

Research Highlights

1. Truly International (732 HK) - Another solid quarter; More drivers to kick in; Reiterate Buy

[Alex Ng] We reiterate our BUY rating on Truly due to rising conviction on display and touch panel (TLI) component growth supported by accelerated Chinese smartphone upgrade, project wins in new smart devices, share gains in overseas clients and attractive valuations. Given upcoming 4G launch and increasing content /video/games consumption, we believe adoption of TLI touch panels and large displays with high resolution will accelerate in smartphone upgrade cycle in 2014. Post results, our EPS estimates remain largely unchanged. Maintain BUY and TP of HK\$7.15.

1. Strong shipment momentum and resilient margin in 3Q. Revenue came in at HK\$5,892mn (+76.6% YoY, +11.6% QoQ), primarily driven by touch panels (+448% YoY), CCM (+55.6% YoY), and handset display (+31.9% YoY). GPM was 12.3%, up 89bps YoY, down 284bps QoQ on seasonality. Net profit grew 156% YoY to HK\$446mn (+156% YoY, +0.3% QoQ excl 2Q one-off gain), in-line with our estimates. We lift our 2013-15E revenue forecast by 5%/9%/12% to reflect stronger touch panel volume and vehicle/handset display ASP, which is offset by higher R&D cost (under COGS) and increased effective tax rate estimates.

2. Best hardware proxy for 4G upgrade and mobile games. As smartphone upgrade cycle kicks off on 4G-LTE launch and increasing demand for user experience in mobile games and video consumption, we believe Truly is the key beneficiary of spec upgrade trend in displays (larger screen, higher resolution) and touch panels (higher sensitivity, accuracy) in 2014. We expect 5.5", FHD (1080*1920) and OGS TLI to become mainstream spec for mid/high-end Chinese models.

3. Accelerated growth from Chinese high-end brands and global customers. Truly focuses on advanced camera, display and TLI components for Chinese high-end smartphone brands (e.g. BBK, OPPO, TCL) and overseas vendors (Samsung, Sony) with demanding spec and quality requirements. With an expanding product portfolio for one-stop shopping, customized offerings and rapid time-to-market, we believe Truly will continue to enjoy improving ASP, share gains at existing clients and project wins in new overseas customers (Sony, HTC).

4. Promising outlook; Attractive valuation; Reiterate BUY. Trading at 6.7x of our 2014E EPS, we believe valuation is compelling considering Truly's premium customer base, strengthening product portfolio and market leadership. We reiterate BUY rating with TP of HK\$7.15, based on unchanged 14E PE of 10.6x. Catalysts include monthly revenue data and new product launches. Downside risks include pricing pressure, surging labor cost and slower replacement demand.

2. China Property Sector Comment: The impact of CCTV report is limited, maintain "overweight"

[Duan Feiqin] We believe that the impact of the CCTV report that major real estate companies are behind on payments of land value-added tax on the fundamentals of the real estate industry will not be substantial. We maintain "Overweight" rating of the sector.

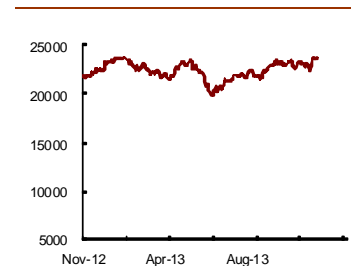
However, in the secondary market, the report from such a high-profile and authoritative media as CCTV will have a negative influence on policy expectations and consequently the investment sentiment in the industry.

HK Indices	Last price	chg	% chg
HSI	23,684.45	-11.83	-0.05
Finance	33,378.66	-91.36	-0.27
Properties	29,673.48	-190.8	-0.64
Utilities	49,368.10	0.32	0.00
Commerce&Industrv	13,848.02	49.87	0.36
HSCEI	11,387.21	-61.53	-0.54
HSCCI	4,605.37	-3.47	-0.08
HKSPGEM	465.88	0.41	0.09

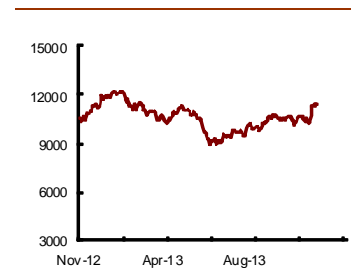
World Indices	Last price	chg	% chg
FTSE 100	6,694.62	20.32	0.30
DAX 30	9,299.95	80.91	0.88
CAC 40	4,301.97	23.44	0.55
DJIA	16,072.54	7.77	0.05
S&P500	1,802.48	-2.28	-0.13
Nasdaq Composite	3,994.57	2.93	0.07
Nikkei 225	15,619.13	237.41	1.54

Asia-Pacific Indices	Last price	chg	% chg
KOSPI	2,015.98	9.75	0.49
TWSE	8,187.51	70.73	0.87
STI	3,180.65	7.80	0.25
India BSE 30	20,605.08	387.69	1.92
S&P/ASX 200	5,360.40	7.57	0.14

HSI One Year



HSCEI One Year



Source: Bloomberg

China Merchants Securities (HK)

Research

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We suggest investors adopt a wait-and-see attitude to avoid related risks.

Company Comments

1. UC RUSAL share price jumps on possible state support

Shares of UC RUSAL rose 10.1% on Monday on expectations of possible government support to the indebted firm. Vedomosti reported that representatives of debt-laden Russian metals companies, including RUSAL, and their creditors will meet with Prime Minister Dmitry Medvedev on Monday to discuss debt restructuring and state subsidies to pay some interest. **[Bloomberg]**

Comment: Given UC RUSAL's high interest burden and huge debt amount, the government's help will be good news for the company's financial flows and net profits. As relevant details have not been disclosed, we cannot confirm the extent of positive influence on the company's earnings. Although the share price had gone through considerable correction, we believe it has not reached the bottom yet as LME aluminum price remains under pressure. We maintain Sell rating with 2013/14 EPS forecast of US\$0.01/0.04. (Li Xiang)

2. Comments on Qihoo's Q3 result

Earnings highlights

Revenues were US\$187.9 million, a 124% increase from US\$84.0 million in the third quarter of 2012.

Net income attributable to Qihoo 360 was US\$44.5 million, compared to US\$12.9 million in the third quarter of 2012.

Non-GAAP net income attributable to Qihoo 360 was US\$61.5 million, compared to US\$24.2 million in the third quarter of 2012.

Diluted earnings per ADS(2) ("EPADS") attributable to Qihoo 360 was US\$0.35, compared to US\$0.11 in the same period last year.

Non-GAAP diluted EPADS attributable to Qihoo 360 was US\$0.47, compared to US\$0.20 in the same period last year.

Comment: We believe that Qihoo is on track to search monetization and had around 15% of revenue coming from search in Q3. As the company has launched the vertical services such as video, news and music, etc., the user experience and brand awareness of search engine will lead to more search traffic coming from So.com instead of navigation page and browser. As for the game segment, the growth will most likely come from mobile games as Qihoo mobile platform becomes one of the major mobile game distribution platforms.

As the monetization of search business and the development of mobile game business accelerate, we have our 2014 and 2015 EPADS estimates of US\$2.55 and US\$3.85 respectively with TP of US\$96.08. We maintain BUY rating.

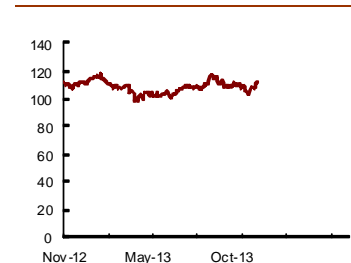
Key takeaways from conference call:

Mobile App Store competitive landscape Qihoo still has leading position in Mobile App store market in terms of App distribution capability and can ramp up monetization quickly even though Qihoo entered this market rather late compared with 91 Wireless.

Global Commodity	Last price	chg	% chg
Brent Oil	111.97	0.50	0.45
Gold	1,255.0	3.78	0.30
LME Aluminum	1,782.0	-3.00	-0.17
LME Copper	7,095.0	75.00	1.07
BDI	1,492.0	9.00	0.61
API Coal	81.95	-0.30	-0.36

Exchange /Bond Market	/Currency	Last price	chg	% chg
USD/RMB		6.13	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	0.02	0.01
3-M Libor		0.52	0.00	0.00
3-M Shibor		4.71	0.00	0.00
10 YR US T-Note Yield		2.73	-0.01	-0.36

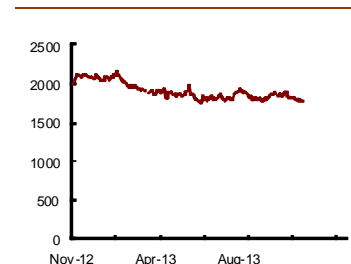
Brent Oil One Year



Gold Commodity One Year



LME Aluminum Commodity One Year



Source: Bloomberg

Search Qihoo has recently reached 20% search traffic market share target, is ahead of its traffic share schedule and sets a 30% search traffic market share target for 2014. The company has no plan to start search traffic union soon as Baidu and Sogou did, as the management still thinks the priority is to improve user experience, especially to increase the brand awareness of So.com. With regard to Sogou and Soso combination, the company thinks there is no 3rd place in internet space to survive in.

Internet-related hardware The management believes in this trend for the industry as it's hard for standalone hardware to make profit and it has to be add-on service to bring the value to customers. Qihoo will cooperate with partners and increase its investment in internet-related hardware such as smart router, etc.

Mobile search The management believes that it's still early to monetize mobile search and it's more important to improve mobile search user experience and will launch one important mobile product in near future.

Personalized start-up page The company will utilize browser and provide more personalized start-up page for the users and make the start-up page an internet recommendation entrance for the users.

Competition between WeChat distribution platform and Mobile App Store The management believes that WeChat might be better positioned at mobile game distribution instead of mobile App distribution. As China's mobile game market is much diversified and has huge space to accommodate more games, it will be difficult for one platform to dominate the market. **(Mike Chen)**

A-share Research Highlights (CMS Research Center)

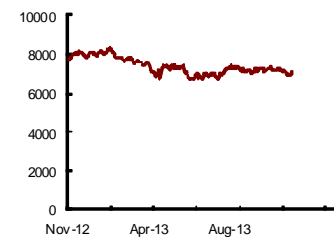
1. CMS foreign exchange demand-supply index coming off this week – International Capital Flow and Domestic Liquidity Weekly Report

[Xie Yaxuan and Zhang Yiping, Nov. 25, 2013] Core views: (1) The HSBC China Flash Manufacturing PMI for November was 50.4%, down 0.5% from the final reading of October and slightly lower than market expectation. The decline was mainly due to falling sub-indices of new orders and employment. Manufacturers have turned more cautious in inventory adjustment as the demand side contracted. The purchasing inventory and finished goods inventory indices both dropped. The decline in the HSBC China Flash Manufacturing PMI indicates a slowdown in China's economic growth in Q4. We expect GDP growth to slow down to around 7.6% YoY in Q4.

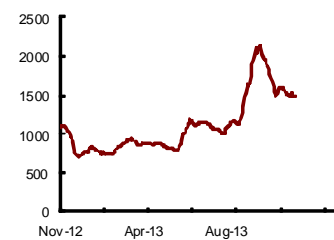
(2) The market shows poor confidence in liquidity. The 7-day interbank repo rate once topped 5% last week, with government bond yields still rising sharply. On one hand, the central bank sent signals of a neutral-to-tight monetary policy, guided market interest rates up and strengthened its control on overall liquidity through open market operations. On the other hand, the recent market movements implied risks in the financial system. The tight liquidity situation forced the PBOC to conduct two rounds of reverse repo operations worth RMB68 billion in total, which translated to net injection of RMB59 billion in the open market. As a result, funding rate fell on the last trading day of the week.

(3) Capital outflows from Indonesia and Thailand contracted markedly last week. A major capital outflow continued in Taiwan. Outflow turned to inflow in South Korea. The size of capital inflow to India was roughly flat from the previous week. The measures that had been taken by Asian economies

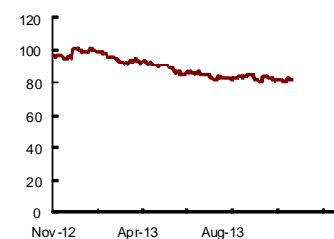
LME Copper Commodity One Year



BDI One Year



API Coal One Year



Source: Bloomberg

like India and Indonesia to stem capital outflows started to show their effect. Consequently, the capital flow indicator declined to a smaller extent in Asian emerging markets compared with the previous week.

(4) The October FOMC meeting minutes pointed to fewer risks in the U.S. economy than in September and did not mention the potential impact of rising interest rates on the economy. The minutes only mentioned the negative influences of fiscal tightening and ongoing fiscal disputes.

2. Electronics industry -- Book-to-Bill improved sequentially

[Yan Fan, Nov. 25, 2013] Grasp three major themes. Our core investment targets: (1) smart terminal producers (Shenzhen Luxshare Precision Industry, GoerTek, Suzhou Jinfu New Material, and Han's Laser); (2) security players (Hangzhou Hikvision Digital Technology, Zhejiang Dahua Technology, and Guangdong Anjubao Digital Technology); (3) LED companies (Sanan Optoelectronics, Zhejiang Yankon Group, and Shenzhen Jufei Optoelectronics); and (4) high-quality companies in sub-industries like micro-electro-acoustic component, connector/structural member, lithium battery, video camera and FPC. Shenzhen Luxshare Precision Industry, which sees the turning point in earnings and has high certainty of long-term growth, remains our top pick. We also continue to recommend Suzhou Jinfu New Material, whose earnings are bottoming out, and Guangdong Anjubao Digital Technology, which enjoys full orders in Q4 and could see a breakthrough in smart transportation meter sales by the end of the year. Pay attention to Han's Laser which could see a turning point in earnings due to opportunities in significant CAPEX increases of Apple in 2014 and sapphire materials. As for Shenzhen Fastprint Circuit Tech, we need to focus on the profitability situation of its Yixing project.

Our view on some high-quality electronics stocks: (1) Their valuation has gradually become attractive. After the recent correction, the valuation of some high-quality electronics stocks with good fundamentals and high-certainty earnings has returned to around 20-25x 2014E P/E, compared to the historically corresponding level of around 30-35x, or 35-40x for high-quality stocks, of the sector at year-end. (2) Their fundamentals have improved markedly. We are optimistic about next year. Based on our recent field trips to six smart terminal companies (Shenzhen Luxshare Precision Industry, Suzhou Jinfu New Material, Han's Laser, Suzhou Anjie Technology, Shenzhen Evenwin Precision Technology and Sunwoda Electronic), we believe that their business performance will improve significantly in 4Q13 and 2014 amid supports from big clients and the general trend of industrial transfer. Our previous field researches in the security and LED sub-sectors led to the same conclusion. (3) The favorable policy environment after the Third Plenum of 18th CPC Central Committee means opportunities in themes like security, military electronics and domestic production of chips. (4) The electronics sector has long-term growth potential. We are bullish on the rise of high-quality Chinese electronics companies that benefit from entrepreneurship, "dividend of engineers", local demand and funding support.

Semiconductor Book-to-Bill Ratio returned to above 1 in North America and climbed sharply to 1.59 in Japan. The Apple food chain benefits directly from the emerging 4G era. First-day sales of both PS4 and Xbox beat expectation, starting a new updating cycle of the new generation of game consoles. The security sub-industry benefits from a clear growth trend and favorable government policies. We continue to recommend the LED sub-sector which is not lackluster in the traditional low season of Q4. Major LED companies in Taiwan reported generally rebounding revenue in

October, mainly due to the recovery of the backlight market; lighting demands kept growing.

What to Watch

Economic Data	HK: Nil US: Consumer Confidence		
Date	Ticker	Stock Name	Earnings
2013/11/26	00015	VANTAGE INT'L	Interim
2013/11/26	00129	ASIA STANDARD	Interim
2013/11/26	00130	MOISELLE INT'L	Interim
2013/11/26	00214	ASIA ORIENT	Interim
2013/11/26	00223	SRGL	Interim
2013/11/26	00262	DESON DEV INT'L	Interim
2013/11/26	00277	TERN PROPERTIES	Interim
2013/11/26	00292	ASIA STD HOTEL	Interim
2013/11/26	00336	HUABAO INTL	Interim
2013/11/26	00384	CHINA GAS HOLD	Interim
2013/11/26	00455	TIANDA PHARMA	Interim
2013/11/26	00516	PYXIS GROUP	Interim
2013/11/26	00616	EASYKNIT ENT	Interim
2013/11/26	00852	STRONG PETRO	Interim
2013/11/26	00855	CHINA WATER	Interim
2013/11/26	00896	HANISON	Interim
2013/11/26	00970	SPARKLE ROLL	Interim
2013/11/26	00997	CHINLINK INTL	Interim
2013/11/26	01246	NGAISHUN HOLD	Interim
2013/11/26	01428	BRIGHT SMART	Interim
2013/11/26	01929	CHOW TAI FOOK	Interim
2013/11/26	02266	DORSETT	Interim
2013/11/26	02309	BIRMINGHAM INTL	Final
2013/11/26	02326	BEP INT'L HOLD	Interim
2013/11/26	03816	KFM KINGDOM	Interim
Date	Ticker	Stock Name	Issue Price
2013/11/26	01431	YST DAIRY	2.700

China Merchants Securities (Hong Kong) Stock Pool Update Weekly
 2013-11-26

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	6.18	5.30	-14%	RMB	0.55	0.56	0.64	8.9	8.7	7.6	6.2%	Ivy Zhao
1880	Belle	Buy	HKD	9.52	14.03	47%	RMB	0.55	0.62	0.69	13.6	12.1	11.0	-9.2%	Ivy Zhao
1368	Xtep	Neutral	HKD	4.17	4.00	-4%	RMB	0.27	0.27	0.29	12.2	12.2	11.4	12.4%	Ivy Zhao
2020	Anta Sports	Buy	HKD	11.12	13.47	21%	RMB	0.49	0.54	0.60	18.1	16.4	14.6	4.5%	Ivy Zhao
1361	361 Degrees	Neutral	HKD	2.19	1.71	-22%	RMB	0.17	0.16	0.16	10.3	11.0	10.9	1.9%	Ivy Zhao
1968	Peak Sport	Neutral	HKD	1.89	1.48	-22%	RMB	0.16	0.17	0.19	9.5	8.7	7.7	6.2%	Ivy Zhao
2331	Li Ning	Buy	HKD	7.10	5.20	-27%	RMB	-0.10	0.18	0.20	N.A.	31.9	28.2	2.6%	Ivy Zhao
3818	China Dongxiang	Buy	HKD	1.26	1.64	30%	RMB	0.04	0.04	0.05	26.9	23.7	21.2	3.3%	Ivy Zhao
953	Meike	Neutral	HKD	0.50	0.30	-40%	RMB	0.04	0.05	0.06	11.0	8.6	7.2	-30.6%	Ivy Zhao
1234	China Lilang	Buy	HKD	5.09	5.25	3%	RMB	0.41	0.41	0.47	9.8	9.8	8.6	2.4%	Ivy Zhao
891	Trinity	Buy	HKD	2.99	4.63	55%	RMB	0.21	0.25	0.30	11.3	9.5	7.9	7.9%	Ivy Zhao
873	C Taifeng Bed	Buy	HKD	1.85	2.86	55%	RMB	0.52	0.65	0.80	2.8	2.3	1.8	5.7%	Ivy Zhao
Metals & Mining															
1818	Zhaojin Mining	Neutral	HKD	5.26	6.00	14%	RMB	0.43	0.38	0.34	9.7	11.0	12.2	-16.4%	Li Xiang
2899	Zijin Mining	Neutral	HKD	1.81	1.69	-7%	RMB	0.14	0.15	0.12	10.2	9.5	11.9	0.6%	Li Xiang
358	Jiangxi Copper	Buy	HKD	14.94	15.20	2%	RMB	1.02	1.05	0.85	11.6	11.3	13.9	4.3%	Li Xiang
3993	Cmcc	Neutral	HKD	3.31	3.10	-6%	RMB	0.19	0.20	0.21	13.6	13.4	12.7	6.4%	Li Xiang
2600	Chalco	Sell	HKD	2.84	1.60	-44%	RMB	-0.28	-0.11	-0.10	N.A.	N.A.	N.A.	-3.4%	Li Xiang
1378	China Hongqiao	Buy	HKD	4.67	5.80	24%	RMB	0.97	1.11	1.23	3.8	3.3	3.0	-2.3%	Li Xiang
486	Rusal	Sell	HKD	2.41	2.03	-16%	USD	0.01	0.04	0.05	31.1	7.8	6.2	1.3%	Li Xiang
3948	Yitai Coal	Buy	HKD	14.60	25.10	72%	RMB	1.88	2.11	2.22	6.2	5.5	5.2	-3.3%	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	26.50	36.40	37%	RMB	2.44	2.90	3.07	8.6	7.2	6.8	12.3%	Li Xiang
1898	China Coal	Neutral	HKD	5.10	5.00	-2%	RMB	0.47	0.43	0.42	8.6	9.4	9.6	9.4%	Li Xiang
Auto & Others															
1211	Byd Company	Neutral	HKD	37.60	13.00	-65%	RMB	0.33	0.68	1.10	90.1	43.7	27.0	-3.1%	Colleen Li
489	Dongfeng Group	Buy	HKD	12.40	14.17	14%	RMB	1.13	1.26	1.29	8.7	7.8	7.6	13.6%	Colleen Li
175	Geely Auto	Buy	HKD	4.02	5.04	25%	RMB	0.32	0.36	0.38	9.9	8.8	8.4	8.4%	Colleen Li
2333	Greatwall Motor	Neutral	HKD	46.80	38.62	-17%	RMB	2.78	3.41	3.74	13.3	10.9	9.9	3.9%	Colleen Li
1114	Brilliance Chi	Buy	HKD	13.32	12.00	-10%	RMB	0.71	0.80	0.89	14.8	13.2	11.8	-7.8%	Colleen Li
425	Mint Group	Buy	HKD	16.00	13.20	-18%	RMB	0.78	0.87	0.97	16.2	14.6	13.1	-3.4%	Colleen Li
1728	Zhengtong Auto	Buy	HKD	5.15	5.85	14%	RMB	0.55	0.81	1.11	7.4	5.0	3.7	-5.3%	Colleen Li
881	Zhongsheng Hldg	Neutral	HKD	11.12	10.30	-7%	RMB	0.58	0.71	0.99	15.2	12.4	8.9	-12.0%	Colleen Li
Oil & Gas															
857	Petro China	Buy	HKD	9.32	10.55	13%	RMB	0.71	0.74	0.78	10.4	10.0	9.5	6.9%	Michael Yuk
386	Sinopec Corp	Buy	HKD	6.83	7.20	5%	RMB	0.68	0.70	0.73	7.9	7.7	7.4	13.8%	Michael Yuk
883	Cnooc	Buy	HKD	15.70	17.00	8%	RMB	1.44	1.56	1.69	8.6	8.0	7.4	4.1%	Michael Yuk
603	China Oil & Gas	Neutral	HKD	1.39	1.45	4%	HKD	0.09	0.12	0.15	15.4	11.6	9.3	21.9%	Michael Yuk
342	Newocean Energy	Buy	HKD	5.23	5.30	1%	HKD	0.55	0.63	0.79	9.5	8.3	6.6	9.2%	Michael Yuk
467	Unitedenergy Gp	Buy	HKD	1.18	1.59	35%	HKD	0.10	0.09	0.09	11.8	13.1	13.1	-4.1%	Michael Yuk
Oil & Gas Services/Equipment															
3899	Cimc Enric	Buy	HKD	12.46	10.00	-20%	RMB	0.49	0.60	0.72	20.1	16.4	13.7	8.2%	Michael Yuk
569	Ch Automation	Buy	HKD	1.76	2.50	42%	RMB	0.26	0.29	0.33	5.4	4.8	4.2	11.4%	Michael Yuk
3337	Anton Oilfield	Buy	HKD	4.94	4.75	-4%	RMB	0.19	0.23	0.28	20.6	17.0	14.0	5.1%	Michael Yuk
1938	Chu Kong Pipe	Buy	HKD	2.88	2.26	-22%	RMB	0.11	0.40	0.55	20.7	5.7	4.1	2.1%	Michael Yuk
2883	China Oilfield	Buy	HKD	23.55	18.00	-24%	RMB	1.29	1.45	1.66	14.4	12.9	11.2	16.6%	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		
3303	Jutal Oil Ser	Buy	HKD	1.59	2.40	51%	RMB	0.13	0.17	0.15	9.7	7.4	8.4	7.4%	Michael Yuk
1623	Hilong	Buy	HKD	6.43	5.10	-21%	RMB	0.16	0.28	0.29	31.0	18.3	17.7	21.6%	Michael Yuk
Property															
688	China Overseas	Buy	HKD	23.75	22.56	-5%	HKD	2.29	2.30	2.68	10.4	10.3	8.9	2.4%	DuanFeiqin
410	Soho China	Neutral	HKD	6.98	6.42	-8%	HKD	2.37	2.13	1.96	3.0	3.3	3.6	5.3%	DuanFeiqin
813	Shimao Property	Neutral	HKD	18.58	16.70	-10%	HKD	2.07	2.19	2.46	9.0	8.5	7.6	4.3%	DuanFeiqin
1109	China Res Land	Buy	HKD	20.80	23.80	14%	HKD	1.81	1.91	2.20	11.5	10.9	9.5	-0.5%	DuanFeiqin
2777	R&F Properties	Buy	HKD	12.48	13.90	11%	HKD	2.15	2.23	2.45	5.8	5.6	5.1	-0.3%	DuanFeiqin
2007	Country Garden	Neutral	HKD	5.06	4.68	-8%	HKD	0.48	0.53	0.60	10.7	9.6	8.4	0.8%	DuanFeiqin
3383	Agile Property	Neutral	HKD	8.72	10.10	16%	HKD	1.81	1.98	2.02	4.8	4.4	4.3	-5.0%	DuanFeiqin
3333	Evergrande	Buy	HKD	3.26	4.38	34%	HKD	0.84	0.97	0.98	3.9	3.4	3.3	1.9%	DuanFeiqin
960	Longfor Ppt	Buy	HKD	11.66	13.23	13%	HKD	1.50	1.65	1.81	7.8	7.1	6.5	-7.9%	DuanFeiqin
1813	Kwg Property	Neutral	HKD	4.56	5.05	11%	HKD	1.02	1.10	1.18	4.5	4.2	3.9	-6.4%	DuanFeiqin
3366	Oct (Asia)	Buy	HKD	3.60	3.50	-3%	HKD	0.43	0.54	0.64	8.4	6.7	5.6	1.7%	DuanFeiqin
3900	Greentown China	Buy	HKD	13.34	18.80	41%	HKD	3.17	3.33	3.49	4.2	4.0	3.8	-11.2%	DuanFeiqin
754	Hopson Dev Hold	Buy	HKD	9.27	12.20	32%	HKD	1.72	1.98	2.22	5.4	4.7	4.2	1.6%	DuanFeiqin
1918	Sunac	Buy	HKD	5.10	6.66	31%	HKD	1.07	1.26	1.41	4.8	4.1	3.6	0.6%	DuanFeiqin
Consumer Discretionary															
1833	Intime	Buy	HKD	9.11	10.50	15%	RMB	0.54	0.64	0.75	13.3	11.3	9.6	0.6%	Gloria Wang
1700	Springland	Neutral	HKD	4.03	4.50	12%	RMB	0.29	0.33	0.37	11.0	9.7	8.6	-6.7%	Gloria Wang
Telecommunication															
941	China Mobile	Neutral	HKD	81.05	78.00	-4%	RMB	6.37	6.26	6.27	10.1	10.2	10.2	1.2%	Jeff Hao
762	China Unicom	Buy	HKD	12.02	14.08	17%	RMB	0.45	0.58	0.69	21.1	16.4	13.8	-0.3%	Jeff Hao
728	China Telecom	Buy	HKD	4.08	4.67	14%	RMB	0.24	0.27	0.31	13.5	12.0	10.4	1.0%	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	438.00	455.00	4%	RMB	8.58	11.47	15.37	40.4	30.2	22.5	2.8%	Jeff Hao
3888	Kingsoft	Buy	HKD	19.02	24.37	28%	RMB	0.50	0.66	0.83	30.1	22.8	18.1	-13.4%	Jeff Hao
1661	Wisdom	Buy	HKD	3.54	2.90	-18%	RMB	0.13	0.20	0.25	21.5	14.0	11.2	22.1%	Jeff Hao
777	Netdragon	Buy	HKD	16.30	26.27	61%	RMB	0.78	0.89	1.12	16.5	14.5	11.5	-42.4%	Jeff Hao
354	Chinasoft	Neutral	HKD	2.20	2.00	-9%	RMB	0.10	0.12	0.15	17.4	14.5	11.6	-6.0%	Jeff Hao
268	Kingdee	Neutral	HKD	2.35	1.40	-40%	RMB	0.02	0.04	0.05	92.9	46.5	37.2	-8.9%	Jeff Hao
Port															
144	China Mer Hold	Neutral	HKD	29.15	26.43	-9%	HKD	1.55	1.75	2.05	18.8	16.7	14.2	6.2%	Kate Li
1199	Cosco Pacific	Buy	HKD	11.40	12.58	10%	USD	0.26	0.13	0.14	5.7	11.3	10.5	5.8%	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	5.1%	Kate Li
316	Ooil	Buy	HKD	39.85	51.00	28%	USD	0.17	0.23	0.41	30.2	22.4	12.5	0.4%	Kate Li
2866	Cscl	Neutral	HKD	2.03	1.82	-10%	RMB	-0.06	0.03	0.07	N.A.	53.5	22.9	2.5%	Kate Li
Alternative Energy															
3800	Gcl-Poly Energy	Buy	HKD	2.63	1.97	-25%	HKD	0.01	0.05	0.07	263.0	52.6	37.6	6.1%	Yin Lei
712	Comtec Solar	Buy	HKD	1.64	1.76	7%	RMB	0.05	0.11	0.16	25.9	11.8	8.1	-8.4%	Yin Lei
750	Singyes Solar	Buy	HKD	8.70	9.40	8%	RMB	0.81	0.91	1.04	8.5	7.6	6.6	5.2%	Yin Lei
2208	Goldwind	Buy	HKD	7.22	10.04	39%	RMB	0.15	0.32	0.45	38.1	17.9	12.7	-5.0%	Yin Lei
916	Longyuan Power	Neutral	HKD	10.10	8.16	-19%	RMB	0.36	0.43	0.52	22.2	18.6	15.4	12.5%	Yin Lei
1798	Datang Power	Neutral	HKD	1.47	1.99	35%	RMB	0.08	0.14	0.21	14.5	8.3	5.5	-9.8%	Yin Lei
816	Huadian Fuxin	Buy	HKD	2.70	2.99	11%	RMB	0.19	0.24	0.28	11.2	8.9	7.6	11.6%	Yin Lei
579	Jingneng	Buy	HKD	3.75	3.62	-3%	RMB	0.18	0.24	0.29	16.5	12.4	10.2	19.4%	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	22.10	21.10	-5%	USD	0.08	0.11	0.12	35.6	27.2	23.8	5.0%	Ling Hua
2319	Mengniu Dairy	Buy	HKD	35.15	33.26	-5%	RMB	0.85	1.10	1.48	32.7	25.3	18.8	-1.3%	Ling Hua
506	China Foods	Neutral	HKD	3.62	4.25	17%	HKD	0.17	0.22	0.27	21.3	16.5	13.4	-2.7%	Ling Hua
151	Want Want China	Neutral	HKD	10.98	12.10	10%	USD	0.05	0.06	0.07	28.3	23.6	20.2	-1.3%	Ling Hua
345	Vitasoy	Buy	HKD	11.08	9.00	-19%	HKD	0.31	0.35	0.48	35.7	31.7	23.1	13.9%	Ling Hua
Machinery & Equipment															
1157	Zoomlion	Neutral	HKD	7.59	7.20	-5%	RMB	0.60	0.67	0.80	10.0	9.0	7.5	13.3%	Jiao Yiding
631	Sany	Buy	HKD	2.62	3.40	30%	RMB	0.22	0.24	0.26	9.4	8.6	8.0	14.9%	Jiao Yiding
Electricity															
902	Huaneng Power	Buy	HKD	7.26	11.00	52%	RMB	0.89	0.87	0.93	6.5	6.6	6.2	-8.5%	Vera Liang
991	Datang Power	Buy	HKD	3.42	3.90	14%	RMB	0.37	0.38	0.47	7.3	7.1	5.8	-1.4%	Vera Liang
1071	Huadian Power	Neutral	HKD	3.21	3.80	18%	RMB	0.46	0.45	0.55	5.5	5.6	4.6	-7.0%	Vera Liang
Semi and Hardware Technology															
992	Lenove	Buy	HKD	9.18	9.20	0%	USD	0.06	0.08	0.09	19.7	14.8	13.2	13.8%	Alex Ng
2382	Sunny Optical	Neutral	HKD	7.54	8.37	11%	RMB	0.41	0.54	0.73	14.6	11.0	8.2	-0.1%	Alex Ng
732	Truly	Buy	HKD	4.58	7.15	56%	HKD	0.56	0.67	0.79	8.2	6.8	5.8	-9.7%	Alex Ng
2018	Aac Tech	Neutral	HKD	33.00	40.00	21%	RMB	1.83	2.16	2.48	14.3	12.1	10.5	-1.6%	Alex Ng
2618	Tcl Comm	Buy	HKD	7.50	8.52	14%	HKD	0.28	0.76	0.96	26.8	9.9	7.8	13.3%	Alex Ng
2369	China Wireless	Neutral	HKD	2.47	3.10	26%	HKD	0.20	0.24	0.30	12.4	10.3	8.2	-12.4%	Alex Ng
Pharmaceuticals & Medical Devices															
2348	Dawnrays Pharma	Buy	HKD	4.30	3.20	-26%	RMB	0.18	0.14	0.17	18.9	24.3	20.0	11.7%	Jonathan Hsu
460	Sihuan Pharm	Buy	HKD	6.13	8.00	31%	RMB	0.16	0.17	0.19	30.3	28.5	25.5	5.0%	Jonathan Hsu
1177	Sino Biopharm	Buy	HKD	5.98	6.70	12%	HKD	0.09	0.18	0.22	66.4	33.2	27.2	11.2%	Jonathan Hsu
1093	CSPC Pharm	Buy	HKD	4.78	5.70	19%	HKD	1.48	0.20	0.24	3.2	23.9	19.9	6.9%	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	22.85	24.40	7%	RMB	0.66	0.82	1.01	27.4	22.0	17.9	9.3%	Jonathan Hsu
2877	Shineway Pharm	Neutral	HKD	11.40	12.30	8%	RMB	0.91	0.78	0.89	9.9	11.6	10.1	-2.9%	Jonathan Hsu
US Stock															
BIDU	Baidu Inc	Buy	USD	156.66	151.10	-4%	USD	4.89	7.36	9.67	32.0	21.3	16.2	-1.7%	Mike Chen
SINA	Sina Corp	Buy	USD	74.83	97.50	30%	USD	0.53	2.43	4.20	141.2	30.8	17.8	-10.1%	Mike Chen
SOHU	Sohu.Com Inc	Neutral	USD	64.21	61.40	-4%	USD	1.48	2.44	3.28	43.4	26.3	19.6	-21.1%	Mike Chen
NTES	Netease Inc	Buy	USD	67.27	85.50	27%	USD	5.56	5.80	6.60	12.1	11.6	10.2	-7.7%	Mike Chen
QIHU	Qihoo 360	Buy	USD	78.40	94.47	21%	USD	1.16	2.00	3.68	67.6	39.2	21.3	-7.5%	Mike Chen
YOKU	Youku Tudou Inc	Neutral	USD	26.35	23.82	-10%	USD	-0.47	-0.18	0.19	N.A.	N.A.	138.7	-7.0%	Mike Chen
EDU	New Oriental Education	Buy	USD	29.00	24.50	-16%	USD	0.89	1.25	1.43	32.6	23.2	20.3	7.0%	Mike Chen
DANG	Dangdang	Neutral	USD	8.61	6.40	-26%	USD	-0.82	-0.52	-0.18	N.A.	N.A.	N.A.	-9.4%	Mike Chen
CTRP	Ctrip	Buy	USD	45.11	25.70	-43%	USD	1.15	1.48	1.76	39.2	30.5	25.6	-19.0%	Mike Chen
HMIN	Home Inns	Neutral	USD	39.13	27.40	-30%	USD	1.09	1.62	2.04	35.9	24.2	19.2	9.6%	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	122.5	0.0	168	TSINGTAO BREW-H	66.45	-0.3
2	CLP HLDGS LTD	63.10	0.2	177	JIANGSU EXPRES-H	9.90	0.0
3	HONG KG CHINA GS	18.16	-0.1	323	MAANSHAN IRON-H	2.14	1.4
4	WHARF HLDG	64.95	-0.5	338	SINOPEC SHANG-H	2.28	3.2
5	HSBC HLDGS PLC	86.50	-0.1	347	ANGANG STEEL-H	5.39	3.7
6	POWER ASSETS HOL	62.85	0.2	358	JIANGXI COPPER-H	14.94	1.2
11	HANG SENG BK	125.9	-0.4	386	CHINA PETROLEU-H	6.83	-2.6
12	HENDERSON LAND D	45.55	-0.6	390	CHINA RAIL GR-H	4.54	0.4
13	HUTCHISON WHAMPO	96.75	-0.1	489	DONGFENG MOTOR-H	12.40	-0.3
16	SUN HUNG KAI PRO	99.05	-0.3	552	CHINA COMM SER-H	5.01	1.0
17	NEW WORLD DEV	10.50	0.0	576	ZHEJIANG EXPRESS	7.22	0.6
19	SWIRE PACIFIC-A	90.70	-2.0	694	BEIJING CAP AI-H	5.90	-1.0
23	BANK EAST ASIA	34.15	-0.2	728	CHINA TELECOM-H	4.08	-0.7
66	MTR CORP	29.65	0.0	753	AIR CHINA LTD-H	6.02	-2.3
83	SINO LAND CO	10.72	-1.3	857	PETROCHINA CO-H	9.32	-1.1
101	HANG LUNG PROPER	25.80	-2.8	902	HUANENG POWER-H	7.26	-1.1
144	CHINA MERCHANT	29.15	0.5	914	ANHUI CONCH-H	28.80	-0.2
267	CITIC PACIFIC	11.04	-1.4	939	CHINA CONST BA-H	6.24	-0.5
291	CHINA RES ENTERP	27.60	0.0	991	DATANG INTL PO-H	3.42	0.0
293	CATHAY PAC AIR	16.52	0.5	998	CHINA CITIC BK-H	4.47	-0.5
330	ESPRIT HLDGS	17.00	3.7	1088	CHINA SHENHUA-H	26.50	-0.6
386	CHINA PETROLEU-H	6.83	-2.6	1133	HARBIN ELECTRIC	5.12	-1.0
388	HONG KONG EXCHNG	136.7	-0.4	1138	CHINA SHIPPING-H	4.91	-2.4
494	LI & FUNG LTD	10.84	-1.1	1171	YANZHOU COAL-H	8.52	-1.3
551	YUE YUEN INDUS	23.20	0.7	1186	CHINA RAIL CN-H	8.86	1.5
688	CHINA OVERSEAS	23.75	-0.8	1398	IND & COMM BK-H	5.52	-0.5
700	TENCENT HOLDINGS	438.0	3.2	1800	CHINA COM CONS-H	6.48	0.8
762	CHINA UNICOM HON	12.02	-0.7	1898	CHINA COAL ENE-H	5.10	-0.8
857	PETROCHINA CO-H	9.32	-1.1	1919	CHINA COSCO HO-H	3.78	-0.5
883	CNOOC LTD	15.70	0.0	2318	PING AN INSURA-H	72.25	-1.2
939	CHINA CONST BA-H	6.24	-0.5	2328	PICC PROPERTY &	12.52	-3.4
941	CHINA MOBILE	81.05	0.8	2600	ALUMINUM CORP-H	2.84	-1.4
1088	CHINA SHENHUA-H	26.50	-0.6	2628	CHINA LIFE INS-H	24.95	-0.2
1199	COSCO PAC LTD	11.40	-0.7	2727	SHANGHAI ELECT-H	2.82	0.0
1398	IND & COMM BK-H	5.52	-0.5	2777	GUANGZHOU R&F -H	12.48	-1.4
2038	FIH MOBILE LTD	3.83	0.3	2866	CHINA SHIPPING-H	2.03	-1.5
2318	PING AN INSURA-H	72.25	-1.2	2883	CHINA OILFIELD-H	23.55	-1.1
2388	BOC HONG KONG HO	26.25	0.2	2899	ZIJIN MINING-H	1.81	0.6
2600	ALUMINUM CORP-H	2.84	-1.4	3323	CHINA NATL BDG-H	8.68	4.5
2628	CHINA LIFE INS-H	24.95	-0.2	3328	BANK OF COMMUN-H	5.74	0.2
3328	BANK OF COMMUN-H	5.74	0.2	3968	CHINA MERCH BK-H	16.40	-1.2
3988	BANK OF CHINA-H	3.72	-0.3	3988	BANK OF CHINA-H	3.72	-0.3
				3993	CHINA MOLYBDENUM	3.31	-1.2

A+H Company Performance
 Last price

Name(H)	Code (H)	Price (H)	Code (A)	Price (A)	Spread (%)
NORTHEAST ELEC-H	42	0.92	000585	2.50	245.8
BEIREN PRINT-H	187	3.05	600860	8.27	245.0
TIANJIN CAP-H	1065	3.20	600874	8.64	243.5
SHANDONG XINHU-H	719	2.02	000756	4.65	192.9
SHENJI GROUP-H	300	2.03	600806	4.65	191.5
CHONGQING IRON-H	1053	1.16	601005	2.59	184.1
NANJING PANDA-H	553	3.89	600775	7.90	158.4
SINOPEC YIZHEN-H	1033	1.57	600871	2.99	142.3
SINOPEC SHANG-H	338	2.28	600688	4.20	134.4
JINGWEI TEXTIL-H	350	5.50	000666	8.99	108.0
BEIJING NORTH-H	588	1.75	601588	2.84	106.5
ALUMINUM CORP-H	2600	2.84	601600	3.88	73.8
DATANG INTL PO-H	991	3.42	601991	4.35	61.8
YANZHOU COAL-H	1171	8.52	600188	10.06	50.2
GUANGZHOU BAIYUN	874	26.35	600332	27.79	34.2
SHENZHEN EXPRE-H	548	3.49	600548	3.56	29.8
JIANGXI COPPER-H	358	14.94	600362	14.83	26.3
HUADIAN POWER-H	1071	3.21	600027	3.17	25.7
HISENSE KELON -H	921	10.80	000921	9.99	17.7
ANHUI EXPRESS-H	995	4.41	600012	4.03	16.3
ZTE CORP-H	763	17.50	000063	15.83	15.1
CHINA CITIC BK-H	998	4.47	601998	3.99	13.6
CHINA SOUTHERN-H	1055	3.23	600029	2.87	13.1
CHINA SHIPPING-H	1138	4.91	600026	4.36	13.0
DONGFANG ELECT-H	1072	13.30	600875	11.61	11.1
GUANGZHOU SHIP-H	317	17.44	600685	14.96	9.1
MAANSHAN IRON-H	323	2.14	600808	1.76	4.6
LUOYANG GLASS-H	1108	1.40	600876	5.01	0.0
BANK OF CHINA-H	3988	3.72	601988	2.81	-3.9
HUANENG POWER-H	902	7.26	600011	5.43	-4.8
GUANGSHEN RAIL-H	525	3.99	601333	2.89	-7.8
BANK OF COMMUN-H	3328	5.74	601328	4.12	-8.7
CHINA PETROLEU-H	386	6.83	600028	4.85	-9.7
IND & COMM BK-H	1398	5.52	601398	3.81	-12.2
AIR CHINA LTD-H	753	6.02	601111	4.11	-13.1
TSINGTAO BREW-H	168	66.45	600600	44.59	-14.6
CHINA MERCH BK-H	3968	16.40	600036	10.82	-16.1
CHINA LIFE INS-H	2628	24.95	601628	15.41	-21.4
JIANGSU EXPRES-H	177	9.90	600377	5.81	-25.3
WEICHAJ POWER-H	2338	34.25	000338	19.98	-25.8
ANHUI CONCH-H	914	28.80	600585	16.69	-26.3
ANGANG STEEL-H	347	5.39	000898	3.10	-26.8
PING AN INSURA-H	2318	72.25	601318	40.41	-28.8

Recently Published Research

Date published	Name of report	Analyst
22-Nov-13	Kingsoft (03888.HK)	Jeff Hao
22-Nov-13	October FOMC meeting minutes	Qing Li, Cliff Zhao, David Xie
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 Communique of Third Plenum of 18TH CPC Central	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
1-Nov-13	Zoomlion Heavy (1157 HK)	Yiding Jiao
1-Nov-13	CSR CORP LTD (1766.HK)	Colleen Li
1-Nov-13	China Property Sector Comment	Duan Feiqin
31-Oct-13	Sohu.com Inc. (SOHU.O)	Mike Chen
31-Oct-13	Sinopec (00386.HK)	Michael Yuk
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
24-Oct-13	Hilong Holding Ltd. (01623.HK)	Michael Yuk
24-Oct-13	Maoye International (848 HK)	Wang Xiaodi

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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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