

Research Highlights

1. Datang International(991.HK)-Positive outlook on clean energy & non-electric businesses

[Vera Liang] Datang's 2013 third quarter results beat market consensus. Profitability improved year by year. Power generation business contributed 104% of earnings in the first three quarters. However, due to the shutting down of coal-to-chemical devices and low coal prices, non-electric projects reported losses. We believe this business will improve while meeting production conditions along with coal demand recovery. We revise down the tariff and hydropower output estimates, offsetting the rise of coal price and earnings forecasts of coal projects. We revised down 2013-2015E EPS estimates by 7.5%/9.5%/9.6% to RMB0.37/0.38/0.47. Based on historical average of 8x 2014P/E, we cut the 12-month target price to HK\$3.9 and reiterate our "Buy" rating on Datang.

Profitability improved year by year. Huadian recorded revenue of RMB55.513 billion, down 2.22% YoY; net profit attributable to shareholders of RMB3.674 billion, up 103.56% YoY. EPS amounted to RMB0.276 (81.2% of the consensus 2013E EPS). Gross margin of 27.7% is higher than HPI/Datang's 24.0%/22.9%. Net margin rose by 4.3 pct. YoY to 10.1%. ROE reached 8.6%, up 4 pct. YoY. Liability-to-asset ratio fell from 79.17% at the end of 2012 to 77.87%.

Power business contributed 104% of earnings. In 1Q-3Q 2013, power generated decreased by 2.31% YoY, mainly because hydropower generated was affected by the water level. Fuel cost per unit decreased from RMB0.228/kWh in 2012 to RMB0.188/kWh. The company estimates the RMB1.2 cents/kWh tariff cut will cause nearly RMB450 million and RMB1.5 billion loss to its Q4 and 2014E earnings. 4 gas-fired power plants reported RMB3 billion losses. Ningde Nuclear contributed a cumulative of RMB96 million profits to the company.

Non-electric businesses reported losses. Due to 2 months of downtime, the Duolun project suffered RMB6 billion losses, leading to an increase of administrative expenses of RMB387 million. Keqi project will start to provide gas to Beijing in late Nov. based on optimistic estimation. The 2nd and 3rd phase of Keqi projects will be put into operation in 3Q2014 and 2015. Fuxin project is carried forward as planned and will meet the production conditions in 2014. Coal mine projects basically reached breakeven in 1Q-3Q2013.

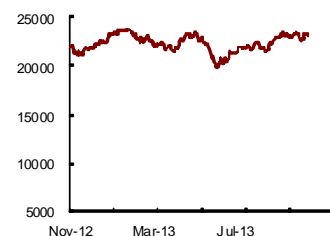
Positive on future developments: a) Annual power generation target will be met, given higher winter heating demand. b) We expect better production of Duolun in 4Q13 and 2014 as the devices were repaired in late August. c) Bright prospects of clean energy (16.5% of total capacity) and 2014 coal-to-gas projects because of the expected government subsidies and rising gas price. d) We expect coal production to improve, considering winter storage demand and coal price rebound.

HK Indices	Last price	chg	% chg
HSI	23,189.62	-60.17	-0.26
Finance	32,378.36	-26.92	-0.08
Properties	30,140.73	-22.82	-0.08
Utilities	50,180.70	120.4	0.24
Commerce&Industrv	13,525.62	-78.37	-0.58
HSCEI	10,686.06	7.37	0.07
HSCCI	4,520.39	-16.11	-0.36
HKSPGEM	465.45	-2.58	-0.55

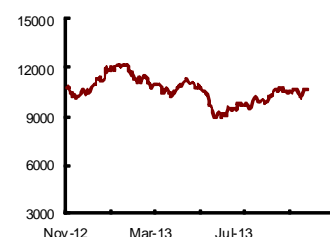
World Indices	Last price	chg	% chg
FTSE 100	6,763.62	28.88	0.43
DAX 30	9,037.23	29.40	0.33
CAC 40	4,288.59	15.40	0.36
DJIA	15,639.12	23.57	0.15
S&P500	1,767.93	6.29	0.36
Nasdaq Composite	3,936.59	14.55	0.37
Nikkei 225	14,201.57	-126.37	-0.88

Asia-Pacific Indices	Last price	chg	% chg
KOSPI	2,025.17	-14.25	-0.70
TWSE	8,354.14	-34.04	-0.41
STI	3,203.94	2.74	0.09
India BSE 30	21,239.36	42.55	0.20
S&P/ASX 200	5,423.60	33.07	0.61

HSI One Year



HSCEI One Year



Source: Bloomberg

China Merchants Securities (HK)

Research

+852-3189-6888

Company Comments

1. Sunac (1918.HK) announced monthly sales results in October

As of the end of October 2013, Sunac China has achieved a sales amount of RMB46.64 billion (including the contracted sales value of RMB38.86 billion and the subscription value of RMB7.78 billion) with a year-on-year growth of 70%. The sales area is approximately 2.17 million sq.m. with an average selling price of RMB21,460 per sq.m.

In October 2013, Sunac China has achieved a historically highest monthly subscription value of RMB10.85 billion and a contracted sales value of RMB6.25 billion. The contracted sales area is approximately 287 thousand sq.m. at an average contracted selling price of about RMB21,750 per sq.m.

[Company announcement]

Comments: 1) Sales results in October exceeded market expectations, reaching the highest single-month record. 2) For the first ten months, Sunac completed a total amount of RMB46.6 billion of contract sales, achieved the annual RMB45 billion sales target ahead of time. We increase the sales expectation from RMB50 billion to RMB55 billion. 3) Based on the company's outstanding sales performance, we maintain our Buy rating and target price of RMB6.66 unchanged. (Duan Feiqin)

2. Intime (1833.HK) announced disposal of 60% interest in Jiaxing Intime Xintiandi

Jiaxing Intime and Intime Store agreed to sell and Jiaxing Construction agreed to purchase 60% of the equity interest in Jiaxing Intime Xintiandi in aggregate for a total consideration of RMB362,488,800. Immediately after the completion of the Equity Transfer Agreement, Jiaxing Intime Xintiandi will become wholly owned by Jiaxing Construction. Intime will cease to have any interest in Jiaxing Intime Xintiandi. Jiaxing Intime Xintiandi will cease to be an indirect non-wholly owned subsidiary of Intime. The transaction will generate a RMB126 mn of profit before tax to Intime and the management claimed that the cash will be used in daily operation.

[Company announcement]

Comments: The disposal of non-core assets is in line with management's strategy. The net income from this transaction would be a one-off income and will be calculated into 2014 financial reports. The company's fundamentals remain intact.

We maintain our previous forecast and BUY rating of this company with TP of HK\$10.5 unchanged. (Gloria Wang)

A-share Research Highlights (CMS Research Center)

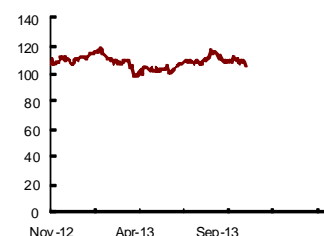
1. Forecast of October economic data – gradual slowdown of growth

[Xie Yaxuan, Zhao Wenli, Zhang Yiping and Yan Ling, Nov. 3, 2013] (1) Judging from leading indicators such as the CFLP and HSBC PMI data, China's economic growth should remain stable in October, supported by the stabilization and recovery trend since 3Q. However, October data could show a moderate slowdown of YoY growth. The Third Plenum of the 18th CPC Central Committee to be held in November will be a market focus. Economic restructuring amid excessive production capacities is conducive to the long-term stable growth of the Chinese economy, but will increase short-term downside pressure on the economy. The temporary stabilization of growth in 3Q does not change the long-term trend of

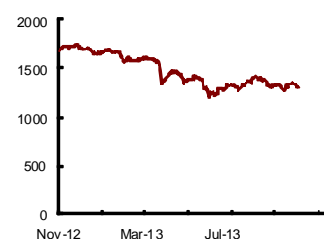
Global Commodity	Last price	chg	% chg
Brent Oil	105.43	-0.27	-0.26
Gold	1,314.4	0.12	0.01
LME Aluminum	1,843.0	-16.00	-0.86
LME Copper	7,245.0	-4.00	-0.06
BDI	1,552.0	27.00	1.77
API Coal	81.80	-0.30	-0.37

Exchange /Bond Market	/Currency	Last price	chg	% chg
USD/RMB		6.15	0.00	0.00
USD/HKD		7.75	0.00	0.00
1-YR RMB NDF		6.16	0.00	0.00
EUR/USD		1.35	0.55	0.41
3-M Libor		0.52	0.00	0.00
3-M Shibor		4.69	0.00	0.00
10 YR US T-Note Yield		2.60	-0.02	-0.76

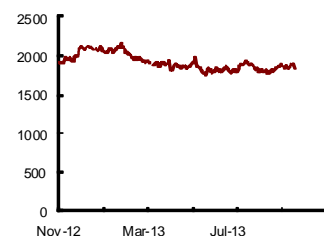
Brent Oil One Year



Gold Commodity One Year



LME Aluminum Commodity One Year



Source: Bloomberg

economic slowdown.

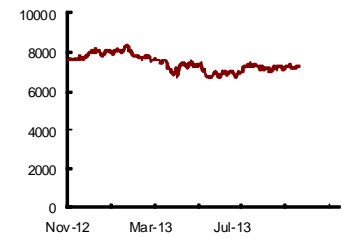
(2) We estimate a 3.3% YoY growth of CPI and a -1.4% YoY growth of PPI in October. The edible agricultural product price index released by the Ministry of Commerce for the first three weeks of October rose 0.2% from the previous statistical period. Most agricultural product prices fell, except for vegetable and grain prices, which kept rising. October was also a traditional high season of industrial production. However, power generation and several high-frequency data declined slightly from September, while domestic crude oil price also fell moderately in October.

(3) We estimate M2 growth would be 14.2% in October, with new bank loans at RMB600 billion. We expect the maneuvering room of monetary policy to be limited in 4Q, given the still climbing inflation and monthly average cross-border capital inflow of between RMB100 billion and RMB200 billion in the quarter. The central bank also believes that recent bank lending growth has been relatively fast. It is emphasizing the medium-cycle objective of risk control. Therefore, bank lending can hardly beat expectation in 4Q. We expect the liquidity situation to remain tight and M2 growth to continue to slow down in 4Q.

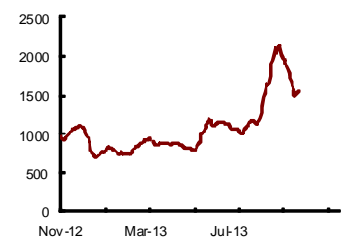
(4) We estimate industrial value added growth would be 10.0% YoY in October. Micro high-frequency data show that YoY power generation growth in early and mid-October was significantly faster than a year earlier, while cement price rose at a faster pace, and October rebar price stopped the declining trend that had begun in September. But crude steel output fell 10.05% in mid-October from the previous statistical period, indicating that endogenous growth momentum was still lacking, and industrial growth would continue to slow down gradually.

(5) We estimate fixed asset investment (FAI) growth would be 20.1% in the first 10 months of 2013. Judging from 3Q data, manufacturing investment recovered; real estate investment slowed down, which was offset by the still fast growth of infrastructure investment; FAI growth in the first three quarters of this year was basically flat from 1H13. We expect investment growth to slow down gradually in 4Q.

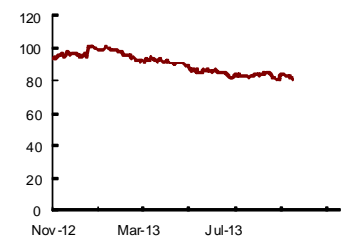
LME Copper Commodity One Year



BDI One Year



API Coal One Year



Source: Bloomberg

2. Comment on 3Q results of insurers – Ping An remains our top pick

[Luo Yi, Hong Jinping and Wang Yuhang, Nov. 4, 2013] The four major insurers reported impressive results for the first three quarters of 2013: total profits increased 104% YoY and net assets grew 9%. We strongly recommend Ping An Insurance, which has earnings stability and industry-leading innovative businesses. Ping An and China Life achieved total investment return rates of 5.0% and 4.97% and net investment return rates of 4.9% and 4.51% respectively in the first three quarters, all being record highs of both companies since 2011.

Ping An Insurance showed the most solid growth of profits and net assets. Supported by the company's ROE-focused capital strategy and complete line of financial licenses, Ping An achieved the most stable and predictable profit growth. Its net asset growth was a highlight in insurers' 3Q results. Its floating profit from assets available for sale was the highest among the four major insurers, laying a good foundation for net asset growth in the future. The company has stuck to a value-oriented strategy that focuses on its own sales team and avoids an over dependence on bancassurance. This strategy has ensured its financial stability in a liquidity-tight 2013.

Ping An's product innovation: Ping An Life Insurance started to sell the "Ping An Fu Health Insurance Plan" through its individual insurance sales

channels. This product has an assumed interest rate of 4%, which makes it the first product with an assumed interest rate of over 3.5% after the CIRC launched the assumed interest rate cap reform. It “borrowed” the concept of topping the assumed interest rate cap to be used in a life insurance product. The profit margin of first-year policies of this product is expected to be over 70%, much higher than comparable products on offering. Ping An launched this product at the beginning of the insurance pricing reform to meet potential demand, enrich its product lines and create new growth points. It will not have a substitution effect on Ping An’s existing products in terms of product type or profit margin. We are optimistic about the new product’s positive influence on the improvement of the company’s premium structure.

What to Watch

Economic Data	HK: Nil US: ISM Services		
Date	Ticker	Stock Name	Earnings
2013/11/05	01329	JUDA INTL	Interim
2013/11/05	03355	ASMC	3rd Quarter
2013/11/05	08058	LUOXIN PHARMA	Interim
2013/11/05	08128	C G SOURCE ENGY	3rd Quarter
2013/11/05	08155	SOUTHCHINA LAND	3rd Quarter
2013/11/05	08200	SAU SAN TONG	Interim
2013/11/05	08215	FIRST CREDIT	3rd Quarter
Date	Ticker	Stock Name	Issue Price
2013/11/05	01345	PIONEER PHARM	4.100

China Merchants Securities (Hong Kong) Stock Pool Update Weekly
 2013-11-5

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	5.85	5.30	-9%	RMB	0.55	0.56	0.64	8.4	8.3	7.3	8.5%	Ivy Zhao
1880	Belle	Buy	HKD	10.54	14.03	33%	RMB	0.55	0.62	0.69	15.1	13.4	12.2	-9.9%	Ivy Zhao
1368	Xtep	Neutral	HKD	3.90	4.00	3%	RMB	0.27	0.27	0.29	11.5	11.5	10.7	5.4%	Ivy Zhao
2020	Anta Sports	Neutral	HKD	11.34	11.06	-2%	RMB	0.49	0.53	0.57	18.5	17.0	15.8	13.2%	Ivy Zhao
1361	361 Degrees	Neutral	HKD	2.26	1.52	-33%	RMB	0.22	0.20	0.20	8.3	8.9	8.8	18.3%	Ivy Zhao
1968	Peak Sport	Neutral	HKD	1.81	1.48	-18%	RMB	0.16	0.17	0.19	9.1	8.4	7.4	-3.2%	Ivy Zhao
2331	Li Ning	Buy	HKD	7.17	5.20	-27%	RMB	-0.10	0.18	0.20	N.A.	32.3	28.6	19.7%	Ivy Zhao
3818	China Dongxiang	Buy	HKD	1.21	1.47	21%	RMB	0.04	0.04	0.05	26.0	22.9	20.4	0.8%	Ivy Zhao
953	Meike	Neutral	HKD	0.53	0.30	-43%	RMB	0.04	0.05	0.06	11.7	9.1	7.7	35.9%	Ivy Zhao
1234	China Lilang	Buy	HKD	5.01	5.25	5%	RMB	0.41	0.41	0.47	9.7	9.7	8.5	11.8%	Ivy Zhao
891	Trinity	Buy	HKD	3.03	4.63	53%	RMB	0.21	0.25	0.30	11.5	9.6	8.0	16.5%	Ivy Zhao
873	C Taifeng Bed	Buy	HKD	1.75	2.86	63%	RMB	0.52	0.65	0.80	2.7	2.2	1.7	4.8%	Ivy Zhao
Metals & Mining															
1818	Zhaojin Mining	Neutral	HKD	6.19	6.00	-3%	RMB	0.43	0.38	0.34	11.4	12.9	14.5	-10.6%	Li Xiang
2899	Zijin Mining	Neutral	HKD	1.80	1.69	-6%	RMB	0.14	0.15	0.12	10.2	9.5	11.9	-4.3%	Li Xiang
358	Jiangxi Copper	Buy	HKD	14.90	15.20	2%	RMB	1.02	1.05	0.85	11.6	11.3	13.9	-3.5%	Li Xiang
3993	Cmcc	Neutral	HKD	3.19	3.10	-3%	RMB	0.19	0.20	0.21	13.1	12.9	12.2	4.6%	Li Xiang
2600	Chalco	Sell	HKD	2.87	1.60	-44%	RMB	-0.28	-0.11	-0.10	N.A.	N.A.	N.A.	0.0%	Li Xiang
1378	China Hongqiao	Buy	HKD	4.90	5.80	18%	RMB	0.97	1.11	1.23	4.0	3.5	3.2	7.7%	Li Xiang
486	Rusal	Sell	HKD	2.40	2.03	-15%	USD	0.01	0.04	0.05	31.0	7.7	6.2	3.0%	Li Xiang
3948	Yitai Coal	Buy	HKD	15.58	25.10	61%	RMB	1.88	2.11	2.22	6.6	5.9	5.6	11.0%	Li Xiang

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		
1088	China Shenhua	Buy	HKD	23.85	36.40	53%	RMB	2.44	2.90	3.07	7.8	6.5	6.2	-0.8%	Li Xiang
1898	China Coal	Neutral	HKD	4.87	5.00	3%	RMB	0.47	0.43	0.42	8.2	9.0	9.2	3.2%	Li Xiang
Auto & Others															
1211	Byd Company	Neutral	HKD	38.10	13.00	-66%	RMB	0.33	0.68	1.10	91.6	44.5	27.5	12.6%	Colleen Li
489	Dongfeng Group	Buy	HKD	11.36	14.17	25%	RMB	1.13	1.26	1.29	8.0	7.2	7.0	-4.1%	Colleen Li
175	Geely Auto	Buy	HKD	3.87	5.04	30%	RMB	0.32	0.36	0.38	9.6	8.5	8.1	-3.3%	Colleen Li
2333	Greatwall Motor	Neutral	HKD	45.00	38.62	-14%	RMB	2.78	3.41	3.74	12.8	10.5	9.6	6.3%	Colleen Li
1114	Brilliance Chi	Buy	HKD	13.14	12.00	-9%	RMB	0.71	0.80	0.89	14.7	13.0	11.7	10.1%	Colleen Li
425	Mint Group	Buy	HKD	16.16	13.20	-18%	RMB	0.78	0.87	0.97	16.4	14.7	13.2	4.7%	Colleen Li
1728	Zhengtong Auto	Buy	HKD	5.42	5.85	8%	RMB	0.55	0.81	1.11	7.8	5.3	3.9	8.2%	Colleen Li
881	Zhongsheng Hldg	Neutral	HKD	12.46	10.30	-17%	RMB	0.58	0.71	0.99	17.1	13.9	10.0	1.5%	Colleen Li
Oil & Gas															
857	Petro China	Buy	HKD	8.79	10.55	20%	RMB	0.71	0.74	0.78	9.8	9.4	8.9	0.9%	Michael Yuk
386	Sinopec Corp	Buy	HKD	6.38	7.20	13%	RMB	0.68	0.70	0.73	7.4	7.2	6.9	3.1%	Michael Yuk
883	Cnooc	Buy	HKD	15.52	17.00	10%	RMB	1.44	1.56	1.69	8.6	7.9	7.3	-2.9%	Michael Yuk
603	China Oil & Gas	Neutral	HKD	1.25	1.45	16%	HKD	0.09	0.12	0.15	13.9	10.4	8.3	13.6%	Michael Yuk
342	Newocean Energy	Buy	HKD	4.68	5.30	13%	HKD	0.55	0.63	0.79	8.5	7.4	5.9	-10.9%	Michael Yuk
467	Unitedenergy Gp	Buy	HKD	1.23	1.59	29%	HKD	0.10	0.09	0.09	12.3	13.7	13.7	-0.8%	Michael Yuk
Oil & Gas Services/Equipment															
3899	Cimc Enric	Buy	HKD	10.34	10.00	-3%	RMB	0.49	0.60	0.72	16.7	13.7	11.4	-0.6%	Michael Yuk
569	Ch Automation	Buy	HKD	1.77	2.50	41%	RMB	0.26	0.29	0.33	5.4	4.8	4.3	14.2%	Michael Yuk
3337	Anton Oilfield	Buy	HKD	4.61	4.75	3%	RMB	0.19	0.23	0.28	19.3	15.9	13.1	-11.7%	Michael Yuk
1938	Chu Kong Pipe	Buy	HKD	2.91	2.26	-22%	RMB	0.11	0.40	0.55	21.0	5.8	4.2	14.6%	Michael Yuk
2883	China Oilfield	Buy	HKD	22.35	18.00	-19%	RMB	1.29	1.45	1.66	13.8	12.2	10.7	14.5%	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		
3303	Jutal Oil Ser	Buy	HKD	1.48	2.40	62%	RMB	0.13	0.17	0.15	9.0	6.9	7.8	-7.5%	Michael Yuk
1623	Hilong	Buy	HKD	5.55	5.10	-8%	RMB	0.16	0.28	0.29	26.9	15.8	15.3	20.9%	Michael Yuk
Property															
688	China Overseas	Buy	HKD	23.50	22.56	-4%	HKD	2.29	2.30	2.68	10.3	10.2	8.8	2.0%	DuanFeiqin
410	Soho China	Neutral	HKD	6.78	6.42	-5%	HKD	2.37	2.13	1.96	2.9	3.2	3.5	0.9%	DuanFeiqin
813	Shimao Property	Neutral	HKD	18.84	16.70	-11%	HKD	2.07	2.19	2.46	9.1	8.6	7.7	5.0%	DuanFeiqin
1109	China Res Land	Buy	HKD	21.90	23.80	9%	HKD	1.81	1.91	2.20	12.1	11.5	10.0	-1.1%	DuanFeiqin
2777	R&F Properties	Buy	HKD	12.98	13.90	7%	HKD	2.15	2.23	2.45	6.0	5.8	5.3	6.7%	DuanFeiqin
2007	Country Garden	Neutral	HKD	5.29	4.68	-12%	HKD	0.48	0.53	0.60	11.1	10.0	8.8	6.4%	DuanFeiqin
3383	Agile Property	Neutral	HKD	9.20	10.10	10%	HKD	1.81	1.98	2.02	5.1	4.7	4.6	7.5%	DuanFeiqin
3333	Evergrande	Buy	HKD	3.24	4.38	35%	HKD	0.84	0.97	0.98	3.8	3.3	3.3	-1.2%	DuanFeiqin
960	Longfor Ppt	Buy	HKD	12.68	13.23	4%	HKD	1.50	1.65	1.81	8.5	7.7	7.0	0.8%	DuanFeiqin
1813	Kwg Property	Neutral	HKD	4.82	5.05	5%	HKD	1.02	1.10	1.18	4.7	4.4	4.1	-2.8%	DuanFeiqin
3366	Oct (Asia)	Buy	HKD	3.50	3.50	0%	HKD	0.43	0.54	0.64	8.1	6.5	5.5	-9.8%	DuanFeiqin
3900	Greentown China	Buy	HKD	14.98	18.80	26%	HKD	3.17	3.33	3.49	4.7	4.5	4.3	3.0%	DuanFeiqin
754	Hopson Dev Hold	Buy	HKD	9.30	12.20	31%	HKD	1.72	1.98	2.22	5.4	4.7	4.2	-3.1%	DuanFeiqin
1918	Sunac	Buy	HKD	5.25	6.66	27%	HKD	1.07	1.26	1.41	4.9	4.2	3.7	5.9%	DuanFeiqin
Consumer Discretionary															
1833	Intime	Buy	HKD	9.29	10.50	13%	RMB	0.54	0.64	0.75	13.7	11.5	9.8	9.6%	Gloria Wang
1700	Springland	Neutral	HKD	4.20	4.50	7%	RMB	0.29	0.33	0.37	11.5	10.1	9.0	-0.7%	Gloria Wang
Telecommunication															
941	China Mobile	Neutral	HKD	80.55	78.00	-3%	RMB	6.37	6.26	6.27	10.0	10.2	10.2	-8.6%	Jeff Hao
762	China Unicom	Buy	HKD	12.14	14.08	16%	RMB	0.45	0.58	0.69	21.4	16.6	14.0	0.2%	Jeff Hao
728	China Telecom	Buy	HKD	4.03	4.67	16%	RMB	0.24	0.27	0.31	13.3	11.8	10.3	2.3%	Jeff Hao

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		
Information Technology															
700	Tencent	Buy	HKD	416.80	455.00	9%	RMB	8.58	11.47	15.37	38.6	28.8	21.5	-0.2%	Jeff Hao
3888	Kingsoft	Buy	HKD	18.78	24.37	30%	RMB	0.50	0.66	0.83	29.8	22.6	18.0	-1.1%	Jeff Hao
1661	Wisdom	Buy	HKD	3.20	2.90	-9%	RMB	0.13	0.20	0.25	19.5	12.7	10.2	33.3%	Jeff Hao
777	Netdragon	Buy	HKD	18.02	26.27	46%	RMB	0.78	0.89	1.12	18.3	16.1	12.8	-12.7%	Jeff Hao
354	Chinasoft	Neutral	HKD	2.25	2.00	-11%	RMB	0.10	0.12	0.15	17.9	14.9	11.9	5.1%	Jeff Hao
268	Kingdee	Neutral	HKD	2.50	1.40	-44%	RMB	0.02	0.04	0.05	99.2	49.6	39.7	10.6%	Jeff Hao
Port															
144	China Mer Hold	Neutral	HKD	27.90	26.43	-5%	HKD	1.55	1.75	2.05	18.0	15.9	13.6	-4.0%	Kate Li
1199	Cosco Pacific	Buy	HKD	11.48	12.58	10%	USD	0.26	0.13	0.14	5.7	11.4	10.6	-7.0%	Kate Li
Shipping															
368	Sinotrans Ship	Buy	HKD	2.67	2.40	-10%	USD	0.01	0.02	0.03	34.4	17.2	11.5	7.7%	Kate Li
316	Ooil	Buy	HKD	40.65	51.00	25%	USD	0.17	0.23	0.41	30.9	22.8	12.8	-10.4%	Kate Li
2866	Cscl	Neutral	HKD	2.00	1.82	-9%	RMB	-0.06	0.03	0.07	N.A.	52.9	22.7	-1.5%	Kate Li
Alternative Energy															
3800	Gcl-Poly Energy	Buy	HKD	2.42	1.97	-19%	HKD	0.01	0.05	0.07	242.0	48.4	34.6	12.0%	Yin Lei
712	Comtec Solar	Buy	HKD	1.76	1.76	0%	RMB	0.05	0.11	0.16	27.9	12.7	8.7	-1.7%	Yin Lei
750	Singyes Solar	Buy	HKD	8.62	9.40	9%	RMB	0.81	0.91	1.04	8.4	7.5	6.6	5.4%	Yin Lei
2208	Goldwind	Buy	HKD	8.17	5.52	-32%	RMB	0.17	0.21	0.27	38.1	30.9	24.0	56.2%	Yin Lei
916	Longyuan Power	Neutral	HKD	9.23	8.16	-12%	RMB	0.36	0.43	0.52	20.3	17.0	14.1	14.8%	Yin Lei
1798	Datang Power	Neutral	HKD	1.62	1.99	23%	RMB	0.08	0.14	0.21	16.1	9.2	6.1	5.9%	Yin Lei
816	Huadian Fuxin	Buy	HKD	2.46	2.99	22%	RMB	0.19	0.24	0.28	10.3	8.1	7.0	6.5%	Yin Lei
579	Jingneng	Buy	HKD	3.28	3.62	10%	RMB	0.18	0.24	0.29	14.5	10.8	9.0	13.1%	Yin Lei
Food & Beverage															

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		
322	Tingyi	Buy	HKD	22.60	23.10	2%	USD	0.09	0.11	0.13	33.1	27.8	22.4	7.9%	Ling Hua
2319	Mengniu Dairy	Buy	HKD	33.00	33.26	1%	RMB	0.85	1.10	1.48	30.8	23.8	17.7	-6.9%	Ling Hua
506	China Foods	Neutral	HKD	3.53	4.25	20%	HKD	0.17	0.22	0.27	20.8	16.1	13.1	24.7%	Ling Hua
151	Want Want China	Neutral	HKD	11.96	12.10	1%	USD	0.05	0.06	0.07	30.9	25.7	22.0	0.3%	Ling Hua
345	Vitasoy	Buy	HKD	10.12	9.00	-11%	HKD	0.31	0.35	0.48	32.7	28.9	21.1	3.3%	Ling Hua
Machinery & Equipment															
1157	Zoomlion	Buy	HKD	7.21	7.40	3%	RMB	0.79	0.96	1.04	7.2	6.0	5.5	6.8%	Jiao Yiding
631	Sany	Buy	HKD	2.27	3.40	50%	RMB	0.22	0.24	0.26	8.2	7.5	6.9	-6.6%	Jiao Yiding
Electricity															
902	Huaneng Power	Buy	HKD	8.17	11.00	35%	RMB	0.89	0.87	0.93	7.3	7.5	7.0	4.1%	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	4.1%	Vera Liang
1071	Huadian Power	Neutral	HKD	3.58	3.80	6%	RMB	0.41	0.39	0.48	6.9	7.3	5.9	14.0%	Vera Liang
Pharmaceuticals & Medical Devices															
2348	Dawnrays Pharma	Buy	HKD	3.68	3.20	-13%	RMB	0.18	0.14	0.17	16.2	20.9	17.2	11.5%	Jonathan Hsu
Semi and Hardware Technology															
992	Lenove	Buy	HKD	8.36	9.20	10%	USD	0.06	0.08	0.09	18.0	13.5	12.0	1.2%	Alex Ng
2382	Sunny Optical	Neutral	HKD	7.41	8.37	13%	RMB	0.41	0.54	0.73	14.3	10.9	8.1	-8.2%	Alex Ng
732	Truly	Buy	HKD	4.90	7.15	46%	HKD	0.56	0.67	0.79	8.8	7.3	6.2	7.2%	Alex Ng
2018	Aac Tech	Neutral	HKD	33.45	40.00	20%	RMB	1.83	2.16	2.48	14.5	12.3	10.7	-8.7%	Alex Ng
2618	Tcl Comm	Buy	HKD	7.38	8.52	15%	HKD	0.28	0.76	0.96	26.4	9.7	7.7	55.0%	Alex Ng
2369	China Wireless	Neutral	HKD	2.88	3.10	8%	HKD	0.20	0.24	0.30	14.4	12.0	9.6	-6.2%	Alex Ng
US Stock															
BIDU	Baidu Inc	Buy	USD	156.02	149.50	-4%	USD	4.89	7.36	9.67	31.9	21.2	16.1	1.4%	Mike Chen
SINA	Sina Corp	Buy	USD	82.44	90.70	10%	USD	-0.36	2.51	4.49	N.A.	32.8	18.4	0.2%	Mike Chen

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		
SOHU	Sohu.Com Inc	Neutral	USD	66.01	61.40	-7%	USD	1.48	2.44	3.28	44.6	27.1	20.1	-12.9%	Mike Chen
NTES	Netease Inc	Buy	USD	66.82	85.50	28%	USD	5.56	5.80	6.60	12.0	11.5	10.1	-6.8%	Mike Chen
QIHU	Qihoo 360	Buy	USD	89.61	94.47	5%	USD	1.16	2.00	3.68	77.3	44.8	24.4	6.8%	Mike Chen
YOKU	Youku Tudou Inc	Neutral	USD	27.50	23.82	-13%	USD	-0.47	-0.18	0.19	N.A.	N.A.	144.7	-2.2%	Mike Chen
EDU	New Oriental Education	Buy	USD	26.75	24.50	-8%	USD	0.89	1.25	1.43	30.1	21.4	18.7	7.4%	Mike Chen
DANG	Dangdang	Neutral	USD	8.67	6.40	-26%	USD	-0.82	-0.52	-0.18	N.A.	N.A.	N.A.	-20.7%	Mike Chen
CTRP	Ctrip	Buy	USD	58.11	25.70	-56%	USD	1.15	1.48	1.76	50.5	39.3	33.0	2.1%	Mike Chen
HMIN	Home Inns	Neutral	USD	36.92	27.40	-26%	USD	1.09	1.62	2.04	33.9	22.8	18.1	8.8%	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	124.2	1.5	168	TSINGTAO BREW-H	63.35	0.5
2	CLP HLDGS LTD	62.50	0.0	177	JIANGSU EXPRES-H	9.49	-0.6
3	HONG KG CHINA GS	18.30	0.6	323	MAANSHAN IRON-H	2.03	2.0
4	WHARF HLDG	64.55	-1.8	338	SINOPEC SHANG-H	2.01	-2.0
5	HSBC HLDGS PLC	85.10	-0.4	347	ANGANG STEEL-H	4.77	2.4
6	POWER ASSETS HOL	64.05	-0.2	358	JIANGXI COPPER-H	14.90	0.5
11	HANG SENG BK	127.9	-0.5	386	CHINA PETROLEU-H	6.38	0.3
12	HENDERSON LAND D	46.30	-0.3	390	CHINA RAIL GR-H	4.38	0.5
13	HUTCHISON WHAMPO	97.20	-0.2	489	DONGFENG MOTOR-H	11.36	-0.5
16	SUN HUNG KAI PRO	103.0	0.7	552	CHINA COMM SER-H	4.67	-1.3
17	NEW WORLD DEV	10.76	0.4	576	ZHEJIANG EXPRESS	7.06	-0.6
19	SWIRE PACIFIC-A	90.00	0.2	694	BEIJING CAP AI-H	5.66	1.8
23	BANK EAST ASIA	33.65	0.8	728	CHINA TELECOM-H	4.03	-0.7
66	MTR CORP	30.00	0.2	753	AIR CHINA LTD-H	5.39	0.9
83	SINO LAND CO	10.96	0.2	857	PETROCHINA CO-H	8.79	-0.3
101	HANG LUNG PROPER	26.05	1.0	902	HUANENG POWER-H	8.17	-1.2
144	CHINA MERCHANT	27.90	0.9	914	ANHUI CONCH-H	26.70	-0.9
267	CITIC PACIFIC	10.90	1.9	939	CHINA CONST BA-H	6.08	0.5
291	CHINA RES ENTERP	27.50	1.1	991	DATANG INTL PO-H	3.56	-0.8
293	CATHAY PAC AIR	15.60	0.7	998	CHINA CITIC BK-H	4.38	0.2
330	ESPRIT HLDGS	14.18	0.1	1088	CHINA SHENHUA-H	23.85	1.3
386	CHINA PETROLEU-H	6.38	0.3	1133	HARBIN ELECTRIC	4.94	0.6
388	HONG KONG EXCHNG	125.7	0.2	1138	CHINA SHIPPING-H	4.59	2.9
494	LI & FUNG LTD	11.04	1.1	1171	YANZHOU COAL-H	7.92	-1.6
551	YUE YUEN INDUS	20.90	-0.2	1186	CHINA RAIL CN-H	8.44	0.5
688	CHINA OVERSEAS	23.50	-1.3	1398	IND & COMM BK-H	5.41	-0.2
700	TENCENT HOLDINGS	416.8	-1.4	1800	CHINA COM CONS-H	6.29	-0.6
762	CHINA UNICOM HON	12.14	0.2	1898	CHINA COAL ENE-H	4.87	0.6
857	PETROCHINA CO-H	8.79	-0.3	1919	CHINA COSCO HO-H	3.77	1.1
883	CNOOC LTD	15.52	-1.7	2318	PING AN INSURA-H	61.35	-0.2
939	CHINA CONST BA-H	6.08	0.5	2328	PICC PROPERTY &	11.86	-0.2
941	CHINA MOBILE	80.55	-0.6	2600	ALUMINUM CORP-H	2.87	1.1
1088	CHINA SHENHUA-H	23.85	1.3	2628	CHINA LIFE INS-H	21.15	1.0
1199	COSCO PAC LTD	11.48	0.7	2727	SHANGHAI ELECT-H	2.72	0.0
1398	IND & COMM BK-H	5.41	-0.2	2777	GUANGZHOU R&F -H	12.98	-2.8
2038	FIH MOBILE LTD	4.25	0.2	2866	CHINA SHIPPING-H	2.00	3.6
2318	PING AN INSURA-H	61.35	-0.2	2883	CHINA OILFIELD-H	22.35	-0.9
2388	BOC HONG KONG HO	25.25	0.4	2899	ZIJIN MINING-H	1.80	0.6
2600	ALUMINUM CORP-H	2.87	1.1	3323	CHINA NATL BDG-H	7.75	0.3
2628	CHINA LIFE INS-H	21.15	1.0	3328	BANK OF COMMUN-H	5.68	0.0
3328	BANK OF COMMUN-H	5.68	0.0	3968	CHINA MERCH BK-H	15.36	0.0
3988	BANK OF CHINA-H	3.64	0.6	3988	BANK OF CHINA-H	3.64	0.6
				3993	CHINA MOLYBDENUM	3.19	0.3

A+H Company Performance
 Last price

Name(H)	Code (H)	Price (H)	Code (A)	Price (A)	Spread (%)
BEIREN PRINT-H	187	3.19	600860	8.85	252.7
TIANJIN CAP-H	1065	3.21	600874	8.89	252.1
NORTHEAST ELEC-H	42	0.89	000585	2.44	248.5
SHENJI GROUP-H	300	2.00	600806	4.61	193.0
CHONGQING IRON-H	1053	1.13	601005	2.55	186.9
SHANDONG XINHU-H	719	2.06	000756	4.56	181.4
SINOPEC SHANG-H	338	2.01	600688	4.12	160.6
NANJING PANDA-H	553	3.67	600775	7.49	159.4
SINOPEC YIZHEN-H	1033	2.15	600871	4.31	154.8
JINGWEI TEXTIL-H	350	5.08	000666	8.15	104.0
BEIJING NORTH-H	588	1.81	601588	2.86	100.9
ALUMINUM CORP-H	2600	2.87	601600	4.05	79.4
HISENSE KELON -H	921	7.39	000921	10.13	74.3
YANZHOU COAL-H	1171	7.92	600188	10.17	63.2
DATANG INTL PO-H	991	3.56	601991	4.53	61.8
GUANGZHOU BAIYUN	874	28.50	600332	29.29	30.7
JIANGXI COPPER-H	358	14.90	600362	15.22	29.9
SHENZHEN EXPRE-H	548	3.41	600548	3.48	29.7
CHINA SOUTHERN-H	1055	2.89	600029	2.78	22.3
CHINA CITIC BK-H	998	4.38	601998	4.05	17.6
CHINA SHIPPING-H	1138	4.59	600026	4.24	17.4
ZTE CORP-H	763	17.02	000063	15.70	17.3
HUADIAN POWER-H	1071	3.58	600027	3.29	16.8
DONGFANG ELECT-H	1072	12.60	600875	11.53	16.3
ANHUI EXPRESS-H	995	4.41	600012	4.01	15.6
GUANGZHOU SHIP-H	317	12.86	600685	11.50	13.7
MAANSHAN IRON-H	323	2.03	600808	1.74	9.0
LUOYANG GLASS-H	1108	1.43	600876	5.23	0.0
BANK OF CHINA-H	3988	3.64	601988	2.83	-1.2
GUANGSHEN RAIL-H	525	4.04	601333	2.99	-5.9
BANK OF COMMUN-H	3328	5.68	601328	4.20	-6.0
AIR CHINA LTD-H	753	5.39	601111	3.93	-7.3
TSINGTAO BREW-H	168	63.35	600600	45.59	-8.5
HUANENG POWER-H	902	8.17	600011	5.80	-9.8
IND & COMM BK-H	1398	5.41	601398	3.84	-9.8
CHINA PETROLEU-H	386	6.38	600028	4.52	-9.9
CHINA MERCH BK-H	3968	15.36	600036	10.80	-10.6
CHINA LIFE INS-H	2628	21.15	601628	14.10	-15.3
ANGANG STEEL-H	347	4.77	000898	3.06	-18.5
WEICHAH POWER-H	2338	31.25	000338	19.40	-21.1
JIANGSU EXPRES-H	177	9.49	600377	5.76	-22.8
PING AN INSURA-H	2318	61.35	601318	37.13	-23.1
ANHUI CONCH-H	914	26.70	600585	15.29	-27.2

Recently Published Research

Date published	Name of report	Analyst
31-Oct-13	PetroChina (00857.HK)	Michael Yuk
31-Oct-13	Monthly Review Nov 2013	Cliff Zhao, George Chen
30-Oct-13	Huadian Power (1071 HK)	Vera Liang
30-Oct-13	Report on capital flow to Europe	Lynn Song, Cliff Zhao, David Xie
30-Oct-13	CHINA UNICOM (00762.HK)	Jeff Hao
30-Oct-13	China Telecom (00728.HK)	Jeff Hao
30-Oct-13	Orient Overseas (316 HK)	Kate Li
29-Oct-13	Monthly Report on HK Stock Market Fund Flows	Qing Li, Cliff Zhao, David Xie
29-Oct-13	CNOOC (00883.HK)	Michael Yuk
29-Oct-13	China Coal Energy (1898.HK)	Li Xiang
28-Oct-13	China Healthcare Sector	Jonathan Hsu
25-Oct-13	Sunny Optical (2382 HK)	Alex Ng
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24-Sep-13	TENCENT HOLDINGS(00700.HK)	Jeff Hao
24-Sep-13	Comment on German elections	Lynn Song, Cliff Zhao, David Xie
23-Sep-13	Hilong Holding Ltd. (01623.HK)	Michael Yuk
23-Sep-13	HK Stock Market Strategy Comments	George Chen, Cliff Zhao

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INDUSTRY	DEFINITION
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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