommendations: Hytera Communications, Talkweb Information System, Beijing Ultrapower Software, and Telling Telecommunication Holding. We also recommend companies benefiting from the LTE theme, such as Fiberhome Telecommunication Technologies, ZTE, and Shenzhen Tat Fook Technology.

HK Indices	Last price	chg	% chg
HSI	22,953.72	16.58	0.07
Finance	31,900.38	26.53	0.08
Properties	29,987.14	13.37	0.04
Utilities	50,056.33	-67.26	-0.13
Commerce&Industrv	13,432.39	12.32	0.09
HSCEI	10,637.53	0.82	0.01
HSCCI	4,418.34	-12.18	-0.27
HKSPGEM	425.67	1.75	0.41

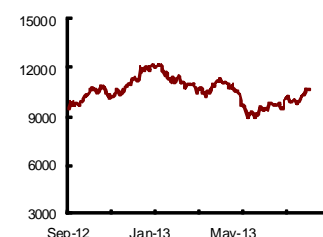
World Indices	Last price	chg	% chg
FTSE 100	6,588.98	0.55	0.01
DAX 30	8,494.00	-1.73	-0.02
CAC 40	4,106.63	-12.48	-0.30
DJIA	15,300.64	-25.96	-0.17
S&P500	1,683.42	-5.71	-0.34
Nasdaq Composite	3,715.97	-9.04	-0.24
Nikkei 225	14,387.27	-37.80	-0.26

Asia-Pacific Indices	Last price	chg	% chg
KOSPI	2,004.06	0.21	0.01
TWSE	8,225.36	16.37	0.20
STI	3,121.08	12.89	0.41
India BSE 30	19,781.88	-215.57	-1.08
S&P/ASX 200	5,242.54	8.15	0.16

HSI One Year



HSCEI One Year



Source: Bloomberg

China Merchants Securities (HK)

Research

+852-3189-6888

The first batch of TD-LTE handsets have been granted network access licenses by MIIT. End products are no longer a constraint for the development of TD-LTE. China Telecom officially launches its LTE tenders. Recent events point to the imminent issuance of 4G licenses. We believe the licenses are likely to be issued in October, and this will become an important catalyst for the LTE sector. China Telecom will respond to LTE bidding on Sep. 22 according to the company's schedule. These tenders and their results will become another catalyst for the LTE sector. We believe domestic companies will continue to grab considerable shares in the tenders. Pay attention to the tender results and related market shares. China Mobile could revise up the scale of its upcoming 100G OTN concentrated procurement. We estimate the procurement size could reach 6,000 pallets and over RMB2 billion. China Telecom will also start its 100G tenders soon with an estimated size of 2,500 pallets. 100G will become the biggest investment theme in the transmission equipment sector apart from PTN next year. Market competition will intensify, but the increased scale is good news for equipment makers. Fiberhome Telecommunication Technologies has the highest flexibility in this market. We also recommend ZTE with rebound potentials.

2. Securities industry – Internet brokerage not only a threat but can also be an opportunity

[Hong Jinping, Shen Juan and Luo Yi, Sep. 11, 2013] When focusing on Internet finance, more attention should be paid to bigger opportunities in the evolvement of the capital market itself for brokerages. The capital market reform is a long-term one, and many reform measures like self-paced placement and shelf offering will significantly improve securities companies' pricing power and customer stickiness. The rise of the M&A and New Third Board markets can offset the decline of the traditional IPO business. Asset securitization and cooperation with banks will mean business opportunities worth over RMB1 trillion. The negative impact of Internet finance on brokerages will only be felt in the bottom-level, low-end transaction channel business. The cooperation between brokerages and hi-tech companies will be an inevitable trend. On-line brokerage and Internet finance mean opportunities more than challenges for the securities industry. So do not forget the big picture. We continue to recommend CITIC Securities, Haitong Securities, GF Securities, Hong Yuan Securities, and Founder Securities.

Brokerage firms are actually beneficiaries of Internet finance, which means opportunities more than challenges for them. (1) The advantages of Internet companies are in the "tail" of the "long tail theory", or the value contributed by a large quantity of non-core, low-end customers. This client base is different from the current target customers of securities companies. However, it still reminds brokerage firms of the importance of the long tail market. Meanwhile, securities companies should also expand their defense lines by further improving their service to core high-end customers. (2) The focus of Internet finance is on finance rather than technology. Internet is only a tool. Some investors are too concerned about the impact of Internet companies entering the financial market on traditional financial institutions, as they put too much emphasis on the tools instead of the core contents of finance including investment, financing, capital intermediary, risk management and structural design. We believe the rise of Internet and big data will bring new opportunities rather than fatal impacts to the financial industry. (3) Internet lowers the cost of information transmission and client transfer, and also accelerates the differentiation process of the

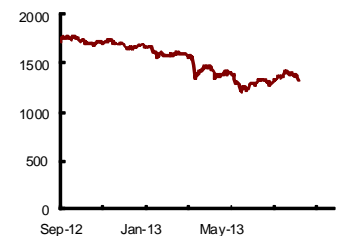
Global Commodity	Last price	chg	% chg
Brent Oil	113.10	1.76	1.58
Gold	1,324.3	2.63	0.20
LME Aluminum	1,812.0	9.00	0.50
LME Copper	7,060.0	-110.00	-1.53
BDI	1,621.0	-7.00	-0.43
API Coal	84.45	0.70	0.84

Exchange /Bond Market	/Currency	Last price	chg	% chg
USD/RMB		6.16	0.00	0.00
USD/HKD		7.75	0.00	0.00
1-YR RMB NDF		6.21	0.00	0.00
EUR/USD		132.97	0.25	0.19
3-M Libor		0.52	0.00	0.00
3-M Shibor		4.66	0.00	0.00
10 YR US T-Note Yield		2.91	0.00	0.00

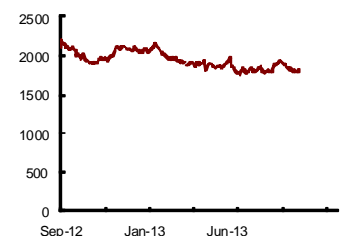
Brent Oil One Year



Gold Commodity One Year



LME Aluminum Commodity One Year



Source: Bloomberg

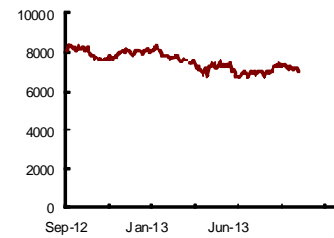
brokerage industry. (4) When focusing on Internet finance, more attention should be paid to bigger opportunities in the evolvement of the capital market itself for brokerages.

Securities firms have started to prepare for the challenge of Internet finance. Numerous new businesses are being carried out, such as on-line account-opening, Internet mall, mobile Internet trading and big data-based CRM. Securities companies have long incorporated Internet finance, given that they have been doing Internet trading for many years and possess standardized big data. New Internet financial tools like third-party financial product sales platform, Internet brokerage and Internet IPO will have real or potential impact on securities firms. But in general, opportunities overwhelm challenges.

What to Watch

Economic Data	HK: Nil US: PPI		
Date	Ticker	Stock Name	Earnings
2013/09/13	08021	WLS HOLDINGS	1st Quarter
2013/09/13	08190	COMBEST HOLD	Final
Date	Ticker	Stock Name	Issue Price
Nil			

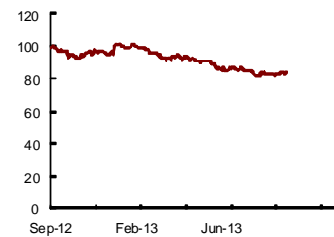
LME Copper Commodity One Year



BDI One Year



API Coal One Year



Source: Bloomberg

China Merchants Securities (Hong Kong) Stock Pool Update Weekly
 2013-9-13

Stock Code	Short Name	Rating	Price Currency	Latest Price	12- Month Target Price	Upside Potential	EPS Currency	EPS			P/E			1-Month Performance	Analyst
								2013E	2014E	2015E	2013E	2014E	2015E		
Textiles, Apparel & Luxury Goods															
589	Ports	Neutral	HKD	5.23	5.30	1%	RMB	0.55	0.56	0.64	7.6	7.4	6.5	-8.4%	Ivy Zhao
1880	Belle	Buy	HKD	11.30	16.39	45%	RMB	0.52	0.61	0.71	17.3	14.7	12.7	-5.5%	Ivy Zhao
1368	Xtep	Neutral	HKD	3.49	4.00	15%	RMB	0.27	0.27	0.29	10.3	10.3	9.6	-11.4%	Ivy Zhao
2020	Anta Sports	Neutral	HKD	9.75	9.14	-6%	RMB	0.49	0.53	0.57	15.8	14.6	13.6	-0.8%	Ivy Zhao
1361	361 Degrees	Neutral	HKD	1.86	1.45	-22%	RMB	0.29	0.28	0.28	5.1	5.3	5.2	-2.1%	Ivy Zhao
1968	Peak Sport	Neutral	HKD	1.73	1.48	-14%	RMB	0.16	0.17	0.19	8.7	8.0	7.1	12.3%	Ivy Zhao
2331	Li Ning	Buy	HKD	5.45	5.20	-5%	RMB	-0.10	0.18	0.20	N.A.	24.6	21.8	11.0%	Ivy Zhao
3818	China Dongxiang	Buy	HKD	1.26	1.47	17%	RMB	0.04	0.04	0.05	27.1	23.8	21.3	-11.3%	Ivy Zhao
953	Meike	Neutral	HKD	0.44	0.30	-32%	RMB	0.04	0.05	0.06	9.7	7.6	6.4	25.7%	Ivy Zhao
1234	China Lilang	Buy	HKD	4.41	5.25	19%	RMB	0.41	0.41	0.47	8.6	8.6	7.5	-5.6%	Ivy Zhao
891	Trinity	Buy	HKD	2.85	4.63	62%	RMB	0.21	0.25	0.30	10.8	9.1	7.6	-10.4%	Ivy Zhao
873	C Taifeng Bed	Buy	HKD	1.56	2.86	83%	RMB	0.52	0.65	0.80	2.4	1.9	1.6	-4.9%	Ivy Zhao
Metals & Mining															
1818	Zhaojin Mining	Neutral	HKD	6.76	6.00	-11%	RMB	0.43	0.38	0.34	12.5	14.1	15.8	11.4%	Li Xiang
2899	Zijin Mining	Neutral	HKD	1.85	1.69	-9%	RMB	0.14	0.15	0.12	10.5	9.8	12.3	-0.5%	Li Xiang
358	Jiangxi Copper	Buy	HKD	16.70	15.20	-9%	RMB	1.02	1.05	0.85	13.0	12.6	15.6	9.7%	Li Xiang
3993	Cmcc	Neutral	HKD	3.16	3.10	-2%	RMB	0.19	0.20	0.21	13.0	12.8	12.1	-0.9%	Li Xiang
2600	Chalco	Sell	HKD	2.94	1.60	-46%	RMB	-0.28	-0.11	-0.10	N.A.	N.A.	N.A.	11.4%	Li Xiang
1378	China Hongqiao	Buy	HKD	4.48	5.80	29%	RMB	0.97	1.11	1.23	3.7	3.2	2.9	1.8%	Li Xiang
486	Rusal	Sell	HKD	2.43	2.03	-16%	USD	0.01	0.04	0.05	31.4	7.8	6.3	-5.5%	Li Xiang
3948	Yitai Coal	Buy	HKD	15.46	25.10	62%	RMB	1.88	2.11	2.22	6.6	5.8	5.6	-2.2%	Li Xiang

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								2013E	2014E	2015E	2013E	2014E	2015E		
1088	China Shenhua	Buy	HKD	26.00	36.40	40%	RMB	2.44	2.90	3.07	8.5	7.1	6.7	6.1%	Li Xiang
Auto & Others															
1211	Byd Company	Neutral	HKD	34.45	13.00	-62%	RMB	0.33	0.68	1.10	83.0	40.3	24.9	10.1%	Colleen Li
489	Dongfeng Group	Buy	HKD	11.26	14.17	26%	RMB	1.13	1.26	1.29	7.9	7.1	6.9	3.7%	Colleen Li
175	Geely Auto	Buy	HKD	4.10	5.04	23%	RMB	0.32	0.36	0.38	10.2	9.1	8.6	11.7%	Colleen Li
2333	Greatwall Motor	Neutral	HKD	41.65	38.62	-7%	RMB	2.78	3.41	3.74	11.9	9.7	8.9	13.0%	Colleen Li
1114	Brilliance Chi	Buy	HKD	11.40	12.00	5%	RMB	0.71	0.80	0.89	12.8	11.3	10.2	8.4%	Colleen Li
425	Mint Group	Buy	HKD	14.56	13.20	-9%	RMB	0.78	0.87	0.97	14.8	13.3	11.9	8.2%	Colleen Li
1728	Zhengtong Auto	Buy	HKD	5.22	5.85	12%	RMB	0.55	0.81	1.11	7.5	5.1	3.7	12.3%	Colleen Li
881	Zhongsheng Hldg	Neutral	HKD	11.90	10.30	-13%	RMB	0.58	0.71	0.99	16.3	13.3	9.6	24.5%	Colleen Li
Oil & Gas															
857	Petro China	Buy	HKD	8.69	10.55	21%	RMB	0.71	0.74	0.78	9.7	9.3	8.9	-5.5%	Michael Yuk
386	Sinopec Corp	Buy	HKD	6.09	7.20	18%	RMB	0.68	0.70	0.73	7.1	6.9	6.6	4.5%	Michael Yuk
883	Cnooc	Buy	HKD	16.06	17.00	6%	RMB	1.44	1.56	1.69	8.9	8.2	7.6	11.8%	Michael Yuk
603	China Oil & Gas	Neutral	HKD	1.06	1.45	37%	HKD	0.09	0.12	0.15	11.8	8.8	7.1	-24.3%	Michael Yuk
342	Newocean Energy	Buy	HKD	5.30	5.30	0%	HKD	0.55	0.63	0.79	9.6	8.4	6.7	13.0%	Michael Yuk
467	Unitedenergy Gp	Buy	HKD	1.24	1.59	28%	HKD	0.10	0.09	0.09	12.4	13.8	13.8	13.8%	Michael Yuk
Oil & Gas Services/Equipment															
3899	Cimc Enric	Buy	HKD	8.91	10.00	12%	RMB	0.49	0.60	0.72	14.5	11.8	9.8	-2.6%	Michael Yuk
569	Ch Automation	Buy	HKD	1.63	2.50	53%	RMB	0.26	0.29	0.33	5.0	4.5	3.9	3.2%	Michael Yuk
3337	Anton Oilfield	Neutral	HKD	4.45	5.70	28%	RMB	0.19	0.23	0.28	18.6	15.4	12.6	-15.2%	Michael Yuk
1938	Chu Kong Pipe	Neutral	HKD	2.52	2.26	-10%	RMB	0.11	0.41	0.56	18.2	4.9	3.6	13.5%	Michael Yuk
2883	China Oilfield	Buy	HKD	19.78	18.00	-9%	RMB	1.29	1.45	1.66	12.2	10.8	9.5	12.3%	Michael Yuk
3303	Jutal Oil Ser	Buy	HKD	1.53	2.40	57%	RMB	0.13	0.17	0.15	9.4	7.2	8.1	-12.6%	Michael Yuk

Stock Code	Short Name	Rating	Price Currency	Latest Price	12- Month Target Price	Upside Potential	EPS Currency	EPS			P/E			1-Month Performance	Analyst
								2013E	2014E	2015E	2013E	2014E	2015E		
1623	Hilong	Neutral	HKD	3.71	4.58	23%	RMB	0.26	0.30	0.32	11.3	9.8	9.2	-21.7%	Michael Yuk
Property															
688	China Overseas	Buy	HKD	24.00	22.56	-6%	HKD	2.29	2.30	2.68	10.5	10.4	9.0	-0.4%	DuanFeiqin
410	Soho China	Neutral	HKD	6.58	6.42	-2%	HKD	2.37	2.13	1.96	2.8	3.1	3.4	1.2%	DuanFeiqin
813	Shimao Property	Neutral	HKD	18.94	16.70	-12%	HKD	2.07	2.19	2.46	9.2	8.6	7.7	7.4%	DuanFeiqin
1109	China Res Land	Buy	HKD	22.50	23.80	6%	HKD	1.81	1.91	2.20	12.4	11.8	10.2	-0.4%	DuanFeiqin
2777	R&F Properties	Buy	HKD	12.70	13.90	9%	HKD	2.15	2.23	2.45	5.9	5.7	5.2	-3.1%	DuanFeiqin
2007	Country Garden	Neutral	HKD	5.03	4.20	-17%	HKD	0.48	0.53	0.60	10.6	9.5	8.4	6.1%	DuanFeiqin
3383	Agile Property	Neutral	HKD	8.75	10.10	15%	HKD	1.81	1.98	2.02	4.8	4.4	4.3	3.4%	DuanFeiqin
3333	Evergrande	Buy	HKD	3.43	4.38	28%	HKD	0.84	0.97	0.98	4.1	3.5	3.5	5.5%	DuanFeiqin
960	Longfor Ppt	Buy	HKD	13.48	13.23	-2%	HKD	1.50	1.65	1.81	9.0	8.2	7.5	5.0%	DuanFeiqin
1813	Kwg Property	Neutral	HKD	5.42	5.05	-7%	HKD	1.02	1.10	1.18	5.3	5.0	4.6	18.1%	DuanFeiqin
3366	Oct (Asia)	Buy	HKD	4.04	3.50	-13%	HKD	0.43	0.54	0.64	9.4	7.5	6.3	0.8%	DuanFeiqin
3900	Greentown China	Buy	HKD	15.28	18.80	23%	HKD	3.17	3.33	3.49	4.8	4.6	4.4	-2.2%	DuanFeiqin
754	Hopson Dev Hold	Buy	HKD	10.54	12.20	16%	HKD	1.72	1.98	2.22	6.1	5.3	4.8	6.3%	DuanFeiqin
1918	Sunac	Buy	HKD	5.22	6.66	28%	HKD	1.07	1.26	1.41	4.9	4.1	3.7	-12.3%	DuanFeiqin
Consumer Discretionary															
3308	Golden Eagle	Neutral	HKD	11.84	13.50	14%	RMB	0.63	0.69	0.76	14.9	13.6	12.4	-3.4%	TangJingjing
1212	Lifestyle	Neutral	HKD	17.44	18.40	6%	HKD	1.18	1.30	1.35	14.8	13.4	12.9	-4.6%	TangJingjing
1833	Intime	Buy	HKD	9.14	9.62	5%	RMB	0.54	0.63	0.63	13.5	11.5	11.5	2.0%	TangJingjing
178	Sa Sa	Buy	HKD	8.77	8.78	0%	HKD	0.26	0.36	0.43	33.7	24.4	20.4	5.0%	TangJingjing
Telecommunication															
941	China Mobile	Neutral	HKD	86.85	80.00	-8%	RMB	6.52	6.58	6.79	10.6	10.5	10.2	4.0%	Jeff Hao
762	China Unicom	Buy	HKD	12.68	14.00	10%	RMB	0.44	0.54	0.63	22.9	18.7	16.0	5.7%	Jeff Hao

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								2013E	2014E	2015E	2013E	2014E	2015E		
728	China Telecom	Buy	HKD	4.06	4.80	18%	RMB	0.25	0.29	0.33	12.9	11.1	9.8	2.8%	Jeff Hao
Information Technology															
700	Tencent	Buy	HKD	412.80	401.00	-3%	RMB	8.61	11.35	15.08	38.1	28.9	21.8	12.4%	Jeff Hao
3888	Kingsoft	Buy	HKD	19.40	24.37	26%	RMB	0.50	0.66	0.83	30.8	23.4	18.6	25.3%	Jeff Hao
1661	Wisdom	Buy	HKD	2.19	2.90	32%	RMB	0.13	0.20	0.25	13.4	8.7	7.0	N.A.	Jeff Hao
777	Netdragon	Buy	HKD	17.64	26.27	49%	RMB	0.78	0.89	1.12	18.0	15.8	12.5	-3.2%	Jeff Hao
354	Chinasoft	Neutral	HKD	2.23	2.00	-10%	RMB	0.10	0.12	0.15	17.7	14.8	11.8	-1.3%	Jeff Hao
268	Kingdee	Neutral	HKD	2.39	1.40	-41%	RMB	0.02	0.04	0.05	95.0	47.5	38.0	22.6%	Jeff Hao
Port															
144	China Mer Hold	Neutral	HKD	27.25	26.43	-3%	HKD	1.55	1.75	2.05	17.6	15.6	13.3	13.5%	Kate Li
1199	Cosco Pacific	Buy	HKD	11.30	12.58	11%	USD	0.26	0.13	0.14	5.6	11.2	10.4	0.9%	Kate Li
Shipping															
368	Sinotrans Ship	Buy	HKD	2.38	2.40	1%	USD	0.01	0.02	0.03	30.7	15.4	10.2	25.3%	Kate Li
316	Ooil	Buy	HKD	48.00	52.30	9%	USD	0.37	0.52	0.69	16.7	11.9	9.0	6.2%	Kate Li
2866	Cscl	Neural	HKD	2.30	1.82	-21%	RMB	-0.06	0.03	0.07	N.A.	60.9	26.1	15.6%	Kate Li
Alternative Energy															
3800	Gcl-Poly Energy	Buy	HKD	2.17	1.97	-9%	HKD	0.01	0.05	0.07	217.0	43.4	31.0	4.8%	Yin Lei
712	Comtec Solar	Buy	HKD	1.75	1.76	1%	RMB	0.05	0.11	0.16	27.8	12.6	8.7	-28.0%	Yin Lei
750	Singyes Solar	Buy	HKD	7.85	9.40	20%	RMB	0.81	0.91	1.04	7.7	6.9	6.0	1.4%	Yin Lei
2208	Goldwind	Buy	HKD	4.83	5.52	14%	RMB	0.17	0.21	0.27	22.6	18.3	14.2	5.0%	Yin Lei
916	Longyuan Power	Neutral	HKD	7.73	8.16	6%	RMB	0.36	0.43	0.52	17.1	14.3	11.8	-7.1%	Yin Lei
1798	Datang Power	Neutral	HKD	1.37	1.99	45%	RMB	0.08	0.14	0.21	13.6	7.8	5.2	-24.7%	Yin Lei
816	Huadian Fuxin	Buy	HKD	2.12	2.99	41%	RMB	0.19	0.24	0.28	8.9	7.0	6.0	-12.4%	Yin Lei
579	Jingneng	Buy	HKD	2.71	3.62	34%	RMB	0.18	0.24	0.29	12.0	9.0	7.4	-9.4%	Yin Lei

Stock Code	Short Name	Rating	Price Currency	Latest Price	12- Month Target Price	Upside Potential	EPS Currency	EPS			P/E			1-Month Performance	Analyst
								2013E	2014E	2015E	2013E	2014E	2015E		
Food & Beverage															
322	Tingyi	Buy	HKD	20.40	23.10	13%	USD	0.09	0.11	0.13	29.9	25.1	20.2	6.3%	Ling Hua
2319	Mengniu Dairy	Buy	HKD	32.70	33.26	2%	RMB	0.85	1.10	1.48	30.6	23.6	17.6	2.2%	Ling Hua
506	China Foods	Neutral	HKD	3.10	4.25	37%	HKD	0.17	0.22	0.27	18.2	14.1	11.5	-1.0%	Ling Hua
151	Want Want China	Neutral	HKD	11.10	12.10	9%	USD	0.05	0.06	0.07	28.6	23.9	20.5	5.5%	Ling Hua
345	Vitasoy	Buy	HKD	9.60	9.00	-6%	HKD	0.31	0.35	0.48	31.0	27.4	20.0	1.5%	Ling Hua
Machinery & Equipment															
1157	Zoomlion	Buy	HKD	7.18	7.40	3%	RMB	0.79	0.96	1.04	7.2	5.9	5.5	15.6%	Jiao Yiding
Electricity															
902	Huaneng Power	Buy	HKD	7.68	11.00	43%	RMB	0.79	0.86	0.93	7.7	7.1	6.6	-5.7%	Vera Liang
991	Datang Power	Buy	HKD	3.56	4.10	15%	RMB	0.40	0.42	0.52	7.1	6.7	5.4	5.6%	Vera Liang
Pharmaceuticals & Medical Devices															
2348	Dawnrays Pharma	Buy	HKD	3.05	3.20	5%	RMB	0.18	0.14	0.17	13.5	17.3	14.3	14.7%	Jonathan Hsu
US Stock															
BIDU	Baidu Inc	Buy	USD	144.50	149.50	3%	USD	4.89	7.36	9.67	29.6	19.6	14.9	5.7%	Mike Chen
SINA	Sina Corp	Buy	USD	84.99	90.70	7%	USD	-0.36	2.51	4.49	N.A.	33.9	18.9	5.8%	Mike Chen
SOHU	Sohu.Com Inc	Neutral	USD	67.35	64.20	-5%	USD	2.42	2.97	3.56	27.8	22.7	18.9	4.4%	Mike Chen
NTES	Netease Inc	Buy	USD	74.76	85.50	14%	USD	5.56	5.80	6.60	13.5	12.9	11.3	23.4%	Mike Chen
QIHU	Qihoo 360	Buy	USD	90.17	34.83	-61%	USD	0.65	1.07	1.64	138.7	84.3	55.0	30.9%	Mike Chen
YOKU	Youku Tudou Inc	Neutral	USD	24.63	23.82	-3%	USD	-0.47	-0.18	0.19	N.A.	N.A.	129.6	7.2%	Mike Chen
EDU	New Oriental Education	Buy	USD	23.29	24.50	5%	USD	0.89	1.25	1.43	26.2	18.6	16.3	1.5%	Mike Chen
DANG	Dangdang	Neutral	USD	9.18	6.40	-30%	USD	-0.82	-0.52	-0.18	N.A.	N.A.	N.A.	-12.8%	Mike Chen
CTRP	Ctrip	Buy	USD	49.50	25.70	-48%	USD	1.15	1.48	1.76	43.0	33.5	28.1	14.5%	Mike Chen
HMIN	Home Inns	Neutral	USD	35.21	27.40	-22%	USD	1.09	1.62	2.04	32.3	21.7	17.3	20.7%	Mike Chen

HSI Index Components Performance

HSCEI Index Components Performance

Last price

Code	Name	Price	Chg 1D (%)	Code	Name	Price	Chg 1D (%)
1	CHEUNG KONG	114.7	1.0	168	TSINGTAO BREW-H	59.75	-0.7
2	CLP HLDGS LTD	62.65	-0.2	177	JIANGSU EXPRES-H	8.99	1.5
3	HONG KG CHINA GS	18.22	0.8	323	MAANSHAN IRON-H	2.19	-2.7
4	WHARF HLDG	66.90	-0.7	338	SINOPEC SHANG-H	3.05	0.7
5	HSBC HLDGS PLC	85.70	0.2	347	ANGANG STEEL-H	5.58	-0.5
6	POWER ASSETS HOL	66.25	-0.5	358	JIANGXI COPPER-H	16.70	1.2
11	HANG SENG BK	125.9	-0.1	386	CHINA PETROLEU-H	6.09	-0.7
12	HENDERSON LAND D	46.80	-1.0	390	CHINA RAIL GR-H	4.40	0.0
13	HUTCHISON WHAMPO	92.95	0.1	489	DONGFENG MOTOR-H	11.26	0.7
16	SUN HUNG KAI PRO	103.1	0.5	552	CHINA COMM SER-H	5.00	1.6
17	NEW WORLD DEV	11.58	-0.3	576	ZHEJIANG EXPRESS	6.99	-0.1
19	SWIRE PACIFIC-A	91.85	0.8	694	BEIJING CAP AI-H	5.17	-0.4
23	BANK EAST ASIA	31.40	-0.8	728	CHINA TELECOM-H	4.06	-2.2
66	MTR CORP	30.15	-0.8	753	AIR CHINA LTD-H	5.64	-2.4
83	SINO LAND CO	11.00	1.1	857	PETROCHINA CO-H	8.69	1.1
101	HANG LUNG PROPER	25.50	-2.5	902	HUANENG POWER-H	7.68	-0.4
144	CHINA MERCHANT	27.25	-1.3	914	ANHUI CONCH-H	27.45	0.7
267	CITIC PACIFIC	9.92	-0.2	939	CHINA CONST BA-H	6.09	0.5
291	CHINA RES ENTERP	23.85	0.4	991	DATANG INTL PO-H	3.56	-0.8
293	CATHAY PAC AIR	14.26	-1.1	998	CHINA CITIC BK-H	4.31	1.2
330	ESPRIT HLDGS	12.06	0.5	1088	CHINA SHENHUA-H	26.00	-3.7
386	CHINA PETROLEU-H	6.09	-0.7	1133	HARBIN ELECTRIC	5.00	-1.8
388	HONG KONG EXCHNG	126.6	-0.2	1138	CHINA SHIPPING-H	4.76	3.9
494	LI & FUNG LTD	11.60	0.0	1171	YANZHOU COAL-H	7.93	-2.6
551	YUE YUEN INDUS	22.40	0.0	1186	CHINA RAIL CN-H	8.44	-1.2
688	CHINA OVERSEAS	24.00	0.6	1398	IND & COMM BK-H	5.48	-0.2
700	TENCENT HOLDINGS	412.8	2.6	1800	CHINA COM CONS-H	6.52	-0.5
762	CHINA UNICOM HON	12.68	1.4	1898	CHINA COAL ENE-H	5.22	-2.3
857	PETROCHINA CO-H	8.69	1.1	1919	CHINA COSCO HO-H	4.06	-2.2
883	CNOOC LTD	16.06	-1.0	2318	PING AN INSURA-H	59.75	0.4
939	CHINA CONST BA-H	6.09	0.5	2328	PICC PROPERTY &	11.12	-0.5
941	CHINA MOBILE	86.85	-0.3	2600	ALUMINUM CORP-H	2.94	2.1
1088	CHINA SHENHUA-H	26.00	-3.7	2628	CHINA LIFE INS-H	21.25	0.7
1199	COSCO PAC LTD	11.30	2.4	2727	SHANGHAI ELECT-H	2.83	-1.4
1398	IND & COMM BK-H	5.48	-0.2	2777	GUANGZHOU R&F -H	12.70	-1.2
2038	FIH MOBILE LTD	4.69	-6.2	2866	CHINA SHIPPING-H	2.30	0.9
2318	PING AN INSURA-H	59.75	0.4	2883	CHINA OILFIELD-H	19.78	-1.0
2388	BOC HONG KONG HO	24.85	-2.9	2899	ZIJIN MINING-H	1.85	-1.6
2600	ALUMINUM CORP-H	2.94	2.1	3323	CHINA NATL BDG-H	7.99	3.6
2628	CHINA LIFE INS-H	21.25	0.7	3328	BANK OF COMMUN-H	5.88	1.2
3328	BANK OF COMMUN-H	5.88	1.2	3968	CHINA MERCH BK-H	14.70	-0.8
3988	BANK OF CHINA-H	3.58	1.4	3988	BANK OF CHINA-H	3.58	1.4
				3993	CHINA MOLYBDENUM	3.16	1.0

A+H Company Performance
 Last price

Name(H)	Code (H)	Price (H)	Code (A)	Price (A)	Spread (%)
TIANJIN CAP-H	1065	2.90	600874	8.36	265.4
BEIREN PRINT-H	187	3.65	600860	10.30	257.7
SHENJI GROUP-H	300	1.98	600806	5.25	236.1
NORTHEAST ELEC-H	42	0.97	000585	2.55	233.2
CHONGQING IRON-H	1053	1.18	601005	2.97	219.0
NANJING PANDA-H	553	3.32	600775	7.73	195.1
SHANDONG XINHU-H	719	2.07	000756	4.70	187.8
SINOPEC YIZHEN-H	1033	2.02	600871	4.51	183.0
JINGWEI TEXTIL-H	350	5.58	000666	10.17	131.0
BEIJING NORTH-H	588	1.83	601588	3.17	119.6
HISENSE KELON -H	921	5.27	000921	8.68	108.8
GUANGZHOU SHIP-H	317	8.08	600685	12.38	94.2
SINOPEC SHANG-H	338	3.05	600688	4.49	86.6
YANZHOU COAL-H	1171	7.93	600188	11.02	76.1
DATANG INTL PO-H	991	3.56	601991	4.86	73.0
ALUMINUM CORP-H	2600	2.94	601600	3.92	69.0
GUANGZHOU BAIYUN	874	27.50	600332	32.04	47.7
CHINA SHIPPING-H	1138	4.76	600026	5.30	41.1
SHENZHEN EXPRE-H	548	2.98	600548	3.26	38.7
ZTE CORP-H	763	14.84	000063	16.02	36.8
HUADIAN POWER-H	1071	3.12	600027	3.34	35.7
JIANGXI COPPER-H	358	16.70	600362	17.48	32.7
DONGFANG ELECT-H	1072	11.72	600875	11.82	27.8
CHINA SOUTHERN-H	1055	3.08	600029	3.07	26.3
ANHUI EXPRESS-H	995	4.34	600012	4.24	23.8
CHINA CITIC BK-H	998	4.31	601998	4.16	22.3
MAANSHAN IRON-H	323	2.19	600808	1.92	11.1
GUANGSHEN RAIL-H	525	3.96	601333	3.36	7.5
CHINA MERCH BK-H	3968	14.70	600036	11.91	2.7
BANK OF CHINA-H	3988	3.58	601988	2.87	1.6
BANK OF COMMUN-H	3328	5.88	601328	4.66	0.5
LUOYANG GLASS-H	1108	1.51	600876	5.45	0.0
AIR CHINA LTD-H	753	5.64	601111	4.43	-0.5
CHINA PETROLEU-H	386	6.09	600028	4.64	-3.4
HUANENG POWER-H	902	7.68	600011	5.71	-5.8
IND & COMM BK-H	1398	5.48	601398	4.05	-6.3
CHINA LIFE INS-H	2628	21.25	601628	15.01	-10.5
TSINGTAO BREW-H	168	59.75	600600	41.66	-11.6
WEICHAH POWER-H	2338	31.70	000338	20.68	-17.3
PING AN INSURA-H	2318	59.75	601318	38.64	-18.0
JIANGSU EXPRES-H	177	8.99	600377	5.81	-18.1
ANHUI CONCH-H	914	27.45	600585	16.71	-22.9
ANGANG STEEL-H	347	5.58	000898	3.39	-23.0

Recently Published Research

Date published	Name of report	Analyst
12-Sep-13	CHINA MERCHANTS HOLDINGS (144.HK)	Kate Li
12-Sep-13	EVERGRANDE REAL(3333.HK)	Duan Feiqin
12-Sep-13	Qihoo 360 Technology (QIHU.N)	Mike Chen
10-Sep-13	Anton Oilfield Services (03337.HK)	Michael Yuk
10-Sep-13	2013 Field Visit to U.S.-Listed Chinese Companies	Mike Chen
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23-Aug-13	Commentary On Ongoing Emerging Market Turbulence	David Xie, Cliff Zhao,

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OVERWEIGHT	Expected to outperform the market index by > 10% over the next 12 months
NEUTRAL	Expected to outperform or underperform the market index by 10% or less over the next twelve months
UNDERWEIGHT	Expected to underperform the market index by >10% over the next 12 months

COMPANY	DEFINITION
BUY	Expected to outperform the market index by >10% over the next twelve months
NEUTRAL	Expected to outperform or underperform the market index by 10% or less over the next twelve months
SELL	Expected to underperform the market index by >10% over the next twelve months

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