

## Research Highlights

### 1. Monthly Report on HK Stock Market Fund Flows (October-November 2013)

**[Qing Li]** HK has recorded capital inflows in September, according to our calculation based on the method offered by IMF. High frequency data showed that HIBOR remained at its historical low level. South Korea and Taiwan experienced capital outflows while India continued to record capital inflows. HKD was on the strong side against USD last month and strengthened slightly. CMS capital flow index indicated that capital inflows to the HK market were gaining momentum. We can conclude that capital inflows to emerging markets are not strong, but the liquidity condition on the HK market was still quite loose in November.

ECB rate cut from 0.5% to 0.25% on 7th November is the focus of overseas macroeconomic events last month. We do not expect the ECB to cut interest rates to negative levels in the near future, as the impact of doing so would be limited. On the whole, global liquidity remains relatively ample at this stage, reflecting the accommodative monetary policies implemented by major developed economies.

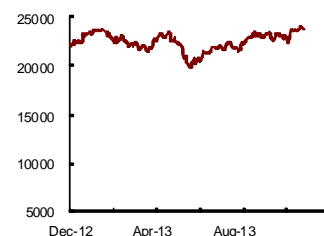
Historical data analysis showed that the market inflection point is close when the gap between trend of capital flow and the market performance widens. We see accumulated difference between trend of CMS Capital Flow index and HK equity market performance dropping lately, which indicates that liquidity support for the market has been weakened and downside risk of the HK equity market should be noted.

| HK Indices        | Last price | chg    | % chg |
|-------------------|------------|--------|-------|
| HSI               | 23,712.57  | -16.13 | -0.07 |
| Finance           | 33,083.10  | -145.2 | -0.44 |
| Properties        | 29,262.22  | -128.2 | -0.44 |
| Utilities         | 49,158.76  | -268.3 | -0.54 |
| Commerce&Industrv | 14,092.67  | 72.19  | 0.51  |
| HSCEI             | 11,395.74  | 26.96  | 0.24  |
| HSCCI             | 4,643.51   | -7.79  | -0.17 |
| HKSPGEM           | 472.44     | -1.83  | -0.39 |

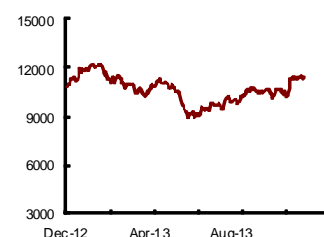
| World Indices    | Last price | chg     | % chg |
|------------------|------------|---------|-------|
| FTSE 100         | 6,498.33   | -11.64  | -0.18 |
| DAX 30           | 9,084.95   | -55.68  | -0.61 |
| CAC 40           | 4,099.91   | -48.61  | -1.17 |
| DJIA             | 15,821.51  | -68.26  | -0.43 |
| S&P500           | 1,785.03   | -7.78   | -0.43 |
| Nasdaq Composite | 4,033.17   | -4.84   | -0.12 |
| Nikkei 225       | 15,177.49  | -230.45 | -1.50 |

| Asia-Pacific Indices | Last price | chg    | % chg |
|----------------------|------------|--------|-------|
| KOSPI                | 1,984.77   | -2.03  | -0.10 |
| TWSE                 | 8,375.54   | -42.46 | -0.50 |
| STI                  | 3,124.38   | -36.32 | -1.15 |
| India BSE 30         | 20,957.81  | 249.10 | 1.20  |
| S&P/ASX 200          | 5,165.00   | -32.96 | -0.63 |

HSI One Year



HSCEI One Year



Source: Bloomberg

China Merchants Securities (HK)

Research

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## A-share Research Highlights (CMS Research Center)

### 1. Steel industry 2014 outlook – Analyzing capacity reduction based on Game Theory

**[Huang Xing, Sun Hengye, Zhang Shibao and Zhang Yongwei, Dec. 4, 2013]** Four main investment themes: restructuring expectation; valuation restoration expectation (driven by the normalization of industrial capital exit mechanism) and market leader advantage; faster construction of oil & gas pipelines amid energy reforms and more efforts in environmental protection and pollution treatment; upstream raw materials providers benefiting from increasing spending on military equipment. We suggest attention to the following companies: Hangzhou Iron & Steel and Sansteel Minguang, which have restructuring and asset acquisition expectations; Baoshan Iron & Steel, Angang Steel and Hunan Valin Steel, which benefit from industry consolidation and have relatively low P/B valuation; Jiangsu Yulong Steel Pipe, Zhejiang Kingland Pipeline & Technologies and Jiangsu Changbao Steeltube, which benefit from the breakup of monopoly in the oil & gas industry; Beijing Cisri-Gaona Materials & Technology, whose earnings are benefiting from favorable government policies; new materials players including Shandong Sinocera Functional Material, Zhengzhou Sino Crystal Diamond, Hunan Jiangnan Red Arrow and Qingdao East Steel Tower Stock.

This report focuses on the two major issues of production capacity reduction and iron ore supply, seeking to analyze the endogenous momentum for the capacity expansion of the iron & steel industry and initial profit-seeking motives of stake holders from the perspectives of

general economics and Game Theory, and make predictions about the industry using the same logic. The supply-demand situation has been improving, waiting for further reduction of production capacity. We also preview the future supply situation of iron ore in China in a detailed way.

Steel output has not been substantially affected by the environmental protection and pollution treatment measures adopted since the beginning of the year to address the widespread smog problem. China's crude steel output has still grown by over 8% in 2013 to date. Policies suggested by the Third Plenum of 18th CPC Central Committee have increased the cost pressure on steel makers. We analyze the endogenous momentum for the capacity expansion of the iron & steel industry and initial profit-seeking motives of stake holders from the perspectives of Game Theory and general economic principles related to the capital-intensive iron & steel industry like the scale economy effect. We point out that market clearance can only be achieved by market forces at the end of the day. We expect global iron ore price to fluctuate around US\$100/ton in the near term. China faces the highest level of iron ore cost as the biggest ore consumer in the world. It will be difficult for domestic iron ore cost to fall substantially in the short term, given the relatively low ore quality and rising factor costs; US\$110/ton is the average support line for the cost of domestic iron ores, the supply of which will contract if imported ore price falls below US\$110/ton. Even high-quality iron ore mines will face losses if the imported price falls below US\$70/ton; China's iron ore production would effectively halt in that scenario. As a result, steel mills will increase imports of iron ore, driving up ore price in the process.

## 2. Home appliances 2014 outlook – Expect earnings to further improve

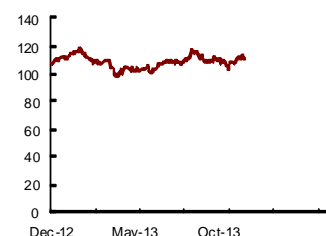
**[Ji Min, Dec. 2, 2013]** We expect earnings of the white goods sector, which has relatively stable outlook, and the kitchen appliances sector, which sees rising concentration ratio and increasing focus on high-end products, to continue to improve in 2014. There are considerable uncertainties in the traditional brown goods sector which is under the impact of the trends of product intelligentization and increasing dependence on e-commerce channels. Accordingly, we suggest allocating to leading players in the white goods and kitchen appliances sectors. Also pay active attention to second-tier manufacturers with high flexibility of earnings improvement in these sectors and companies with theme investment opportunities. (1) We expect first-tier companies in the traditional sense, such as Gree Electric Appliances, Midea Group, Qingdao Haier and Hangzhou Robam Appliances, to continue to achieve relatively fast earnings growth. Their valuation has sound safety margin, offering good allocation value. (2) Second-tier manufacturers of white goods will have higher flexibility of earnings improvement in 2014 in a favorable industry environment and could grow at a faster pace. These include Hisense Kelon Electrical Holdings and Hefei Rongshida Sanyo Electric. (3) Theme investment opportunities. SOE (state-owned enterprise) reform: Sichuan Changhong Electric, Gree Electric Appliances and Hefei Rongshida Sanyo Electric. Product intelligentization and increasing dependence on e-commerce channels: Qingdao Haier.

Kitchen appliances: We expect continued good performance of leading players, which benefit from rising concentration ratio of the sector and higher product prices. Brown goods: Intelligentization becomes a major variable in the television industry. The traditional brand power of big brands is being weakened relatively speaking. The rise of e-commerce also has a negative impact on the channel advantage of traditional brands.

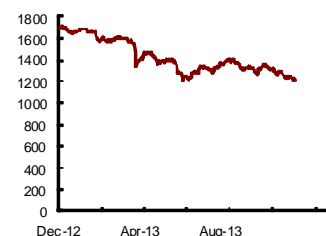
| Global Commodity | Last price | chg    | % chg |
|------------------|------------|--------|-------|
| Brent Oil        | 111.22     | -0.41  | -0.37 |
| Gold             | 1,224.5    | -0.64  | -0.05 |
| LME Aluminum     | 1,772.0    | 33.00  | 1.90  |
| LME Copper       | 7,095.0    | 135.00 | 1.94  |
| BDI              | 2,145.0    | 151.00 | 7.57  |
| API Coal         | 82.75      | 0.70   | 0.85  |

| 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           |           | 6.15       | 0.00 | 0.00  |
| EUR/USD                |           | 1.37       | 0.14 | 0.10  |
| 3-M Libor              |           | 0.52       | 0.00 | 0.00  |
| 3-M Shibor             |           | 4.89       | 0.11 | 2.30  |
| 10 YR US T-Note Yield  |           | 2.87       | 0.04 | 1.41  |

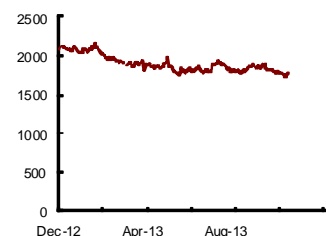
Brent Oil One Year



Gold Commodity One Year



LME Aluminum Commodity One Year



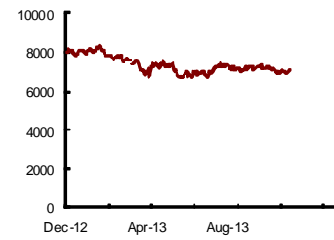
Source: Bloomberg

Hot theme of the market: E-commerce is leading the innovation of business models. More and more appliances are being bought online every year. Traditional brands still have a competitive edge in e-commerce; those that have made early e-commerce preparations and have strong offline logistics and distribution capabilities enjoy significant advantages.

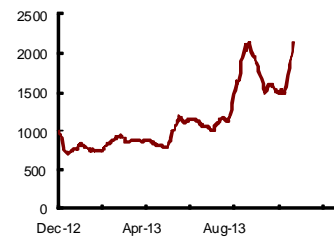
**What to Watch**

|               |                       |               |             |
|---------------|-----------------------|---------------|-------------|
| Economic Data | HK: Nil               |               |             |
|               | US: Unemployment Rate |               |             |
| Date          | Ticker                | Stock Name    | Earnings    |
| 2013/12/06    | 00313                 | RICHLY FIELD  | Final       |
| Date          | Ticker                | Stock Name    | Issue Price |
| 2013/12/06    | 01689                 | HUAXIHOLDINGS | 1.350       |

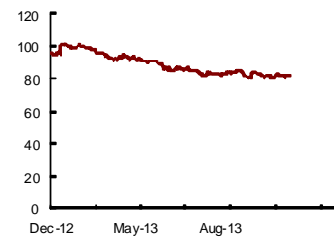
LME Copper Commodity One Year



BDI One Year



API Coal One Year



Source: Bloomberg

China Merchants Securities (Hong Kong) Stock Pool Update Weekly  
 2013-12-6

| 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 |                     |          |
| <b>Textiles, Apparel &amp; Luxury Goods</b> |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |          |
| 589   | Ports           | Neutral | HKD            | 5.97         | 5.30                   | -11%             | RMB          | 0.55  | 0.56  | 0.64  | 8.6   | 8.4   | 7.4   | 2.8%                | Ivy Zhao |
| 1880  | Belle           | Buy     | HKD            | 9.10         | 14.03                  | 54%              | RMB          | 0.55  | 0.62  | 0.69  | 13.0  | 11.6  | 10.5  | -12.3%              | Ivy Zhao |
| 1368  | Xtep            | Neutral | HKD            | 4.05         | 4.00                   | -1%              | RMB          | 0.27  | 0.27  | 0.29  | 11.9  | 11.9  | 11.1  | 1.5%                | Ivy Zhao |
| 2020  | Anta Sports     | Buy     | HKD            | 10.56        | 13.47                  | 28%              | RMB          | 0.49  | 0.54  | 0.60  | 17.2  | 15.6  | 13.9  | -7.5%               | Ivy Zhao |
| 1361  | 361 Degrees     | Neutral | HKD            | 2.27         | 1.71                   | -25%             | RMB          | 0.17  | 0.16  | 0.16  | 10.6  | 11.4  | 11.3  | -1.7%               | 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   | 4.4%                | Ivy Zhao |
| 2331  | Li Ning         | Buy     | HKD            | 7.15         | 5.20                   | -27%             | RMB          | -0.10 | 0.18  | 0.20  | N.A.  | 32.1  | 28.4  | 0.9%                | Ivy Zhao |
| 3818  | China Dongxiang | Buy     | HKD            | 1.23         | 1.64                   | 33%              | RMB          | 0.04  | 0.04  | 0.05  | 26.3  | 23.2  | 20.7  | 0.8%                | Ivy Zhao |
| 953   | Meike           | Neutral | HKD            | 0.46         | 0.30                   | -35%             | RMB          | 0.04  | 0.05  | 0.06  | 10.1  | 7.9   | 6.6   | -13.2%              | Ivy Zhao |
| 1234  | China Lilang    | Buy     | HKD            | 5.20         | 5.25                   | 1%               | RMB          | 0.41  | 0.41  | 0.47  | 10.0  | 10.0  | 8.8   | 5.5%                | Ivy Zhao |
| 891   | Trinity         | Buy     | HKD            | 2.90         | 4.63                   | 60%              | RMB          | 0.21  | 0.25  | 0.30  | 10.9  | 9.2   | 7.7   | -2.0%               | Ivy Zhao |
| 873   | C Taifeng Bed   | Buy     | HKD            | 2.23         | 2.86                   | 28%              | RMB          | 0.52  | 0.65  | 0.80  | 3.4   | 2.7   | 2.2   | 27.4%               | Ivy Zhao |
| <b>Metals &amp; Mining</b>                  |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |          |
| 1818  | Zhaojin Mining  | Neutral | HKD            | 4.98         | 6.00                   | 20%              | RMB          | 0.43  | 0.38  | 0.34  | 9.2   | 10.4  | 11.6  | -18.6%              | Li Xiang |
| 2899  | Zijin Mining    | Neutral | HKD            | 1.77         | 1.69                   | -5%              | RMB          | 0.14  | 0.15  | 0.12  | 10.0  | 9.3   | 11.7  | -1.7%               | Li Xiang |
| 358   | Jiangxi Copper  | Buy     | HKD            | 14.80        | 15.20                  | 3%               | RMB          | 1.02  | 1.05  | 0.85  | 11.5  | 11.2  | 13.8  | 0.5%                | Li Xiang |
| 3993  | Cmcc            | Neutral | HKD            | 3.29         | 3.10                   | -6%              | RMB          | 0.19  | 0.20  | 0.21  | 13.5  | 13.3  | 12.6  | 2.5%                | Li Xiang |
| 2600  | Chalco          | Sell    | HKD            | 2.84         | 1.60                   | -44%             | RMB          | -0.28 | -0.11 | -0.10 | N.A.  | N.A.  | N.A.  | -0.7%               | Li Xiang |
| 1378  | China Hongqiao  | Buy     | HKD            | 4.79         | 5.80                   | 21%              | RMB          | 0.97  | 1.11  | 1.23  | 3.9   | 3.4   | 3.1   | -1.8%               | Li Xiang |
| 486   | Rusal           | Sell    | HKD            | 2.30         | 2.03                   | -12%             | USD          | 0.01  | 0.04  | 0.05  | 29.7  | 7.4   | 5.9   | -3.8%               | Li Xiang |
| 3948  | Yitai Coal      | Buy     | HKD            | 14.90        | 25.10                  | 68%              | RMB          | 1.88  | 2.11  | 2.22  | 6.3   | 5.6   | 5.3   | -1.2%               | 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            | 26.05        | 36.40                  | 40%              | RMB          | 2.44  | 2.90  | 3.07  | 8.4   | 7.1   | 6.7   | 9.0%                | Li Xiang    |
| 1898                                    | China Coal         | Neutral | HKD            | 5.15         | 5.00                   | -3%              | RMB          | 0.47  | 0.43  | 0.42  | 8.7   | 9.5   | 9.7   | 6.2%                | Li Xiang    |
| <b>Auto &amp; Others</b>                |                    |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |             |
| 1211                                    | Byd Company        | Neutral | HKD            | 40.35        | 13.00                  | -68%             | RMB          | 0.33  | 0.68  | 1.10  | 96.7  | 46.9  | 29.0  | 1.9%                | Colleen Li  |
| 489                                     | Dongfeng Group     | Buy     | HKD            | 12.14        | 14.17                  | 17%              | RMB          | 1.13  | 1.26  | 1.29  | 8.5   | 7.6   | 7.4   | 5.4%                | Colleen Li  |
| 175                                     | Geely Auto         | Buy     | HKD            | 3.98         | 5.04                   | 27%              | RMB          | 0.32  | 0.36  | 0.38  | 9.8   | 8.7   | 8.3   | 2.3%                | Colleen Li  |
| 2333                                    | Greatwall Motor    | Neutral | HKD            | 46.65        | 38.62                  | -17%             | RMB          | 2.78  | 3.41  | 3.74  | 13.3  | 10.8  | 9.9   | -1.4%               | Colleen Li  |
| 1114                                    | Brilliance Chi     | Buy     | HKD            | 13.34        | 12.00                  | -10%             | RMB          | 0.71  | 0.80  | 0.89  | 14.9  | 13.2  | 11.9  | -2.6%               | Colleen Li  |
| 425                                     | MintH Group        | Buy     | HKD            | 16.70        | 13.20                  | -21%             | RMB          | 0.78  | 0.87  | 0.97  | 16.9  | 15.2  | 13.6  | 4.5%                | Colleen Li  |
| 1728                                    | Zhengtong Auto     | Buy     | HKD            | 5.21         | 5.85                   | 12%              | RMB          | 0.55  | 0.81  | 1.11  | 7.5   | 5.1   | 3.7   | -4.6%               | Colleen Li  |
| 881                                     | Zhongsheng Hldg    | Neutral | HKD            | 11.72        | 10.30                  | -12%             | RMB          | 0.58  | 0.71  | 0.99  | 16.0  | 13.1  | 9.4   | -7.9%               | Colleen Li  |
| 1766                                    | CSR                | Buy     | HKD            | 7.22         | 8.08                   | 12%              | RMB          | 0.31  | 0.40  | 0.45  | 18.4  | 14.3  | 12.7  | 10.4%               | Colleen Li  |
| 3898                                    | CSR Times Electric | Buy     | HKD            | 29.50        | 32.03                  | 9%               | RMB          | 1.10  | 1.35  | 1.62  | 21.2  | 17.3  | 14.4  | 5.2%                | Colleen Li  |
| <b>Oil &amp; Gas</b>                    |                    |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |             |
| 857                                     | Petro China        | Buy     | HKD            | 9.06         | 10.55                  | 16%              | RMB          | 0.71  | 0.74  | 0.78  | 10.1  | 9.7   | 9.2   | 4.0%                | Michael Yuk |
| 386                                     | Sinopec Corp       | Buy     | HKD            | 6.58         | 7.20                   | 9%               | RMB          | 0.68  | 0.70  | 0.73  | 7.7   | 7.4   | 7.1   | 2.7%                | Michael Yuk |
| 883                                     | Cnooc              | Buy     | HKD            | 15.76        | 17.00                  | 8%               | RMB          | 1.44  | 1.56  | 1.69  | 8.7   | 8.0   | 7.4   | 2.1%                | 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   | 12.7%               | Michael Yuk |
| 342                                     | Newocean Energy    | Buy     | HKD            | 5.19         | 5.30                   | 2%               | HKD          | 0.55  | 0.63  | 0.79  | 9.4   | 8.2   | 6.6   | 11.6%               | Michael Yuk |
| 467                                     | Unitedenergy Gp    | Buy     | HKD            | 1.12         | 1.59                   | 42%              | HKD          | 0.10  | 0.09  | 0.09  | 11.2  | 12.4  | 12.4  | -8.2%               | Michael Yuk |
| <b>Oil &amp; Gas Services/Equipment</b> |                    |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |             |
| 3899                                    | Cimc Enric         | Buy     | HKD            | 13.10        | 10.00                  | -24%             | RMB          | 0.49  | 0.60  | 0.72  | 21.2  | 17.3  | 14.4  | 21.1%               | Michael Yuk |
| 569                                     | Ch Automation      | Buy     | HKD            | 1.84         | 2.50                   | 36%              | RMB          | 0.26  | 0.29  | 0.33  | 5.6   | 5.0   | 4.4   | 2.8%                | Michael Yuk |
| 3337                                    | Anton Oilfield     | Buy     | HKD            | 5.06         | 4.75                   | -6%              | RMB          | 0.19  | 0.23  | 0.28  | 21.1  | 17.4  | 14.3  | 7.9%                | 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 |                     |             |
| 1938                          | Chu Kong Pipe   | Buy     | HKD            | 3.03         | 2.26                   | -25%             | RMB          | 0.11  | 0.40  | 0.55  | 21.8  | 6.0   | 4.4   | 0.3%                | Michael Yuk |
| 2883                          | China Oilfield  | Buy     | HKD            | 24.10        | 18.00                  | -25%             | RMB          | 1.29  | 1.45  | 1.66  | 14.8  | 13.2  | 11.5  | 9.8%                | Michael Yuk |
| 3303                          | Jutal Oil Ser   | Buy     | HKD            | 1.66         | 2.40                   | 45%              | RMB          | 0.13  | 0.17  | 0.15  | 10.1  | 7.7   | 8.8   | 11.4%               | Michael Yuk |
| 1623                          | Hilong          | Buy     | HKD            | 6.21         | 5.10                   | -18%             | RMB          | 0.16  | 0.28  | 0.29  | 30.0  | 17.7  | 17.1  | 5.8%                | Michael Yuk |
| <b>Property</b>               |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |             |
| 688                           | China Overseas  | Buy     | HKD            | 23.20        | 22.56                  | -3%              | HKD          | 2.29  | 2.30  | 2.68  | 10.1  | 10.1  | 8.7   | 0.0%                | DuanFeiqin  |
| 410                           | Soho China      | Neutral | HKD            | 6.98         | 6.42                   | -8%              | HKD          | 2.37  | 2.13  | 1.96  | 3.0   | 3.3   | 3.6   | 3.3%                | DuanFeiqin  |
| 813                           | Shimao Property | Neutral | HKD            | 18.82        | 16.70                  | -11%             | HKD          | 2.07  | 2.19  | 2.46  | 9.1   | 8.6   | 7.7   | 0.9%                | 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   | -4.4%               | DuanFeiqin  |
| 2777                          | R&F Properties  | Buy     | HKD            | 11.92        | 13.90                  | 17%              | HKD          | 2.15  | 2.23  | 2.45  | 5.5   | 5.4   | 4.9   | -8.7%               | DuanFeiqin  |
| 2007                          | Country Garden  | Neutral | HKD            | 4.98         | 4.68                   | -6%              | HKD          | 0.48  | 0.53  | 0.60  | 10.5  | 9.4   | 8.3   | -5.5%               | DuanFeiqin  |
| 3383                          | Agile Property  | Neutral | HKD            | 8.40         | 10.10                  | 20%              | HKD          | 1.81  | 1.98  | 2.02  | 4.6   | 4.2   | 4.2   | -8.4%               | DuanFeiqin  |
| 3333                          | Evergrande      | Buy     | HKD            | 3.19         | 4.38                   | 37%              | HKD          | 0.84  | 0.97  | 0.98  | 3.8   | 3.3   | 3.3   | -1.2%               | DuanFeiqin  |
| 960                           | Longfor Ppt     | Buy     | HKD            | 11.58        | 13.23                  | 14%              | HKD          | 1.50  | 1.65  | 1.81  | 7.7   | 7.0   | 6.4   | -6.8%               | DuanFeiqin  |
| 1813                          | Kwg Property    | Neutral | HKD            | 4.55         | 5.05                   | 11%              | HKD          | 1.02  | 1.10  | 1.18  | 4.4   | 4.2   | 3.9   | -4.4%               | DuanFeiqin  |
| 3366                          | Oct (Asia)      | Buy     | HKD            | 3.76         | 3.50                   | -7%              | HKD          | 0.43  | 0.54  | 0.64  | 8.7   | 7.0   | 5.9   | 8.4%                | DuanFeiqin  |
| 3900                          | Greentown China | Buy     | HKD            | 12.82        | 18.80                  | 47%              | HKD          | 3.17  | 3.33  | 3.49  | 4.0   | 3.9   | 3.7   | -12.1%              | DuanFeiqin  |
| 754                           | Hopson Dev Hold | Buy     | HKD            | 9.16         | 12.20                  | 33%              | HKD          | 1.72  | 1.98  | 2.22  | 5.3   | 4.6   | 4.1   | -3.6%               | DuanFeiqin  |
| 1918                          | Sunac           | Buy     | HKD            | 5.00         | 6.66                   | 33%              | HKD          | 1.07  | 1.26  | 1.41  | 4.7   | 4.0   | 3.5   | -3.5%               | DuanFeiqin  |
| <b>Consumer Discretionary</b> |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |             |
| 1833                          | Intime          | Buy     | HKD            | 8.52         | 10.50                  | 23%              | RMB          | 0.54  | 0.64  | 0.75  | 12.5  | 10.5  | 9.0   | -8.0%               | Gloria Wang |
| 1700                          | Springland      | Neutral | HKD            | 3.94         | 4.50                   | 14%              | RMB          | 0.29  | 0.33  | 0.37  | 10.8  | 9.4   | 8.4   | -6.2%               | Gloria Wang |
| 493                           | Gome            | Buy     | HKD            | 1.29         | 1.90                   | 47%              | RMB          | 0.05  | 0.06  | 0.07  | 20.4  | 17.0  | 14.6  | 2.4%                | Gloria Wang |
| <b>Telecommunication</b>      |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |             |

| 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 |                     |          |
| 941                           | China Mobile    | Neutral | HKD            | 84.65        | 78.00                  | -8%              | RMB          | 6.37  | 6.26  | 6.27  | 10.5  | 10.7  | 10.7  | 5.3%                | Jeff Hao |
| 762                           | China Unicom    | Buy     | HKD            | 11.96        | 14.08                  | 18%              | RMB          | 0.45  | 0.58  | 0.69  | 21.0  | 16.3  | 13.7  | -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  | 1.5%                | Jeff Hao |
| <b>Information Technology</b> |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |          |
| 700                           | Tencent         | Buy     | HKD            | 449.80       | 455.00                 | 1%               | RMB          | 8.58  | 11.47 | 15.37 | 41.5  | 31.0  | 23.2  | 9.2%                | Jeff Hao |
| 3888                          | Kingsoft        | Buy     | HKD            | 21.35        | 24.37                  | 14%              | RMB          | 0.50  | 0.66  | 0.83  | 33.8  | 25.6  | 20.4  | 13.3%               | Jeff Hao |
| 1661                          | Wisdom          | Buy     | HKD            | 3.88         | 2.90                   | -25%             | RMB          | 0.13  | 0.20  | 0.25  | 23.6  | 15.4  | 12.3  | 19.8%               | Jeff Hao |
| 777                           | Netdragon       | Buy     | HKD            | 15.38        | 26.27                  | 71%              | RMB          | 0.78  | 0.89  | 1.12  | 15.6  | 13.7  | 10.9  | -13.3%              | Jeff Hao |
| 354                           | Chinasoft       | Neutral | HKD            | 2.16         | 2.00                   | -7%              | RMB          | 0.10  | 0.12  | 0.15  | 17.1  | 14.2  | 11.4  | -4.9%               | Jeff Hao |
| 268                           | Kingdee         | Neutral | HKD            | 2.25         | 1.40                   | -38%             | RMB          | 0.02  | 0.04  | 0.05  | 89.0  | 44.5  | 35.6  | -10.7%              | Jeff Hao |
| <b>Port</b>                   |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |          |
| 144                           | China Mer Hold  | Neutral | HKD            | 27.35        | 26.43                  | -3%              | HKD          | 1.55  | 1.75  | 2.05  | 17.7  | 15.6  | 13.3  | -0.4%               | Kate Li  |
| 1199                          | Cosco Pacific   | Buy     | HKD            | 11.22        | 12.58                  | 12%              | USD          | 0.26  | 0.13  | 0.14  | 5.6   | 11.1  | 10.3  | -1.2%               | Kate Li  |
| <b>Shipping</b>               |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |          |
| 368                           | Sinotrans Ship  | Buy     | HKD            | 2.60         | 2.40                   | -8%              | USD          | 0.01  | 0.02  | 0.03  | 33.5  | 16.8  | 11.2  | -2.6%               | Kate Li  |
| 316                           | Ooil            | Buy     | HKD            | 40.75        | 51.00                  | 25%              | USD          | 0.17  | 0.23  | 0.41  | 30.9  | 22.9  | 12.8  | -1.8%               | Kate Li  |
| 2866                          | Cscl            | Neural  | HKD            | 2.12         | 1.82                   | -14%             | RMB          | -0.06 | 0.03  | 0.07  | N.A.  | 55.9  | 24.0  | 4.4%                | Kate Li  |
| <b>Alternative Energy</b>     |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |          |
| 3800                          | Gcl-Poly Energy | Buy     | HKD            | 2.52         | 1.97                   | -22%             | HKD          | 0.01  | 0.05  | 0.07  | 252.0 | 50.4  | 36.0  | 0.8%                | Yin Lei  |
| 712                           | Comtec Solar    | Buy     | HKD            | 1.53         | 1.76                   | 15%              | RMB          | 0.05  | 0.11  | 0.16  | 24.2  | 11.0  | 7.6   | -15.5%              | Yin Lei  |
| 750                           | Singyes Solar   | Buy     | HKD            | 8.54         | 9.40                   | 10%              | RMB          | 0.81  | 0.91  | 1.04  | 8.3   | 7.4   | 6.5   | -6.5%               | Yin Lei  |
| 2208                          | Goldwind        | Buy     | HKD            | 7.65         | 10.04                  | 31%              | RMB          | 0.15  | 0.32  | 0.45  | 40.3  | 18.9  | 13.5  | -6.0%               | Yin Lei  |
| 916                           | Longyuan Power  | Neutral | HKD            | 10.00        | 8.16                   | -18%             | RMB          | 0.36  | 0.43  | 0.52  | 22.0  | 18.4  | 15.2  | 6.6%                | Yin Lei  |
| 1798                          | Datang Power    | Neutral | HKD            | 1.50         | 1.59                   | 6%               | RMB          | 0.05  | 0.08  | 0.13  | 23.7  | 14.8  | 9.1   | -8.0%               | Yin Lei  |



| Stock Code                                   | Short Name      | Rating  | Price Currency | Latest Price | 12- Month Target Price | Upside Potential | EPS Currency | EPS   |       |       | P/E   |       |       | 1-Month Performance | Analyst     |
|--|-----------------|---------|----------------|--------------|------------------------|------------------|--------------|-------|-------|-------|-------|-------|-------|---------------------|-------------|
|  |                 |         |                |              |                        |                  |              | 2013E | 2014E | 2015E | 2013E | 2014E | 2015E |                     |             |
| 816  | Huadian Fuxin   | Buy     | HKD            | 2.68         | 2.99                   | 12%              | RMB          | 0.19  | 0.24  | 0.28  | 11.2  | 8.8   | 7.6   | 5.5%                | Yin Lei     |
| 579  | Jingneng        | Buy     | HKD            | 3.59         | 3.62                   | 1%               | RMB          | 0.18  | 0.24  | 0.29  | 15.8  | 11.8  | 9.8   | 8.1%                | Yin Lei     |
| <b>Food &amp; Beverage</b>                   |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |             |
| 322  | Tingyi          | Buy     | HKD            | 23.00        | 21.10                  | -8%              | USD          | 0.08  | 0.11  | 0.12  | 37.1  | 28.3  | 24.7  | 3.6%                | Ling Hua    |
| 2319   | Mengniu Dairy   | Buy     | HKD            | 35.90        | 33.26                  | -7%              | RMB          | 0.85  | 1.10  | 1.48  | 33.4  | 25.8  | 19.2  | 9.0%                | Ling Hua    |
| 506  | China Foods     | Neutral | HKD            | 3.85         | 4.25                   | 10%              | HKD          | 0.17  | 0.22  | 0.27  | 22.7  | 17.5  | 14.3  | 8.5%                | Ling Hua    |
| 151  | Want Want China | Neutral | HKD            | 11.42        | 12.10                  | 6%               | USD          | 0.05  | 0.06  | 0.07  | 29.5  | 24.6  | 21.1  | 0.4%                | Ling Hua    |
| 345  | Vitasoy         | Buy     | HKD            | 10.96        | 9.00                   | -18%             | HKD          | 0.31  | 0.35  | 0.48  | 35.4  | 31.3  | 22.8  | 8.5%                | Ling Hua    |
| <b>Machinery &amp; Equipment</b>             |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |             |
| 1157   | Zoomlion        | Neutral | HKD            | 7.82         | 7.20                   | -8%              | RMB          | 0.60  | 0.67  | 0.80  | 10.3  | 9.2   | 7.7   | 8.9%                | Jiao Yiding |
| 631  | Sany            | Buy     | HKD            | 2.73         | 3.40                   | 25%              | RMB          | 0.22  | 0.24  | 0.26  | 9.8   | 9.0   | 8.3   | 19.7%               | Jiao Yiding |
| 3339   | Lonking         | Buy     | HKD            | 1.67         | 1.92                   | 15%              | RMB          | 0.12  | 0.13  | 0.16  | 11.0  | 10.2  | 8.3   | 3.7%                | Jiao Yiding |
| <b>Electricity</b>                           |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |             |
| 902  | Huaneng Power   | Buy     | HKD            | 7.50         | 11.00                  | 47%              | RMB          | 0.89  | 0.87  | 0.93  | 6.7   | 6.8   | 6.4   | -9.3%               | Vera Liang  |
| 991  | Datang Power    | Buy     | HKD            | 3.52         | 3.90                   | 11%              | RMB          | 0.37  | 0.38  | 0.47  | 7.5   | 7.3   | 5.9   | -3.6%               | Vera Liang  |
| 1071   | Huadian Power   | Neutral | HKD            | 3.27         | 3.80                   | 16%              | RMB          | 0.46  | 0.45  | 0.55  | 5.6   | 5.8   | 4.7   | -7.6%               | Vera Liang  |
| <b>Semi and Hardware Technology</b>          |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |             |
| 992  | Lenove          | Buy     | HKD            | 9.18         | 9.20                   | 0%               | USD          | 0.06  | 0.08  | 0.09  | 19.7  | 14.8  | 13.2  | 8.8%                | Alex Ng     |
| 2382   | Sunny Optical   | Neutral | HKD            | 7.39         | 8.37                   | 13%              | RMB          | 0.41  | 0.54  | 0.73  | 14.3  | 10.8  | 8.0   | 0.1%                | Alex Ng     |
| 732  | Truly           | Buy     | HKD            | 4.32         | 7.15                   | 66%              | HKD          | 0.56  | 0.67  | 0.79  | 7.7   | 6.5   | 5.5   | -11.7%              | Alex Ng     |
| 2018   | Aac Tech        | Neutral | HKD            | 37.10        | 40.00                  | 8%               | RMB          | 1.83  | 2.16  | 2.48  | 16.0  | 13.6  | 11.8  | 19.7%               | Alex Ng     |
| 2618   | Tcl Comm        | Buy     | HKD            | 7.88         | 8.52                   | 8%               | HKD          | 0.28  | 0.76  | 0.96  | 28.1  | 10.4  | 8.2   | 6.9%                | Alex Ng     |
| 2369   | China Wireless  | Neutral | HKD            | 2.78         | 3.10                   | 12%              | HKD          | 0.20  | 0.24  | 0.30  | 13.9  | 11.6  | 9.3   | -4.1%               | Alex Ng     |
| <b>Pharmaceuticals &amp; Medical Devices</b> |                 |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |             |



| 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 |                     |              |
| 2348            | Dawnrays Pharma        | Buy     | HKD            | 4.49         | 3.20                   | -29%             | RMB          | 0.18  | 0.14  | 0.17  | 19.7  | 25.4  | 20.9  | 21.0%               | Jonathan Hsu |
| 460             | Sihuan Pharm           | Buy     | HKD            | 6.14         | 8.00                   | 30%              | RMB          | 0.16  | 0.17  | 0.19  | 30.4  | 28.6  | 25.6  | 7.9%                | Jonathan Hsu |
| 1177            | Sino Biopharm          | Buy     | HKD            | 6.10         | 6.70                   | 10%              | HKD          | 0.09  | 0.18  | 0.22  | 67.8  | 33.9  | 27.7  | 16.2%               | Jonathan Hsu |
| 1093            | CSPC Pharm             | Buy     | HKD            | 5.17         | 5.70                   | 10%              | HKD          | 1.48  | 0.20  | 0.24  | 3.5   | 25.9  | 21.5  | 8.8%                | Jonathan Hsu |
| 1099            | Sinopharm              | Buy     | HKD            | 23.80        | 24.40                  | 3%               | RMB          | 0.66  | 0.82  | 1.01  | 28.5  | 23.0  | 18.6  | 12.8%               | Jonathan Hsu |
| 2877            | Shineway Pharm         | Neutral | HKD            | 11.20        | 12.30                  | 10%              | RMB          | 0.91  | 0.78  | 0.89  | 9.7   | 11.4  | 10.0  | -4.1%               | Jonathan Hsu |
| <b>US Stock</b> |                        |         |                |              |                        |                  |              |       |       |       |       |       |       |                     |              |
| BIDU            | Baidu Inc              | Buy     | USD            | 167.36       | 151.10                 | -10%             | USD          | 4.89  | 7.36  | 9.67  | 34.2  | 22.7  | 17.3  | 9.1%                | Mike Chen    |
| SINA            | Sina Corp              | Buy     | USD            | 79.61        | 97.50                  | 22%              | USD          | 0.53  | 2.43  | 4.20  | 150.2 | 32.8  | 19.0  | -2.5%               | Mike Chen    |
| SOHU            | Sohu.Com Inc           | Neutral | USD            | 70.01        | 61.40                  | -12%             | USD          | 1.48  | 2.44  | 3.28  | 47.3  | 28.7  | 21.3  | 9.2%                | Mike Chen    |
| NTES            | Netease Inc            | Buy     | USD            | 69.84        | 85.50                  | 22%              | USD          | 5.56  | 5.80  | 6.60  | 12.6  | 12.0  | 10.6  | 5.0%                | Mike Chen    |
| QIHU            | Qihoo 360              | Buy     | USD            | 83.67        | 94.47                  | 13%              | USD          | 1.16  | 2.00  | 3.68  | 72.1  | 41.8  | 22.7  | -6.2%               | Mike Chen    |
| YOKU            | Youku Tudou Inc        | Neutral | USD            | 31.63        | 23.82                  | -25%             | USD          | -0.47 | -0.18 | 0.19  | N.A.  | N.A.  | 166.5 | 17.1%               | Mike Chen    |
| EDU             | New Oriental Education | Buy     | USD            | 29.47        | 24.50                  | -17%             | USD          | 0.89  | 1.25  | 1.43  | 33.1  | 23.6  | 20.6  | 9.8%                | Mike Chen    |
| DANG            | Dangdang               | Neutral | USD            | 9.32         | 6.40                   | -31%             | USD          | -0.82 | -0.52 | -0.18 | N.A.  | N.A.  | N.A.  | 11.9%               | Mike Chen    |
| CTRP            | Ctrip                  | Buy     | USD            | 47.52        | 25.70                  | -46%             | USD          | 1.15  | 1.48  | 1.76  | 41.3  | 32.1  | 27.0  | -19.7%              | Mike Chen    |
| HMIN            | Home Inns              | Neutral | USD            | 40.23        | 27.40                  | -32%             | USD          | 1.09  | 1.62  | 2.04  | 36.9  | 24.8  | 19.7  | 7.7%                | Mike Chen    |

## HSI Index Components Performance

## HSCEI Index Components Performance

Last price

| Code | Name             | Price | Chg 1D (%) | Code | Name             | Price | Chg 1D (%) |
|------|------------------|-------|------------|------|------------------|-------|------------|
| 1    | CHEUNG KONG      | 123.1 | -0.2       | 168  | TSINGTAO BREW-H  | 65.05 | 0.5        |
| 2    | CLP HLDGS LTD    | 62.45 | -0.6       | 177  | JIANGSU EXPRES-H | 9.89  | 0.9        |
| 3    | HONG KG CHINA GS | 18.08 | -0.6       | 323  | MAANSHAN IRON-H  | 2.25  | -1.8       |
| 4    | WHARF HLDG       | 62.65 | -1.2       | 338  | SINOPEC SHANG-H  | 2.19  | -1.8       |
| 5    | HSBC HLDGS PLC   | 84.20 | -1.4       | 347  | ANGANG STEEL-H   | 5.81  | -1.9       |
| 6    | POWER ASSETS HOL | 62.35 | -0.7       | 358  | JIANGXI COPPER-H | 14.80 | -0.3       |
| 11   | HANG SENG BK     | 126.2 | -0.6       | 386  | CHINA PETROLEU-H | 6.58  | 0.9        |
| 12   | HENDERSON LAND D | 44.55 | -0.8       | 390  | CHINA RAIL GR-H  | 4.40  | 0.7        |
| 13   | HUTCHISON WHAMPO | 101.6 | -0.2       | 489  | DONGFENG MOTOR-H | 12.14 | -0.7       |
| 16   | SUN HUNG KAI PRO | 98.00 | -0.2       | 552  | CHINA COMM SER-H | 5.03  | 1.4        |
| 17   | NEW WORLD DEV    | 10.14 | -0.6       | 576  | ZHEJIANG EXPRESS | 7.40  | 1.5        |
| 19   | SWIRE PACIFIC-A  | 93.20 | -0.7       | 694  | BEIJING CAP AI-H | 6.44  | -0.9       |
| 23   | BANK EAST ASIA   | 33.80 | -0.4       | 728  | CHINA TELECOM-H  | 4.08  | 0.3        |
| 66   | MTR CORP         | 29.90 | -0.2       | 753  | AIR CHINA LTD-H  | 6.05  | 1.3        |
| 83   | SINO LAND CO     | 10.42 | -0.4       | 857  | PETROCHINA CO-H  | 9.06  | 1.0        |
| 101  | HANG LUNG PROPER | 25.65 | -0.4       | 902  | HUANENG POWER-H  | 7.50  | 1.5        |
| 144  | CHINA MERCHANT   | 27.35 | -0.7       | 914  | ANHUI CONCH-H    | 31.20 | -1.0       |
| 267  | CITIC PACIFIC    | 12.18 | -0.5       | 939  | CHINA CONST BA-H | 6.21  | 0.0        |
| 291  | CHINA RES ENTERP | 27.00 | -1.1       | 991  | DATANG INTL PO-H | 3.52  | 2.3        |
| 293  | CATHAY PAC AIR   | 16.40 | -1.6       | 998  | CHINA CITIC BK-H | 4.44  | 0.2        |
| 330  | ESPRIT HLDGS     | 15.72 | -1.9       | 1088 | CHINA SHENHUA-H  | 26.05 | 0.8        |
| 386  | CHINA PETROLEU-H | 6.58  | 0.9        | 1133 | HARBIN ELECTRIC  | 5.45  | -0.7       |
| 388  | HONG KONG EXCHNG | 136.4 | -0.3       | 1138 | CHINA SHIPPING-H | 5.36  | -1.8       |
| 494  | LI & FUNG LTD    | 10.30 | -1.0       | 1171 | YANZHOU COAL-H   | 8.18  | -2.2       |
| 551  | YUE YUEN INDUS   | 24.90 | 0.0        | 1186 | CHINA RAIL CN-H  | 8.63  | 0.1        |
| 688  | CHINA OVERSEAS   | 23.20 | -0.4       | 1398 | IND & COMM BK-H  | 5.51  | 0.0        |
| 700  | TENCENT HOLDINGS | 449.8 | 1.4        | 1800 | CHINA COM CONS-H | 6.40  | -0.5       |
| 762  | CHINA UNICOM HON | 11.96 | -1.2       | 1898 | CHINA COAL ENE-H | 5.15  | 0.8        |
| 857  | PETROCHINA CO-H  | 9.06  | 1.0        | 1919 | CHINA COSCO HO-H | 4.04  | -2.2       |
| 883  | CNOOC LTD        | 15.76 | 0.0        | 2318 | PING AN INSURA-H | 75.05 | -0.2       |
| 939  | CHINA CONST BA-H | 6.21  | 0.0        | 2328 | PICC PROPERTY &  | 13.28 | 1.2        |
| 941  | CHINA MOBILE     | 84.65 | 0.5        | 2600 | ALUMINUM CORP-H  | 2.84  | -0.4       |
| 1088 | CHINA SHENHUA-H  | 26.05 | 0.8        | 2628 | CHINA LIFE INS-H | 25.45 | -0.4       |
| 1199 | COSCO PAC LTD    | 11.22 | -1.2       | 2727 | SHANGHAI ELECT-H | 2.92  | -1.4       |
| 1398 | IND & COMM BK-H  | 5.51  | 0.0        | 2777 | GUANGZHOU R&F -H | 11.92 | 0.7        |
| 2038 | FIH MOBILE LTD   | 4.01  | 7.8        | 2866 | CHINA SHIPPING-H | 2.12  | 0.0        |
| 2318 | PING AN INSURA-H | 75.05 | -0.2       | 2883 | CHINA OILFIELD-H | 24.10 | 1.9        |
| 2388 | BOC HONG KONG HO | 25.70 | -1.0       | 2899 | ZIJIN MINING-H   | 1.77  | 0.6        |
| 2600 | ALUMINUM CORP-H  | 2.84  | -0.4       | 3323 | CHINA NATL BDG-H | 9.01  | 0.9        |
| 2628 | CHINA LIFE INS-H | 25.45 | -0.4       | 3328 | BANK OF COMMUN-H | 5.64  | 0.2        |
| 3328 | BANK OF COMMUN-H | 5.64  | 0.2        | 3968 | CHINA MERCH BK-H | 16.28 | -0.3       |
| 3988 | BANK OF CHINA-H  | 3.69  | 0.0        | 3988 | BANK OF CHINA-H  | 3.69  | 0.0        |
|      |                  |       |            | 3993 | CHINA MOLYBDENUM | 3.29  | -0.9       |

A+H Company Performance  
 Last price

| Name(H)          | Code (H) | Price (H) | Code (A) | Price (A) | Spread (%) |
|------------------|----------|-----------|----------|-----------|------------|
| NORTHEAST ELEC-H | 42       | 0.91      | 000585   | 2.45      | 242.7      |
| BEIREN PRINT-H   | 187      | 3.07      | 600860   | 8.18      | 239.2      |
| TIANJIN CAP-H    | 1065     | 3.31      | 600874   | 8.60      | 230.7      |
| SHANDONG XINHU-H | 719      | 2.15      | 000756   | 4.78      | 183.0      |
| SHENJI GROUP-H   | 300      | 2.26      | 600806   | 4.88      | 174.9      |
| CHONGQING IRON-H | 1053     | 1.25      | 601005   | 2.64      | 168.8      |
| NANJING PANDA-H  | 553      | 3.99      | 600775   | 8.30      | 164.8      |
| SINOPEC YIZHEN-H | 1033     | 1.49      | 600871   | 2.96      | 152.9      |
| BEIJING NORTH-H  | 588      | 1.74      | 601588   | 2.87      | 110.0      |
| JINGWEI TEXTIL-H | 350      | 5.87      | 000666   | 9.43      | 104.5      |
| ALUMINUM CORP-H  | 2600     | 2.84      | 601600   | 3.98      | 78.4       |
| DATANG INTL PO-H | 991      | 3.52      | 601991   | 4.72      | 70.7       |
| SINOPEC SHANG-H  | 338      | 2.19      | 600688   | 2.80      | 62.7       |
| YANZHOU COAL-H   | 1171     | 8.18      | 600188   | 10.20     | 58.7       |
| SHENZHEN EXPRE-H | 548      | 3.61      | 600548   | 3.86      | 36.1       |
| JIANGXI COPPER-H | 358      | 14.80     | 600362   | 15.38     | 32.3       |
| HISENSE KELON -H | 921      | 10.92     | 000921   | 11.21     | 30.7       |
| HUADIAN POWER-H  | 1071     | 3.27      | 600027   | 3.28      | 27.7       |
| GUANGZHOU BAIYUN | 874      | 30.75     | 600332   | 30.79     | 27.5       |
| CHINA SHIPPING-H | 1138     | 5.36      | 600026   | 5.07      | 20.4       |
| CHINA CITIC BK-H | 998      | 4.44      | 601998   | 4.11      | 17.8       |
| GUANGZHOU SHIP-H | 317      | 18.14     | 600685   | 16.62     | 16.6       |
| ZTE CORP-H       | 763      | 17.42     | 000063   | 15.81     | 15.5       |
| ANHUI EXPRESS-H  | 995      | 4.61      | 600012   | 4.11      | 13.5       |
| DONGFANG ELECT-H | 1072     | 14.20     | 600875   | 12.61     | 13.0       |
| CHINA SOUTHERN-H | 1055     | 3.39      | 600029   | 2.94      | 10.4       |
| MAANSHAN IRON-H  | 323      | 2.25      | 600808   | 1.81      | 2.4        |
| GUANGSHEN RAIL-H | 525      | 3.77      | 601333   | 3.03      | 2.3        |
| LUOYANG GLASS-H  | 1108     | 1.41      | 600876   | 4.99      | 0.0        |
| BANK OF CHINA-H  | 3988     | 3.69      | 601988   | 2.83      | -2.4       |
| BANK OF COMMUN-H | 3328     | 5.64      | 601328   | 4.24      | -4.3       |
| CHINA PETROLEU-H | 386      | 6.58      | 600028   | 4.93      | -4.6       |
| HUANENG POWER-H  | 902      | 7.50      | 600011   | 5.61      | -4.8       |
| TSINGTAO BREW-H  | 168      | 65.05     | 600600   | 46.38     | -9.2       |
| AIR CHINA LTD-H  | 753      | 6.05      | 601111   | 4.21      | -11.4      |
| IND & COMM BK-H  | 1398     | 5.51      | 601398   | 3.81      | -12.0      |
| CHINA MERCH BK-H | 3968     | 16.28     | 600036   | 11.04     | -13.7      |
| CHINA LIFE INS-H | 2628     | 25.45     | 601628   | 16.37     | -18.1      |
| WEICHAJ POWER-H  | 2338     | 33.90     | 000338   | 21.05     | -21.0      |
| ANHUI CONCH-H    | 914      | 31.20     | 600585   | 18.55     | -24.3      |
| JIANGSU EXPRES-H | 177      | 9.89      | 600377   | 5.85      | -24.7      |
| PING AN INSURA-H | 2318     | 75.05     | 601318   | 44.02     | -25.3      |
| ANGANG STEEL-H   | 347      | 5.81      | 000898   | 3.37      | -26.2      |

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| INDUSTRY           | DEFINITION   |
|--------------------|--|
| <b>OVERWEIGHT</b>  | Expected to outperform the market index by > 10% over the next 12 months                           |
| <b>NEUTRAL</b>     | Expected to outperform or underperform the market index by 10% or less over the next twelve months |
| <b>UNDERWEIGHT</b> | Expected to underperform the market index by >10% over the next 12 months                          |

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

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