

Company Comments

1. Changyou to Acquire a Majority Stake in Social Communication Software Provider Raidcall

New York, November 20, 2013 – Changyou.com Limited ("Changyou" or the "Company") (NASDAQ: CYOU), a leading online game developer and operator in China, and Kalends Inc. ("Kalends"), a provider of comprehensive Internet products and services for the global market, today jointly announced that they have entered into a definitive investment agreement (the "Investment Agreement") pursuant to which Changyou will acquire 62.5% of the equity interests, on a fully-diluted basis, of a company of Kalends outside of China that will hold all of the assets associated with Raidcall ("Raidcall"), a free social communication platform (such assets, the "Raidcall Business"), for US\$50 million in cash. The transaction is expected to close in December 2013, subject to customary closing conditions. This acquisition accelerates Changyou's progress toward creating a global gamer platform.

Raidcall is a free social communication software that facilitates real-time online group activities via voice, text and video, allowing users to create and organize groups of varying size to participate in a wide range of online group activities such as online games, music, karaoke and other live performance dynamics. Raidcall has provided group communication services to over 20 million registered users to-date, including world-class professional gaming teams such as Fnatic and Evil Geniuses. Available in 14 different languages, Raidcall currently operates overseas in multiple regions, such as Taiwan, Hong Kong, Macau, Brazil, Russia, and others. **[company announcement]**

Comments: We think it's a right move for Changyou as the company moves to international market starting 2008. Our field check suggests that the Raidcall software has large user base in Taiwan and Russia, and would help Changyou penetrate into these two markets first.

After the news announcement, we had a chance to talk with YY which operates the largest multimedia group communication software for channels such as games, talk shows and music. The impact on YY is limited as YY's clients are mostly cross-game platforms, and YY has strong footprint in mainland Chinese gamers. Currently, most of major online game operators have their own real time multimedia group communication software, such as QQTalk from Tencent, CC from NetEase and Dudu from Giant Interactive. All these software are currently embedded in major games from these game operators to facilitate gamers. (Mike Chen)

2. Comtec announced its unaudited financial data for Q3 2013

The unaudited revenue was approximately RMB243 million for Q3 2013; the gross margin was 7.1% for the period; the unaudited net loss was RMB7.64 million for the period; the adjusted net profit was approximately RMB2.67 million for the period after excluding the non-cash accounting losses on fair value changes of the new warrants issued on 14 March 2012 of approximately RMB10,300,000. Wafer shipment for the period was approximately 120.3 MW. **[Company announcement]**

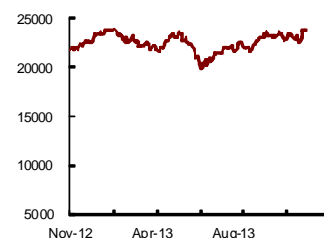
Comments: Comtec's Q3 gross margin was 7.1%, decreasing 1.5 pts compared with 1H2013 and decreasing 0.16 pts compared QoQ. The

HK Indices	Last price	chg	% chg
HSI	23,580.29	-120.5	-0.51
Finance	33,219.45	-189.7	-0.57
Properties	29,760.23	-281.9	-0.94
Utilities	49,447.84	103.2	0.21
Commerce&Industrv	13,758.72	-57.32	-0.41
HSCEI	11,333.14	-104.3	-0.91
HSCCI	4,602.56	-18.05	-0.39
HKSPGEM	468.23	3.18	0.68

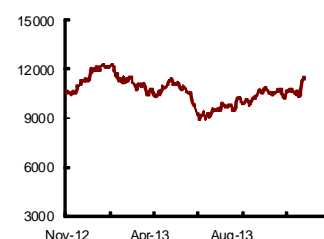
World Indices	Last price	chg	% chg
FTSE 100	6,681.33	0.25	0.00
DAX 30	9,196.08	-5.99	-0.07
CAC 40	4,253.90	-14.47	-0.34
DJIA	16,009.99	109.17	0.69
S&P500	1,795.85	14.48	0.81
Nasdaq Composite	3,969.16	47.89	1.22
Nikkei 225	15,365.60	289.52	1.92

Asia-Pacific Indices	Last price	chg	% chg
KOSPI	1,993.78	-23.46	-1.16
TWSE	8,099.45	-105.01	-1.28
STI	3,172.38	-11.85	-0.37
India BSE 30	20,229.05	-406.08	-1.97
S&P/ASX 200	5,342.50	54.18	1.02

HSI One Year



HSCEI One Year



Source: Bloomberg

China Merchants Securities (HK)

Research

+852-3189-6888

adjusted net profit margin was approximately 1.1%, decreasing 2.3 pts compared with 1H2013 and decreasing 1.3 pts QoQ. Lower wafer ASP and higher expense ratio may be the main reason for the lower-than-expected profit margins. Wafer shipment of Q3 meets our expectation. As of now, our rating for Comtec is a “Buy” with a TP of HK\$1.76. We are reviewing our rating and TP. (Yin Lei)

A-share Research Highlights (CMS Research Center)

1. Aviation industry – Diversification in load factor trends. Oversupply continued.

[Luo Yanyan, Nov. 20, 2013] Investment strategy: (1) Airline sector (Neutral): We maintain the Neutral rating. Airlines showed divergent performances in October, when China Eastern recorded significant decline in seat utilization rate due to increased supply, while Air China strengthened its leading position in domestic routes. In November, demands were lackluster in international routes in the low season, while domestic routes maintained a growth rate of around 10%; the overall oversupply problem continued in the industry, putting pressure on air fares. Looking forward to 2014, capacity growth is expected to remain fast. From our field research, we found that airlines are not optimistic about the supply-demand situation in 2014. (2) Airport sector (still Outperform): This sector has both defensive and offensive value given its rapid growth, high certainty, high dividends and low valuation. We give Strong Buy rating on Shanghai International Airport, which has themes of Free Trade Zone, state-owned enterprise reforms, overall listing and Disneyland expectations. We give Buy rating on Guangzhou Baiyun International Airport, which has made tangible achievements in building an aviation hub, benefits from the Guangdong Free Trade Zone concept and still has low valuation.

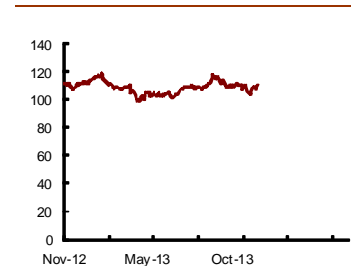
RPK of major airlines continued to grow at a moderate pace of around 10% in October, slower than in the high season; international routes performed mostly better than domestic ones. Air China led peers in RPK growth (+12.2%). Cargo turnaround: RFTK of Air China grew slightly by 2.2%; the YoY growth rates of China Southern and China Eastern were both over 6%. Transport capacity: The top three airlines reported steady growth in capacity supply. Air China and China Eastern led in international route capacity. International route capacity growth of China Southern slowed down markedly after the fast growth in the past two years, but picked up somewhat after the launch of winter schedule. AFTK of China Eastern grew relatively fast (+13.7%) in October; that of Air China only grew 4% YoY, indicating a more cautious approach in capacity supply.

Supply/demand: Seat utilization rate of Air China rose 0.9 percentage point YoY to 80.2% in October; that of China Eastern fell 1.4 percentage points YoY to 78.3%; that of China Southern was basically flat from a year earlier at 78.8%. In domestic routes, seat utilization rate of Air China gained markedly by 1.9 percentage points to 83%, clearly higher than those of China Southern and China Eastern. In international routes, seat utilization rate of China Southern improved the most from a year earlier due to low base effect, rising 1.6 percentage points to 75.2%; that of China Eastern fell 2.7 percentage points YoY to 75.6%. The average seat utilization rate of the top three airlines was about 75%. Cargo transportation: The freight load factors of all the top three airlines dropped YoY; those of Air China, China Southern and China Eastern fell by 1.0, 0.2 and 3.3 percentage points respectively.

Global Commodity	Last price	chg	% chg
Brent Oil	110.55	2.23	2.06
Gold	1,244.1	1.06	0.09
LME Aluminum	1,781.0	-13.00	-0.72
LME Copper	6,996.0	26.00	0.37
BDI	1,499.0	-28.00	-1.83
API Coal	82.50	-0.50	-0.60

Exchange /Bond Market	/Currency	Last price	chg	% chg
USD/RMB		6.14	0.01	0.16
USD/HKD		7.75	0.00	0.00
1-YR RMB NDF		6.15	0.00	0.00
EUR/USD		1.35	0.03	0.02
3-M Libor		0.52	0.00	0.00
3-M Shibor		4.71	0.00	0.00
10 YR US T-Note Yield		2.78	-0.01	-0.36

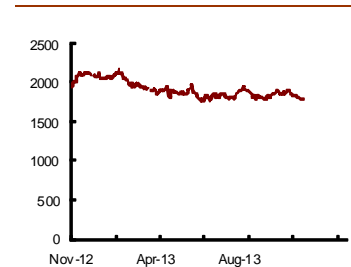
Brent Oil One Year



Gold Commodity One Year



LME Aluminum Commodity One Year



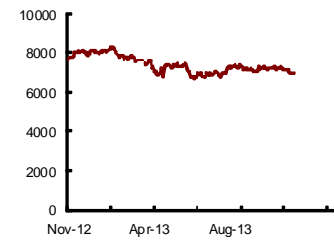
Source: Bloomberg

2. Power industry – Demand for thermal power continued to grow; small rebound in coal prices from low level.

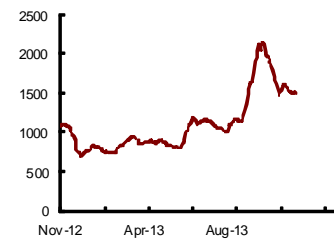
[He Yin, Nov. 20, 2013] With the impact of price adjustment limited and profitability of thermal power generation at a high level, we suggest attention to the following three types of stocks: (1) Companies that have outstanding growth potential and much room for valuation restoration, such as SDIC Power Holdings, Sichuan Chuantou Energy, Inner Mongolia MengDian HuaNeng Thermal Power, and Guangdong Baolihua New Energy Stock. (2) Industry-leading companies with high dividend yield ratios and much less risks than before, such as Huaneng Power International and GD Power Development. (3) Those benefiting from industry reforms that are picking up pace, such as hydropower companies like China Yangtze Power.

In the January-October period, China's total electricity consumption amounted to 4.3825 trillion kWh, up 7.4% YoY, again faster than a month earlier (in the January-September period). Looking forward, the proportion of thermal power in total power generation is expected to rise, while that of hydropower is expected to fall. In the short term, the rebound in coal price should be limited as supplies increase, inventories of thermal power plants recover, and the cost advantage of imported coal could reemerge. Total electricity consumption in October reached 437.5 billion kWh, up 9.5% YoY. In the first 10 months of the year, total power generation was 4.3018 trillion kWh, up 7.0% YoY. Of the total, 653.8 billion kWh was generated by hydropower, up 3.1% YoY; 3.4537 trillion kWh was generated by thermal power, up 6.9% YoY; 90.7 billion kWh was generated by nuclear power, up 11.7% YoY; 111.4 billion kWh was generated by wind power, up 39.2% YoY. From January to October, the average utilization hours of nationwide power generation units were 3,752 hours, down 51 hours or 1.3% YoY. As of the end of October, total nationwide installed capacity of power generation grew 10.0% YoY to 1,172,710 MW. Coal price rebounded moderately. On Nov. 18, Shanxi Premium Blend (5,500 kcal) at Qinhuangdao Port was quoted at as high as RMB565 per ton, up by around RMB20 from a month earlier; coal inventory at Qinhuangdao Port fell to 5.460 million tons, down by 0.46 million from a month earlier.

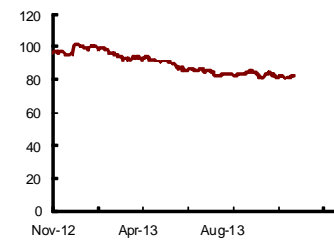
LME Copper Commodity One Year



BDI One Year



API Coal One Year



Source: Bloomberg

What to Watch

Economic Data	HK: Nil US: JOLTS - Job Openings		
Date	Ticker	Stock Name	Earnings
2013/11/22	00018	ORIENTAL PRESS	Interim
2013/11/22	00055	NEWAY GROUP	Interim
2013/11/22	00093	TERMBRAY IND	Interim
2013/11/22	00163	EMPEROR INT'L	Interim
2013/11/22	00248	HKC INT'L HOLD	Interim
2013/11/22	00282	NEXT MEDIA	Interim
2013/11/22	00296	EMPEROR E HOTEL	Interim
2013/11/22	00321	TEXWINCA HOLD	Interim
2013/11/22	00474	HAO TIAN DEV	Interim
2013/11/22	00475	ZHONG FA ZHAN	Interim
2013/11/22	00498	PYI CORP	Interim
2013/11/22	00567	DAISHOMICROLINE	Interim
2013/11/22	00577	LOUIS XIII H	Interim
2013/11/22	00647	JOYCE BOUTIQUE	Interim
2013/11/22	00726	SOUTH EAST GP	Interim
2013/11/22	00910	CHINA SANDI	Interim
2013/11/22	00952	QUAM	Interim
2013/11/22	01004	RISING DEV-NEW	Interim
2013/11/22	01009	INT'L ENT	Interim
2013/11/22	01031	KINGSTON FIN	Interim
2013/11/22	01196	CHEONG MING INV	Interim
2013/11/22	01220	ZHIDAO INT'L	Interim
2013/11/22	01229	NAN NAN RES	Interim
2013/11/22	01273	HK FINANCE GP	Interim
2013/11/22	01348	QUALI-SMART	Interim
2013/11/22	01382	PACIFICTEXTILES	Interim
2013/11/22	01386	WALKER GROUP	Interim
2013/11/22	02898	LONGRUN TEA	Interim
2013/11/22	03683	GREAT HARVEST	Interim
Date	Ticker	Stock Name	Issue Price
Nil			

China Merchants Securities (Hong Kong) Stock Pool Update Weekly
 2013-11-22

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	5.95	5.30	-11%	RMB	0.55	0.56	0.64	8.6	8.4	7.4	0.3%	Ivy Zhao
1880	Belle	Buy	HKD	9.50	14.03	48%	RMB	0.55	0.62	0.69	13.6	12.1	11.0	-13.8%	Ivy Zhao
1368	Xtep	Neutral	HKD	4.11	4.00	-3%	RMB	0.27	0.27	0.29	12.1	12.1	11.2	8.4%	Ivy Zhao
2020	Anta Sports	Buy	HKD	11.26	13.47	20%	RMB	0.49	0.54	0.60	18.4	16.6	14.8	-2.8%	Ivy Zhao
1361	361 Degrees	Neutral	HKD	2.30	1.71	-26%	RMB	0.17	0.16	0.16	10.8	11.5	11.5	3.6%	Ivy Zhao
1968	Peak Sport	Neutral	HKD	1.83	1.48	-19%	RMB	0.16	0.17	0.19	9.2	8.4	7.5	-2.1%	Ivy Zhao
2331	Li Ning	Buy	HKD	6.65	5.20	-22%	RMB	-0.10	0.18	0.20	N.A.	29.9	26.5	-12.2%	Ivy Zhao
3818	China Dongxiang	Buy	HKD	1.24	1.64	32%	RMB	0.04	0.04	0.05	26.6	23.4	20.9	-3.9%	Ivy Zhao
953	Meike	Neutral	HKD	0.51	0.30	-41%	RMB	0.04	0.05	0.06	11.2	8.8	7.4	-13.6%	Ivy Zhao
1234	China Lilang	Buy	HKD	5.02	5.25	5%	RMB	0.41	0.41	0.47	9.7	9.7	8.5	-1.2%	Ivy Zhao
891	Trinity	Buy	HKD	2.89	4.63	60%	RMB	0.21	0.25	0.30	10.9	9.2	7.6	-0.3%	Ivy Zhao
873	C Taifeng Bed	Buy	HKD	1.82	2.86	57%	RMB	0.52	0.65	0.80	2.8	2.2	1.8	-4.2%	Ivy Zhao
Metals & Mining															
1818	Zhaojin Mining	Neutral	HKD	5.32	6.00	13%	RMB	0.43	0.38	0.34	9.8	11.1	12.4	-17.7%	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	-1.6%	Li Xiang
358	Jiangxi Copper	Buy	HKD	14.74	15.20	3%	RMB	1.02	1.05	0.85	11.5	11.1	13.7	-0.1%	Li Xiang
3993	Cmcc	Neutral	HKD	3.34	3.10	-7%	RMB	0.19	0.20	0.21	13.7	13.5	12.8	7.1%	Li Xiang
2600	Chalco	Sell	HKD	2.85	1.60	-44%	RMB	-0.28	-0.11	-0.10	N.A.	N.A.	N.A.	-3.1%	Li Xiang
1378	China Hongqiao	Buy	HKD	4.69	5.80	24%	RMB	0.97	1.11	1.23	3.8	3.4	3.0	-1.7%	Li Xiang
486	Rusal	Sell	HKD	2.24	2.03	-9%	USD	0.01	0.04	0.05	28.9	7.2	5.8	-8.2%	Li Xiang
3948	Yitai Coal	Buy	HKD	14.14	25.10	78%	RMB	1.88	2.11	2.22	6.0	5.3	5.1	-5.7%	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	26.15	36.40	39%	RMB	2.44	2.90	3.07	8.5	7.1	6.7	7.0%	Li Xiang
1898	China Coal	Neutral	HKD	5.09	5.00	-2%	RMB	0.47	0.43	0.42	8.6	9.4	9.6	4.7%	Li Xiang
Auto & Others															
1211	Byd Company	Neutral	HKD	37.70	13.00	-66%	RMB	0.33	0.68	1.10	90.5	43.9	27.2	-7.7%	Colleen Li
489	Dongfeng Group	Buy	HKD	12.18	14.17	16%	RMB	1.13	1.26	1.29	8.5	7.7	7.5	5.4%	Colleen Li
175	Geely Auto	Buy	HKD	4.06	5.04	24%	RMB	0.32	0.36	0.38	10.1	8.9	8.5	5.5%	Colleen Li
2333	Greatwall Motor	Neutral	HKD	46.40	38.62	-17%	RMB	2.78	3.41	3.74	13.2	10.8	9.8	-5.8%	Colleen Li
1114	Brilliance Chi	Buy	HKD	13.30	12.00	-10%	RMB	0.71	0.80	0.89	14.8	13.2	11.8	0.2%	Colleen Li
425	Mint Group	Buy	HKD	15.70	13.20	-16%	RMB	0.78	0.87	0.97	16.0	14.3	12.8	-11.2%	Colleen Li
1728	Zhengtong Auto	Buy	HKD	5.05	5.85	16%	RMB	0.55	0.81	1.11	7.3	4.9	3.6	-11.1%	Colleen Li
881	Zhongsheng Hldg	Neutral	HKD	11.40	10.30	-10%	RMB	0.58	0.71	0.99	15.6	12.7	9.1	-16.2%	Colleen Li
Oil & Gas															
857	Petro China	Buy	HKD	9.44	10.55	12%	RMB	0.71	0.74	0.78	10.5	10.1	9.6	4.4%	Michael Yuk
386	Sinopec Corp	Buy	HKD	6.96	7.20	3%	RMB	0.68	0.70	0.73	8.1	7.9	7.6	12.1%	Michael Yuk
883	Cnooc	Buy	HKD	15.66	17.00	9%	RMB	1.44	1.56	1.69	8.6	8.0	7.3	-2.0%	Michael Yuk
603	China Oil & Gas	Neutral	HKD	1.42	1.45	2%	HKD	0.09	0.12	0.15	15.8	11.8	9.5	20.3%	Michael Yuk
342	Newocean Energy	Buy	HKD	4.94	5.30	7%	HKD	0.55	0.63	0.79	9.0	7.8	6.3	0.0%	Michael Yuk
467	Unitedenergy Gp	Buy	HKD	1.19	1.59	34%	HKD	0.10	0.09	0.09	11.9	13.2	13.2	-6.3%	Michael Yuk
Oil & Gas Services/Equipment															
3899	Cimc Enric	Buy	HKD	12.96	10.00	-23%	RMB	0.49	0.60	0.72	21.0	17.1	14.3	12.7%	Michael Yuk
569	Ch Automation	Buy	HKD	1.87	2.50	34%	RMB	0.26	0.29	0.33	5.7	5.1	4.5	15.4%	Michael Yuk
3337	Anton Oilfield	Buy	HKD	5.04	4.75	-6%	RMB	0.19	0.23	0.28	21.0	17.4	14.3	4.1%	Michael Yuk
1938	Chu Kong Pipe	Buy	HKD	2.79	2.26	-19%	RMB	0.11	0.40	0.55	20.1	5.5	4.0	2.6%	Michael Yuk
2883	China Oilfield	Buy	HKD	23.70	18.00	-24%	RMB	1.29	1.45	1.66	14.6	13.0	11.3	13.7%	Michael Yuk

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								2013E	2014E	2015E	2013E	2014E	2015E		
3303	Jutal Oil Ser	Buy	HKD	1.62	2.40	48%	RMB	0.13	0.17	0.15	9.9	7.6	8.6	8.7%	Michael Yuk
1623	Hilong	Buy	HKD	6.11	5.10	-17%	RMB	0.16	0.28	0.29	29.5	17.4	16.8	23.4%	Michael Yuk
Property															
688	China Overseas	Buy	HKD	23.85	22.56	-5%	HKD	2.29	2.30	2.68	10.4	10.4	8.9	-1.7%	DuanFeiqin
410	Soho China	Neutral	HKD	6.87	6.42	-7%	HKD	2.37	2.13	1.96	2.9	3.2	3.5	0.7%	DuanFeiqin
813	Shimao Property	Neutral	HKD	18.86	16.70	-11%	HKD	2.07	2.19	2.46	9.1	8.6	7.7	-5.2%	DuanFeiqin
1109	China Res Land	Buy	HKD	21.15	23.80	13%	HKD	1.81	1.91	2.20	11.7	11.1	9.6	-7.0%	DuanFeiqin
2777	R&F Properties	Buy	HKD	12.80	13.90	9%	HKD	2.15	2.23	2.45	6.0	5.7	5.2	-5.3%	DuanFeiqin
2007	Country Garden	Neutral	HKD	5.01	4.68	-7%	HKD	0.48	0.53	0.60	10.6	9.5	8.4	-8.7%	DuanFeiqin
3383	Agile Property	Neutral	HKD	8.94	10.10	13%	HKD	1.81	1.98	2.02	4.9	4.5	4.4	-3.6%	DuanFeiqin
3333	Evergrande	Buy	HKD	3.25	4.38	35%	HKD	0.84	0.97	0.98	3.9	3.4	3.3	-10.0%	DuanFeiqin
960	Longfor Ppt	Buy	HKD	11.92	13.23	11%	HKD	1.50	1.65	1.81	8.0	7.2	6.6	-9.7%	DuanFeiqin
1813	Kwg Property	Neutral	HKD	4.66	5.05	8%	HKD	1.02	1.10	1.18	4.6	4.3	3.9	-7.7%	DuanFeiqin
3366	Oct (Asia)	Buy	HKD	3.50	3.50	0%	HKD	0.43	0.54	0.64	8.1	6.5	5.5	1.5%	DuanFeiqin
3900	Greentown China	Buy	HKD	13.30	18.80	41%	HKD	3.17	3.33	3.49	4.2	4.0	3.8	-15.4%	DuanFeiqin
754	Hopson Dev Hold	Buy	HKD	9.23	12.20	32%	HKD	1.72	1.98	2.22	5.4	4.7	4.2	-7.3%	DuanFeiqin
1918	Sunac	Buy	HKD	5.15	6.66	29%	HKD	1.07	1.26	1.41	4.8	4.1	3.7	-1.7%	DuanFeiqin
Consumer Discretionary															
1833	Intime	Buy	HKD	9.16	10.50	15%	RMB	0.54	0.64	0.75	13.4	11.3	9.7	-1.4%	Gloria Wang
1700	Springland	Neutral	HKD	4.17	4.50	8%	RMB	0.29	0.33	0.37	11.4	10.0	8.9	-11.1%	Gloria Wang
Telecommunication															
941	China Mobile	Neutral	HKD	80.95	78.00	-4%	RMB	6.37	6.26	6.27	10.1	10.3	10.2	-4.8%	Jeff Hao
762	China Unicom	Buy	HKD	12.08	14.08	17%	RMB	0.45	0.58	0.69	21.3	16.5	13.9	-5.3%	Jeff Hao
728	China Telecom	Buy	HKD	4.09	4.67	14%	RMB	0.24	0.27	0.31	13.5	12.0	10.5	-1.2%	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	421.80	455.00	8%	RMB	8.58	11.47	15.37	39.0	29.1	21.7	-5.8%	Jeff Hao
3888	Kingsoft	Buy	HKD	18.60	24.37	31%	RMB	0.50	0.66	0.83	29.5	22.3	17.8	-18.8%	Jeff Hao
1661	Wisdom	Buy	HKD	3.58	2.90	-19%	RMB	0.13	0.20	0.25	21.8	14.2	11.4	33.1%	Jeff Hao
777	Netdragon	Buy	HKD	16.18	26.27	62%	RMB	0.78	0.89	1.12	16.4	14.4	11.5	-45.1%	Jeff Hao
354	Chinasoft	Neutral	HKD	2.19	2.00	-9%	RMB	0.10	0.12	0.15	17.4	14.5	11.6	-12.8%	Jeff Hao
268	Kingdee	Neutral	HKD	2.30	1.40	-39%	RMB	0.02	0.04	0.05	91.1	45.6	36.5	-17.3%	Jeff Hao
Port															
144	China Mer Hold	Neutral	HKD	29.05	26.43	-9%	HKD	1.55	1.75	2.05	18.7	16.6	14.2	0.7%	Kate Li
1199	Cosco Pacific	Buy	HKD	11.50	12.58	9%	USD	0.26	0.13	0.14	5.7	11.4	10.6	2.9%	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	6.4%	Kate Li
316	Ooil	Buy	HKD	40.30	51.00	27%	USD	0.17	0.23	0.41	30.6	22.6	12.7	-5.7%	Kate Li
2866	Cscl	Neural	HKD	2.03	1.82	-10%	RMB	-0.06	0.03	0.07	N.A.	53.6	23.0	0.5%	Kate Li
Alternative Energy															
3800	Gcl-Poly Energy	Buy	HKD	2.56	1.97	-23%	HKD	0.01	0.05	0.07	256.0	51.2	36.6	-0.4%	Yin Lei
712	Comtec Solar	Buy	HKD	1.60	1.76	10%	RMB	0.05	0.11	0.16	25.4	11.5	7.9	-11.6%	Yin Lei
750	Singyes Solar	Buy	HKD	8.61	9.40	9%	RMB	0.81	0.91	1.04	8.4	7.5	6.6	3.5%	Yin Lei
2208	Goldwind	Buy	HKD	7.22	10.04	39%	RMB	0.15	0.32	0.45	38.1	17.9	12.7	-4.1%	Yin Lei
916	Longyuan Power	Neutral	HKD	9.79	8.16	-17%	RMB	0.36	0.43	0.52	21.6	18.0	14.9	4.2%	Yin Lei
1798	Datang Power	Neutral	HKD	1.52	1.99	31%	RMB	0.08	0.14	0.21	15.1	8.6	5.7	-10.1%	Yin Lei
816	Huadian Fuxin	Buy	HKD	2.81	2.99	6%	RMB	0.19	0.24	0.28	11.7	9.3	8.0	10.2%	Yin Lei
579	Jingneng	Buy	HKD	3.81	3.62	-5%	RMB	0.18	0.24	0.29	16.8	12.6	10.4	16.5%	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	22.25	23.10	4%	USD	0.09	0.11	0.13	32.6	27.3	22.1	7.2%	Ling Hua
2319	Mengniu Dairy	Buy	HKD	35.40	33.26	-6%	RMB	0.85	1.10	1.48	33.0	25.5	19.0	-4.1%	Ling Hua
506	China Foods	Neutral	HKD	3.49	4.25	22%	HKD	0.17	0.22	0.27	20.5	15.9	12.9	-5.4%	Ling Hua
151	Want Want China	Neutral	HKD	11.04	12.10	10%	USD	0.05	0.06	0.07	28.5	23.7	20.4	-3.7%	Ling Hua
345	Vitasoy	Buy	HKD	11.08	9.00	-19%	HKD	0.31	0.35	0.48	35.7	31.7	23.1	14.5%	Ling Hua
Machinery & Equipment															
1157	Zoomlion	Neutral	HKD	7.65	7.20	-6%	RMB	0.60	0.67	0.80	10.1	9.1	7.6	6.6%	Jiao Yiding
631	Sany	Buy	HKD	2.57	3.40	32%	RMB	0.22	0.24	0.26	9.3	8.5	7.8	8.0%	Jiao Yiding
Electricity															
902	Huaneng Power	Buy	HKD	7.54	11.00	46%	RMB	0.89	0.87	0.93	6.7	6.9	6.4	-8.8%	Vera Liang
991	Datang Power	Buy	HKD	3.54	3.90	10%	RMB	0.37	0.38	0.47	7.6	7.4	6.0	-0.3%	Vera Liang
1071	Huadian Power	Neutral	HKD	3.26	3.80	17%	RMB	0.46	0.45	0.55	5.6	5.7	4.7	-5.5%	Vera Liang
Semi and Hardware Technology															
992	Lenove	Buy	HKD	9.03	9.20	2%	USD	0.06	0.08	0.09	19.4	14.6	12.9	10.4%	Alex Ng
2382	Sunny Optical	Neutral	HKD	6.85	8.37	22%	RMB	0.41	0.54	0.73	13.2	10.1	7.4	-14.4%	Alex Ng
732	Truly	Buy	HKD	4.47	7.15	60%	HKD	0.56	0.67	0.79	8.0	6.7	5.7	-10.6%	Alex Ng
2018	Aac Tech	Neutral	HKD	31.75	40.00	26%	RMB	1.83	2.16	2.48	13.8	11.7	10.1	-6.1%	Alex Ng
2618	Tcl Comm	Buy	HKD	7.64	8.52	12%	HKD	0.28	0.76	0.96	27.3	10.1	8.0	22.8%	Alex Ng
2369	China Wireless	Neutral	HKD	2.53	3.10	23%	HKD	0.20	0.24	0.30	12.7	10.5	8.4	-18.4%	Alex Ng
Pharmaceuticals & Medical Devices															
2348	Dawnrays Pharma	Buy	HKD	4.12	3.20	-22%	RMB	0.18	0.14	0.17	18.1	23.3	19.2	11.4%	Jonathan Hsu
460	Sihuan Pharm	Buy	HKD	6.12	8.00	31%	RMB	0.16	0.17	0.19	30.3	28.5	25.5	5.9%	Jonathan Hsu
1177	Sino Biopharm	Buy	HKD	5.75	6.70	17%	HKD	0.09	0.18	0.22	63.9	31.9	26.1	9.3%	Jonathan Hsu
1093	CSPC Pharm	Buy	HKD	4.83	5.70	18%	HKD	1.48	0.20	0.24	3.3	24.2	20.1	12.9%	Jonathan Hsu

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		
1099	Sinopharm	Buy	HKD	22.70	24.40	7%	RMB	0.66	0.82	1.01	27.3	21.9	17.8	-2.8%	Jonathan Hsu
2877	Shineway Pharm	Neutral	HKD	11.20	12.30	10%	RMB	0.91	0.78	0.89	9.8	11.4	10.0	-8.5%	Jonathan Hsu
US Stock															
BIDU	Baidu Inc	Buy	USD	158.40	151.10	-5%	USD	4.89	7.36	9.67	32.4	21.5	16.4	-1.7%	Mike Chen
SINA	Sina Corp	Buy	USD	78.50	97.50	24%	USD	0.53	2.43	4.20	148.1	32.3	18.7	-11.4%	Mike Chen
SOHU	Sohu.Com Inc	Neutral	USD	64.15	61.40	-4%	USD	1.48	2.44	3.28	43.3	26.3	19.6	-23.4%	Mike Chen
NTES	Netease Inc	Buy	USD	67.37	85.50	27%	USD	5.56	5.80	6.60	12.1	11.6	10.2	-5.6%	Mike Chen
QIHU	Qihoo 360	Buy	USD	84.48	94.47	12%	USD	1.16	2.00	3.68	72.8	42.2	23.0	-8.4%	Mike Chen
YOKU	Youku Tudou Inc	Neutral	USD	27.68	23.82	-14%	USD	-0.47	-0.18	0.19	N.A.	N.A.	145.7	-9.2%	Mike Chen
EDU	New Oriental Education	Buy	USD	29.20	24.50	-16%	USD	0.89	1.25	1.43	32.8	23.4	20.4	11.5%	Mike Chen
DANG	Dangdang	Neutral	USD	8.90	6.40	-28%	USD	-0.82	-0.52	-0.18	N.A.	N.A.	N.A.	-23.3%	Mike Chen
CTRP	Ctrip	Buy	USD	46.81	25.70	-45%	USD	1.15	1.48	1.76	40.7	31.6	26.6	-19.6%	Mike Chen
HMIN	Home Inns	Neutral	USD	39.95	27.40	-31%	USD	1.09	1.62	2.04	36.7	24.7	19.6	8.2%	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	121.5	-0.6	168	TSINGTAO BREW-H	66.50	-1.9
2	CLP HLDGS LTD	63.00	0.6	177	JIANGSU EXPRES-H	10.40	4.0
3	HONG KG CHINA GS	18.24	0.2	323	MAANSHAN IRON-H	2.07	-0.5
4	WHARF HLDG	64.80	-0.5	338	SINOPEC SHANG-H	2.07	1.5
5	HSBC HLDGS PLC	86.45	-0.3	347	ANGANG STEEL-H	5.20	-1.5
6	POWER ASSETS HOL	62.70	-0.2	358	JIANGXI COPPER-H	14.74	0.4
11	HANG SENG BK	125.9	0.2	386	CHINA PETROLEU-H	6.96	-0.1
12	HENDERSON LAND D	46.05	-0.1	390	CHINA RAIL GR-H	4.59	-0.4
13	HUTCHISON WHAMPO	96.60	-0.4	489	DONGFENG MOTOR-H	12.18	-2.6
16	SUN HUNG KAI PRO	99.60	-0.3	552	CHINA COMM SER-H	4.83	-0.2
17	NEW WORLD DEV	10.52	-3.3	576	ZHEJIANG EXPRESS	7.39	1.8
19	SWIRE PACIFIC-A	91.85	-0.1	694	BEIJING CAP AI-H	5.93	-1.3
23	BANK EAST ASIA	33.95	-1.0	728	CHINA TELECOM-H	4.09	-1.7
66	MTR CORP	29.90	-0.2	753	AIR CHINA LTD-H	6.09	9.7
83	SINO LAND CO	10.84	0.2	857	PETROCHINA CO-H	9.44	-1.6
101	HANG LUNG PROPER	26.20	-0.6	902	HUANENG POWER-H	7.54	-2.0
144	CHINA MERCHANT	29.05	0.4	914	ANHUI CONCH-H	28.35	-2.6
267	CITIC PACIFIC	11.28	2.0	939	CHINA CONST BA-H	6.20	-1.4
291	CHINA RES ENTERP	27.25	0.7	991	DATANG INTL PO-H	3.54	0.3
293	CATHAY PAC AIR	16.08	3.2	998	CHINA CITIC BK-H	4.49	-1.3
330	ESPRIT HLDGS	16.44	0.6	1088	CHINA SHENHUA-H	26.15	0.6
386	CHINA PETROLEU-H	6.96	-0.1	1133	HARBIN ELECTRIC	5.06	-1.6
388	HONG KONG EXCHNG	137.7	-0.9	1138	CHINA SHIPPING-H	5.08	1.6
494	LI & FUNG LTD	10.96	0.4	1171	YANZHOU COAL-H	8.36	5.3
551	YUE YUEN INDUS	22.55	0.7	1186	CHINA RAIL CN-H	8.86	0.9
688	CHINA OVERSEAS	23.85	-2.7	1398	IND & COMM BK-H	5.51	-0.5
700	TENCENT HOLDINGS	421.8	0.7	1800	CHINA COM CONS-H	6.48	-0.5
762	CHINA UNICOM HON	12.08	-1.5	1898	CHINA COAL ENE-H	5.09	3.0
857	PETROCHINA CO-H	9.44	-1.6	1919	CHINA COSCO HO-H	3.79	0.3
883	CNOOC LTD	15.66	-0.6	2318	PING AN INSURA-H	71.05	-0.5
939	CHINA CONST BA-H	6.20	-1.4	2328	PICC PROPERTY &	12.74	-2.3
941	CHINA MOBILE	80.95	-1.3	2600	ALUMINUM CORP-H	2.85	0.4
1088	CHINA SHENHUA-H	26.15	0.6	2628	CHINA LIFE INS-H	24.35	0.0
1199	COSCO PAC LTD	11.50	0.5	2727	SHANGHAI ELECT-H	2.80	-0.4
1398	IND & COMM BK-H	5.51	-0.5	2777	GUANGZHOU R&F -H	12.80	-1.7
2038	FIH MOBILE LTD	3.95	-1.0	2866	CHINA SHIPPING-H	2.03	-0.5
2318	PING AN INSURA-H	71.05	-0.5	2883	CHINA OILFIELD-H	23.70	-2.5
2388	BOC HONG KONG HO	26.00	-1.1	2899	ZIJIN MINING-H	1.80	-2.2
2600	ALUMINUM CORP-H	2.85	0.4	3323	CHINA NATL BDG-H	8.22	-2.0
2628	CHINA LIFE INS-H	24.35	0.0	3328	BANK OF COMMUN-H	5.69	-1.9
3328	BANK OF COMMUN-H	5.69	-1.9	3968	CHINA MERCH BK-H	16.36	-3.5
3988	BANK OF CHINA-H	3.69	-0.8	3988	BANK OF CHINA-H	3.69	-0.8
				3993	CHINA MOLYBDENUM	3.34	-2.9

A+H Company Performance
 Last price

Name(H)	Code (H)	Price (H)	Code (A)	Price (A)	Spread (%)
BEIREN PRINT-H	187	3.03	600860	8.49	256.5
TIANJIN CAP-H	1065	3.28	600874	8.98	248.4
NORTHEAST ELEC-H	42	0.91	000585	2.46	244.0
SHENJI GROUP-H	300	1.99	600806	4.64	196.7
SHANDONG XINHU-H	719	2.08	000756	4.70	187.5
CHONGQING IRON-H	1053	1.17	601005	2.63	186.0
SINOPEC YIZHEN-H	1033	1.51	600871	3.12	162.9
SINOPEC SHANG-H	338	2.07	600688	4.23	160.0
NANJING PANDA-H	553	3.89	600775	7.94	159.7
BEIJING NORTH-H	588	1.75	601588	2.86	107.9
JINGWEI TEXTIL-H	350	5.61	000666	9.08	105.9
ALUMINUM CORP-H	2600	2.85	601600	3.93	75.5
DATANG INTL PO-H	991	3.54	601991	4.36	56.7
YANZHOU COAL-H	1171	8.36	600188	10.17	54.8
HISENSE KELON -H	921	8.89	000921	9.53	36.4
SHENZHEN EXPRE-H	548	3.44	600548	3.50	29.5
JIANGXI COPPER-H	358	14.74	600362	14.85	28.2
GUANGZHOU BAIYUN	874	27.95	600332	28.02	27.6
HUADIAN POWER-H	1071	3.26	600027	3.20	24.9
ZTE CORP-H	763	17.56	000063	16.73	21.2
ANHUI EXPRESS-H	995	4.42	600012	4.12	18.6
CHINA CITIC BK-H	998	4.49	601998	4.09	15.9
CHINA SOUTHERN-H	1055	3.31	600029	2.92	12.3
DONGFANG ELECT-H	1072	13.12	600875	11.57	12.2
CHINA SHIPPING-H	1138	5.08	600026	4.41	10.5
MAANSHAN IRON-H	323	2.07	600808	1.76	8.2
GUANGZHOU SHIP-H	317	17.62	600685	14.82	7.0
LUOYANG GLASS-H	1108	1.43	600876	5.06	0.0
BANK OF CHINA-H	3988	3.69	601988	2.84	-2.1
GUANGSHEN RAIL-H	525	4.00	601333	2.96	-5.8
HUANENG POWER-H	902	7.54	600011	5.54	-6.5
BANK OF COMMUN-H	3328	5.69	601328	4.14	-7.4
CHINA PETROLEU-H	386	6.96	600028	5.02	-8.2
IND & COMM BK-H	1398	5.51	601398	3.89	-10.2
TSINGTAO BREW-H	168	66.50	600600	46.38	-11.3
AIR CHINA LTD-H	753	6.09	601111	4.21	-12.0
CHINA MERCH BK-H	3968	16.36	600036	10.97	-14.7
CHINA LIFE INS-H	2628	24.35	601628	15.40	-19.5
ANGANG STEEL-H	347	5.20	000898	3.08	-24.6
ANHUI CONCH-H	914	28.35	600585	16.59	-25.5
WEICHAJ POWER-H	2338	34.30	000338	19.82	-26.5
JIANGSU EXPRES-H	177	10.40	600377	5.86	-28.3
PING AN INSURA-H	2318	71.05	601318	40.01	-28.4

Recently Published Research

Date published	Name of report	Analyst
19-Nov-13	Comment on Chinese Railway	Colleen Li
19-Nov-13	Qihoo 360 Technology (QIHU.N)	Mike Chen
18-Nov-13	Comment on Fed monetary policy	Qing Li, Cliff Zhao, David Xie
18-Nov-13	China Property Sector Comment	Duan Feiqin
18-Nov-13	Comment on Eurozone 3Q13 GDP	Lynn Song, Cliff Zhao, David Xie
18-Nov-13	NewOcean Energy Ltd. (00342.HK)	Michael Yuk
14-Nov-13	Comment on Japan's 3Q13 GDP data	Lynn Song, Cliff Zhao, David Xie
13-Nov-13	HK Stock Market Strategy Comments	Cliff Zhao, George Chen
13-Nov-13	Comment on Communiqué of Third Plenum of 18TH CPC Central Committee	David Xie, Cliff Zhao, Qing Li
13-Nov-13	NetDragon (00777.HK)	Jeff Hao
13-Nov-13	Nov.11 Online Sales Comment	Wang Xiaodi
12-Nov-13	Comment on the ECB benchmark interest rate cut	Lynn Song, Cliff Zhao, David Xie
12-Nov-13	XINJIANG Goldwind-H(2208.HK)	Yin Lei
8-Nov-13	China Dongxiang (3818 HK)	Ivy Zhao
8-Nov-13	Comment on U.S. GDP 3Q2013	Qing Li, Cliff Zhao, David Xie
8-Nov-13	Comment on the ECB benchmark interest rate cut	Lynn Song, Cliff Zhao, David Xie
7-Nov-13	Baidu Inc. (BIDU.O)	Mike Chen
5-Nov-13	ANTA Sports Products (2020.HK)	Ivy Zhao
5-Nov-13	361 DEGREES	Ivy Zhao
5-Nov-13	Monthly Review Nov 2013	Cliff Zhao, George Chen
4-Nov-13	Datang International (991.HK)	Vera Liang
4-Nov-13	TCL Communication (2618 HK)	Alex Ng
1-Nov-13	Huadian Power (1071HK)	Vera Liang
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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
24-Oct-13	Hilong Holding Ltd. (01623.HK)	Michael Yuk
24-Oct-13	Maoye International (848 HK)	Wang Xiaodi
23-Oct-13	CHINA MOBILE(941.HK)	Jeff Hao
22-Oct-13	China Property Sector Outlook	Duan Feiqin

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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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