

CMS (HK) Research Highlights

Bonjour Holdings (653HK, HK\$1.18, Neutral, TP HK\$1.2)

1H14 would only see slight growth

We estimate that Bonjour will post a slight growth of 1% in 1H14 due to low single-digit SSSG and 10% rental cost hike. The company expected a better SSSG outlook for 2H14 as there will be more holiday seasons, but it will not be easy as the whole sector is witnessing a decreasing purchasing power of mainland visitors. We revise down 2014-15E earnings by 16%/20% to reflect the weak operating environment and cut our TP to HK\$1.2, maintain NEUTRAL rating.

SSSG is dragged by lower amount per transaction and gross margin will be relatively stable as the company always adopts a low-price strategy compared to Sa Sa (178 HK). Bonjour opened 4 stores and closed 3 in 1H14, new stores will lead to a rental hike of 10%. We estimate that its 1H14 earnings will grow by 1% YoY, flat with 1H13.

Business in 2H is usually better than 1H as there are more holidays. Bonjour may see continuous improvement of its SSSG.

We cut our 2014/15E earnings by 16%/20% to factor in slower SSSG and high rental costs going forward, and cut TP from HK\$1.58 to HK\$1.2, based on 12x2015E P/E. We maintain NEUTRAL rating for the stock. The underlying risk is unexpected rental cost hike and lower SSSG. (Gloria Wang)

Sands China 2Q14 Review (1928HK, Buy, TP HK\$81.2)

Weak but well positioned to lead rally

- Adjusted property EBITDA of US\$801.4mn, up 22.0% YoY, down 14.7% QoQ. 2%/6% lower than our/street expectation.
- Weak VIP and unlucky mass put pressure. Likely to suffer from weak market sentiment, due to weak result.
- Weak start of result season will gradually drag down market expectation for its Macau peers. We expect Galaxy and Wynn Macau to deliver weak result, while MGM China might beat the consensus marginally.

Miss due to weak VIP

Net revenue was up 15.2% YoY, down 12.5% QoQ to US\$2,358.6mn. Sands Cotai Central (SCC) and Venetian outperformed the sector, with 34.3% and 15.4% YoY growth. Sands Macao had a stable growth of 6.2% YoY, while Four Seasons lost market share due to 16.6% YoY decline in net revenue. By segment, VIP gaming suffered from 16.5% YoY decline in rolling chip volume. Mass had a strong volume growth of 45.2% YoY, which was offset by low win rate compared to 2Q13. Overall, EBITDA margin expanded to 34.0% vs. 32.1% in 2Q13 and 34.9% in 1Q14.

Opening schedule of new properties was unchanged.

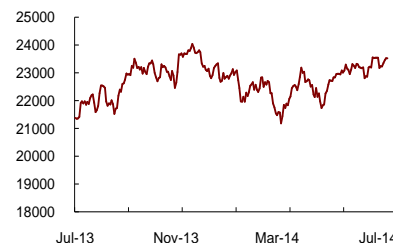
The construction of the Parisian in Cotai is on schedule to open in 4Q15E. It will have 50% scale replica Eiffel Tower, 3,000 rooms, 450 gaming tables and 2,500 slots and ETGs. SCC Phase 3, St Regis, is also expected to open in 4Q15E, providing additional 400 rooms. We currently estimate both properties will open in 1H16E.

HK Indices	Last price	chg	% chg
HSI	23,520.87	-2.41	-0.01
Finance	31,081.31	15.00	0.05
Properties	29,587.48	-80.58	-0.27
Utilities	52,254.99	-62.52	-0.12
Commerce&Industrv	14,694.44	-0.15	0.00
HSCEI	10,467.06	-8.32	-0.08
HSCCI	4,552.52	30.36	0.67
HKSPGEM	515.71	-0.77	-0.15

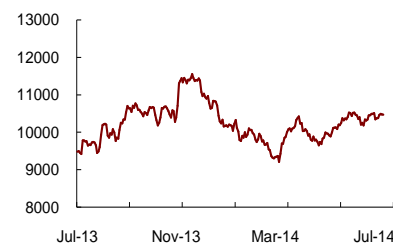
World Indices	Last price	chg	% chg
FTSE 100	6,773.99	-10.68	-0.16
DAX 30	9,838.23	-21.04	-0.21
CAC 40	4,360.68	-8.38	-0.19
DJIA	17,138.20	77.52	0.45
S&P500	1,981.57	8.29	0.42
Nasdaq Composite	4,425.97	9.58	0.22
Nikkei 225	15,370.26	-9.04	-0.06

Asia-Pacific Indices	Last price	chg	% chg
KOSPI	2,020.90	7.42	0.37
TWSE	9,408.24	-76.49	-0.81
STI	3,299.74	-4.69	-0.14
India BSE 30	25,603.46	53.74	0.21
S&P/ASX 200	5,522.43	3.57	0.06

HSI One Year



HSCEI One Year



Source: Bloomberg

China Merchants Securities (HK)

Research

+852-3189-6888

Unlucky quarter but good proxy for mass gaming

Sands China might suffer from weak market sentiment in near term, due to weak result. Trading at 18.3x P/E, 15.0x EV/EBITDA and 4.4% dividend yield for FY14E, we think the company is still attractive. With the biggest hotel room capacity at present, Sands China is well positioned to grasp market share in 2H14E, when no new capacity is coming yet. Key risks are: 1) slowdown in mass market gaming growth, and 2) delay in pick-up of VIP gaming segment. (Angela Han Lee)

A-share Research Highlights (CMS Research Center)

Macroeconomic Data Comments June 2014

Downside Risks Persist in 3Q14

[Xie Yaxuan, Zhao Wenli, Zhang Yiping, Yan Ling and Zhao Ke, July 17, 2014]

Event:

Macroeconomic data released by National Bureau of Statistics on July 16 2014: 2Q14 GDP up 7.5% YoY and 2.0% QoQ. In June 2014, added value from industries above designated size was up 9.2% YoY in real terms, total retail sales of consumer goods were up 12.4% YoY in nominal terms or 10.7% in real terms taking into account the price factors. From January to June 2014, total investment in fixed assets (excluding rural households) was up 17.3% YoY in nominal terms.

Highlights:

1. 2Q GDP climbed back to 7.5%, median of government's target, which was mainly attributable to steady consumer spending and improvement in exports. In addition, the effect of targeted growth policies was reflected in the area of infrastructure, and partly offset the drop in property and manufacturing investments. Challenges are still ahead for exports to fulfil annual targets. Downside pressure for investments persists and elasticity of consumption is still not high.

2. In June, growth in industry returned to 9.2% (9.2% after seasonal adjustment), higher than the consensus of 9.0%, which was mainly due to low base effect plus improved growth in exports and manufacturing investment. In addition, infrastructure investment was still growing faster than the average, and investment in property industry was still trending down with sources of funding further worsened. We estimate that manufacturing industry will continue to consolidate with the help of improvement in price differentiation while downside risks of property industry will persist.

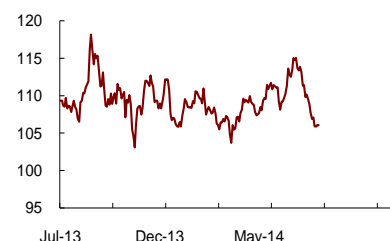
3. From January to June, accumulated growth in investment climbed 0.1 ppt to 17.3%, which was slightly higher than the 17.2% of Reuters Survey. In terms of funding sources, increased transfer of funding by the earlier fiscal budget might lead to slower increase in funding in the national budget for the period. In the meantime, increase in self-raised funds in line with the surge in off-balance-sheet financing. On the one hand, this indicated that increase in fiscal expenditure may be limited in 2H14 due to budgetary restriction. On the other hand, expansion in the size of off-balance-sheet financing is also a headwind to reinforcement in accommodative monetary policies.

4. Clear supporting effect from growth stabilization policies earlier but falling proportion of mid- and long-term credit suggesting that efficiency of funds allocation has not improved. In addition, surge in off-balance-sheet financing indicating that challenges were still ahead for the government to compress intermediary sectors to lower the real costs. Aggregate financing of the economy and data such as high-frequency power generation and cement production also indicated weakening economic recovery. Together with rising base and diminishing margin efficiency from policies, we estimate that downside risks still persist in 3Q14.

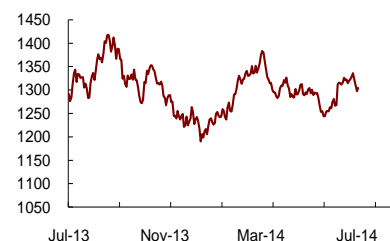
Global Commodity	Last price	chg	% chg
Brent Oil	106.06	0.76	0.72
Gold	1,303.9	4.74	0.36
LME Aluminum	1,970.0	10.00	0.51
LME Copper	7,078.0	-52.00	-0.73
BDI	755.00	-27.00	-3.45
API Coal	77.40	0.15	0.19

Exchange /Bond Market	/Currency	Last price	chg	% chg
USD/RMB		6.16	0.00	0.00
USD/HKD		7.75	0.00	0.00
1-YR RMB NDF		6.26	0.00	0.00
EUR/USD		1.35	0.02	0.01
3-M Libor		0.56	0.00	0.00
3-M Shibor		4.74	0.00	0.00
10 YR US T-Note Yield		2.52	-0.01	-0.40

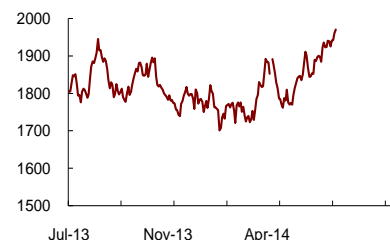
Brent Oil One Year



Gold Commodity One Year



LME Aluminum Commodity One Year



Source: Bloomberg

What to Watch

Economic Data	HK: Nil US : Leading Indicators		
Date	Ticker	Stock Name	Earnings Results
2014/07/18	00626	PUBLIC FIN HOLD	
2014/07/18	03331	VINDA INT'L	
Date	Ticker	Stock Name	Issue Price
2014/07/18	00400	COGOBUY	4.00
2014/07/18	08125	KATE CHINA	0.60
2014/07/18	08147	MILLENNIUM PG	1.35

LME Copper Commodity One Year



BDI One Year



API Coal One Year



Source: Bloomberg

China Merchants Securities (Hong Kong) Stock Pool Update Weekly

2014-7-18

Company	Ticker	Rating	Share px Jul. 17	12-month TP	% Upside	Mkt cap (US\$m)	2014E	EPS 2015E	2016E	P/E 2014E	2015E	2016E	Analyst
Auto & Auto Parts													
Brilliance China	1114 HK	BUY	HK\$14.92	HK\$12.0	-17	9,427	0.71	0.80	0.89	16.4	14.6	13.1	Colleen LI
BYD Company	1211 HK	NEUTRA	HK\$48.8	HK\$32.9	-26	4,558	0.27	0.69	1.03	132.5	51.9	34.7	Colleen LI
China ZhengTong Auto	1728 HK	BUY	HK\$4.24	HK\$5.85	35	1,237	0.55	0.81	1.11	6.3	4.3	3.1	Colleen LI
Geely Automobile	175 HK	BUY	HK\$3.05	HK\$5.04	85	3,100	0.32	0.36	0.38	6.9	6.1	5.8	Colleen LI
CSR	1766 HK	BUY	HK\$6.68	HK\$8.08	39	1,522	0.31	0.40	0.45	15.1	11.7	10.4	Colleen LI
Great Wall Motor	2333 HK	BUY	HK\$30.65	HK\$43.4	51	3,838	2.74	3.40	3.82	8.4	6.8	6.1	Colleen LI
CSR Times Electric	3898 HK	BUY	HK\$26.8	HK\$32.03	36	1,663	1.10	1.35	1.62	17.2	14.0	11.7	Colleen LI
Minh Group	425 HK	BUY	HK\$14.98	HK\$13.2	-12	2,123	0.78	0.87	0.97	15.5	13.9	12.5	Colleen LI
Dongfeng Motor	489 HK	BUY	HK\$14.56	HK\$14.17	2	5,113	1.13	1.26	1.29	9.9	8.9	8.6	Colleen LI
Zhongsheng Group	881 HK	NEUTRA	HK\$10.04	HK\$10.3	2	2,797	0.58	0.71	0.99	14.0	11.4	8.2	Colleen LI
Oil and Gas													
SPT Energy	1251 HK	BUY	HK\$4.01	HK\$6.2	52	807	0.20	0.23	0.32	16.4	14.2	10.2	Michael YUK
Hilong Holding	1623 HK	BUY	HK\$4.15	HK\$5.2	32	842	0.21	0.28	0.37	15.5	11.7	8.7	Michael YUK
Chu Kong Petroleum	1938 HK	BUY	HK\$2.66	HK\$3.8	42	350	0.04	0.28	0.40	53.8	7.7	5.4	Michael YUK
China Oilfield Services	2883 HK	NEUTRA	HK\$20.15	HK\$21.0	13	4,355	1.49	1.52	1.61	10.1	9.9	9.3	Michael YUK
Jutal Offshore Oil Services	3303 HK	NEUTRA	HK\$2.58	HK\$1.8	4	173	0.08	0.09	0.10	20.5	18.1	16.1	Michael YUK
Anton Oilfield Services	3337 HK	BUY	HK\$4.92	HK\$5.5	4	1,493	0.18	0.22	0.29	23.6	19.3	14.6	Michael YUK
NewOcean Energy	342 HK	BUY	HK\$5.91	HK\$9.83	69	1,110	0.55	0.56	0.75	10.6	10.4	7.7	Michael YUK
Sinopec	386 HK	BUY	HK\$7.35	HK\$7.52	2	24,322	0.57	0.66	0.68	10.4	9.0	8.7	Michael YUK
CIMC Enric	3899 HK	NEUTRA	HK\$10.32	HK\$13.88	36	2,492	0.50	0.59	0.68	16.4	13.9	12.1	Michael YUK
United Energy Group	467 HK	BUY	HK\$1.16	HK\$2.0	74	1,936	0.09	0.12	0.16	12.8	9.6	7.2	Michael YUK
China Oil And Gas Group	603 HK	NEUTRA	HK\$1.36	HK\$1.45	1	922	0.08	0.10	0.13	17.9	14.3	11.0	Michael YUK
Petrochina	857 HK	BUY	HK\$10.16	HK\$11.2	14	26,646	0.71	0.74	0.78	11.1	10.6	10.1	Michael YUK
CNOOC	883 HK	BUY	HK\$13.56	HK\$17.0	22	80,173	1.26	1.40	1.50	8.9	8.0	7.5	Michael YUK
Property													
China Resources Land	1109 HK	NEUTRA	HK\$15.34	HK\$17.0	20	10,666	2.52	2.11	2.28	5.6	6.7	6.2	Feiqin DUAN
Sunac China	1918 HK	BUY	HK\$4.83	HK\$6.7	53	1,884	0.96	1.14	1.34	3.7	3.1	2.6	Feiqin DUAN
Evergrande Real Estate	3333 HK	BUY	HK\$3.33	HK\$4.38	46	5,641	0.79	0.79	0.80	3.1	3.1	3.0	Feiqin DUAN
Greentown China	3900 HK	BUY	HK\$8.16	HK\$15.8	104	2,155	2.18	2.49	2.19	2.9	2.5	2.8	Feiqin DUAN
China Overseas Land	688 HK	BUY	HK\$20.3	HK\$22.56	20	19,820	2.82	2.91	3.50	6.7	6.5	5.4	Feiqin DUAN
Hopson Development	754 HK	BUY	HK\$8.16	HK\$19.1	153	2,185	2.10	2.00	2.22	3.6	3.8	3.4	Feiqin DUAN

Please read the important notice on the last page.

Company	Ticker	Rating	Share px Jul. 17	12-month TP	% Upside	Mkt cap (US\$m)	2014E	EPS 2015E	2016E	2014E	P/E 2015E	2016E	Analyst
Optics Valley Union	798 HK	BUY	HK\$0.76	HK\$1.06	39	392	0.08	0.15	0.23	7.6	4.1	2.7	Feiqin DUAN
China Merchants Land	978 HK	BUY	HK\$1.01	HK\$2.3	125	645	0.11	0.17	0.19	7.5	4.8	4.3	Feiqin DUAN
Sfun	SFUN	BUY		US\$12.1	0	4,955	0.73	0.75	0.89	0.0	0.0	0.0	Feiqin DUAN
Metals and Mining													
China Hongqiao	1378 HK	BUY	HK\$6.06	HK\$6.2	11	4,229	0.95	1.08	1.32	4.7	4.1	3.4	Shawn LEE
Zhaojin Mining	1818 HK	NEUTRA	HK\$4.72	HK\$4.7	6	500	0.25	0.24	0.17	14.2	14.8	20.9	Shawn LEE
Aluminum Corp of China	2600 HK	NEUTRA	HK\$3.04	HK\$2.8	1	1,414	0.07	-0.07	-0.06	31.9	N.A.	N.A.	Shawn LEE
Zijin Mining	2899 HK	NEUTRA	HK\$1.8	HK\$1.57	-11	1,364	0.10	0.10	0.08	14.1	14.1	17.7	Shawn LEE
Jiangxi Copper	358 HK	SELL	HK\$13.72	HK\$10.2	-17	2,194	1.03	0.81	0.66	9.6	12.2	14.9	Shawn LEE
China Molybdenum	3993 HK	NEUTRA	HK\$4.89	HK\$3.1	-22	671	0.19	0.20	0.21	16.8	15.9	15.2	Shawn LEE
RUSAL	486 HK	NEUTRA	HK\$3.82	HK\$3.1	-12	6,822	-0.21	0.04	0.05	N.A.	11.3	9.1	Shawn LEE
Technology, Media & Telecom													
China Telecom	728 HK	NEUTRA	HK\$4.1	HK\$3.45	-9	6,785	0.22	0.25	0.28	13.8	12.2	10.9	Alex NG
China Unicom	762 HK	NEUTRA	HK\$13.0	HK\$11.34	-5	36,759	0.44	0.65	0.76	21.9	14.8	12.7	Alex NG
China Mobile	941 HK	NEUTRA	HK\$81.85	HK\$78.0	4	196,089	6.02	5.34	5.27	10.0	11.3	11.5	Alex NG
Wisdom	1661 HK	BUY	HK\$4.34	HK\$7.0	58	920	0.14	0.20	0.29	25.4	17.8	12.3	Jeff HAO
Kingdee	268 HK	NEUTRA	HK\$2.83	HK\$1.4	-45	836	0.05	0.08	0.10	40.8	25.5	20.4	Jeff HAO
Chinasoft	354 HK	NEUTRA	HK\$2.22	HK\$2.0	-10	530	0.08	0.10	0.13	22.2	17.8	13.7	Jeff HAO
Kingsoft	3888 HK	BUY	HK\$23.35	HK\$37.05	59	3,563	0.55	0.63	0.95	34.1	29.8	19.7	Jeff HAO
SinoMedia	623 HK	BUY	HK\$6.44	HK\$8.07	35	448	0.64	0.73	0.83	7.5	6.6	5.8	Jeff HAO
Tencent	700 HK	BUY	HK\$123.5	HK\$127.6	8	28,432	1.66	2.45	3.15	57.2	38.7	30.1	Jeff HAO
NetDragon	777 HK	BUY	HK\$14.18	HK\$20.34	42	940	0.32	0.65	0.82	35.9	17.7	14.0	Jeff HAO
Hardware Technology													
AAC Technologies	2018 HK	NEUTRA	HK\$49.4	HK\$40.0	-21	7,992	1.83	2.16	2.48	22.1	18.8	16.3	Alex NG
Coolpad	2369 HK	BUY	HK\$2.16	HK\$2.73	28	588	0.13	0.21	0.26	16.5	10.2	8.2	Alex NG
Sunny Optical	2382 HK	NEUTRA	HK\$10.7	HK\$8.37	-24	1,551	0.41	0.54	0.73	21.5	16.3	12.1	Alex NG
TCL Comm	2618 HK	BUY	HK\$9.75	HK\$12.5	33	1,406	0.28	0.98	1.34	33.5	9.6	7.0	Alex NG
Truly	732 HK	BUY	HK\$4.67	HK\$7.15	51	1,775	0.56	0.67	0.79	8.4	7.0	6.0	Alex NG
Lenovo Group	992 HK	BUY	HK\$10.94	HK\$10.5	-1	14,203	0.06	0.07	0.11	22.8	19.5	12.4	Alex NG
Textile & Garment													
China Lilang	1234 HK	BUY	HK\$5.17	HK\$5.14	4	766	0.43	0.41	0.44	9.2	9.7	9.0	Ivy ZHAO
361 Degrees	1361 HK	NEUTRA	HK\$1.83	HK\$1.76	-1	472	0.12	0.12	0.13	11.8	11.8	10.9	Ivy ZHAO
Xtep International	1368 HK	BUY	HK\$3.36	HK\$3.31	1	918	0.28	0.29	0.31	9.4	9.1	8.5	Ivy ZHAO
Belle	1880 HK	NEUTRA	HK\$8.81	HK\$7.89	-8	9,357	0.52	0.52	0.54	13.3	13.3	12.8	Ivy ZHAO

Company	Ticker	Rating	Share px Jul. 17	12-month TP	% Upside	Mkt cap (US\$m)	2014E	EPS 2015E	2016E	P/E 2014E	2015E	2016E	Analyst
Peak Sport	1968 HK	BUY	HK\$2.06	HK\$2.72	44	512	0.12	0.16	0.17	12.7	9.5	8.9	Ivy ZHAO
ANTA Sports Products	2020 HK	BUY	HK\$12.46	HK\$13.47	9	3,966	0.53	0.57	0.63	18.7	17.4	15.7	Ivy ZHAO
Li Ning	2331 HK	BUY	HK\$5.47	HK\$6.9	-16	1,096	-0.02	0.08	0.27	0.0	64.0	18.1	Ivy ZHAO
China Dongxiang	3818 HK	BUY	HK\$1.57	HK\$1.59	9	1,043	0.04	0.04	0.05	29.3	29.3	23.5	Ivy ZHAO
Ports Design	589 HK	NEUTRA	HK\$3.38	HK\$4.0	14	250	0.54	0.55	0.66	5.2	5.1	4.3	Ivy ZHAO
Trinity	891 HK	BUY	HK\$2.0	HK\$2.0	21	369	0.18	0.16	0.18	9.2	10.3	9.2	Ivy ZHAO
Food & Beverage													
Want Want China	151 HK	NEUTRA	HK\$10.88	HK\$13.05	17	18,685	0.05	0.06	0.07	28.7	24.0	20.5	Ling HUA
China Mengniu Dairy	2319 HK	BUY	HK\$37.45	HK\$47.0	31	9,052	0.90	1.24	1.54	32.0	23.2	18.7	Ling HUA
Tingyi	322 HK	BUY	HK\$21.75	HK\$24.9	15	15,134	0.07	0.10	0.11	40.0	28.0	25.5	Ling HUA
Vitasoy	345 HK	NEUTRA	HK\$10.06	HK\$11.6	17	1,319	0.33	0.36	0.39	30.0	27.5	25.4	Ling HUA
Retail													
Haier Electronics	1169 HK	BUY	HK\$22.0	HK\$24.4	20	6,881	0.80	0.95	1.17	20.3	17.1	13.9	Gloria WANG
Sa Sa International	178 HK	BUY	HK\$6.0	HK\$8.2	53	1,962	0.35	0.41	0.47	15.3	13.1	11.4	Gloria WANG
Intime Retail Group	1833 HK	BUY	HK\$7.27	HK\$10.3	52	1,759	0.52	0.60	0.69	10.5	9.1	7.9	Gloria WANG
Gome Electrical	493 HK	BUY	HK\$1.25	HK\$1.64	29	2,765	0.05	0.06	0.07	20.4	17.0	14.6	Gloria WANG
Bonjour Holdings	653 HK	NEUTRA	HK\$1.18	HK\$1.58	31	485	0.09	0.11	0.12	13.4	11.0	10.1	Gloria WANG
Alternative Energy													
Datang Renewable Power	1798 HK	SELL	HK\$1.1	HK\$0.74	-24	316	0.03	0.03	0.04	26.2	26.2	19.7	Lei YIN
China Wind Power	182 HK	BUY	HK\$0.63	HK\$1.1	77	716	0.02	0.04	0.06	31.0	15.5	10.3	Lei YIN
Xinjiang Goldwind	2208 HK	BUY	HK\$9.14	HK\$12.3	36	582	0.16	0.37	0.55	45.3	19.6	13.2	Lei YIN
GCL-Poly Energy	3800 HK	BUY	HK\$2.54	HK\$2.83	9	5,174	-0.04	0.11	0.18	N.A.	23.6	14.4	Lei YIN
Singyes Solar	750 HK	BUY	HK\$11.44	HK\$14.23	9	1,169	0.75	1.02	1.14	14.0	10.3	9.2	Lei YIN
Tianneng Power	819 HK	BUY	HK\$2.94	HK\$6.65	128	419	0.16	0.57	1.10	14.7	4.1	2.1	Lei YIN
China Longyuan Power	916 HK	BUY	HK\$8.08	HK\$9.84	35	3,624	0.26	0.36	0.45	24.7	17.8	14.3	Lei YIN
Huaneng Renewables	958 HK	BUY	HK\$2.48	HK\$3.2	25	2,982	0.10	0.12	0.19	20.6	17.1	10.8	Lei YIN
Port & Shipping													
COSCO Pacific	1199 HK	BUY	HK\$11.02	HK\$12.46	16	4,035	0.25	0.12	0.13	5.5	11.6	10.7	Kate LI
China Merchants	144 HK	NEUTRA	HK\$25.9	HK\$26.43	9	7,889	1.67	1.75	2.05	14.5	13.8	11.8	Kate LI
CSCL	2866 HK	NEUTRA	HK\$2.15	HK\$1.82	-9	968	-0.22	0.01	0.05	N.A.	160.6	32.1	Kate LI
Orient Overseas	316 HK	BUY	HK\$38.65	HK\$51.0	34	3,064	0.08	0.21	0.37	61.2	23.3	13.2	Kate LI
Sinotrans Shipping	368 HK	NEUTRA	HK\$2.11	HK\$2.4	8	1,143	0.00	0.01	0.01		28.6	28.6	Kate LI
Machinery & Equipment													
Zoomlion Heavy	1157 HK	NEUTRA	HK\$4.62	HK\$4.66	-3	885	0.51	0.49	0.52	7.6	7.9	7.4	Yiding JIAO

Company	Ticker	Rating	Share px Jul. 17	12-month TP	% Upside	Mkt cap (US\$m)	2014E	EPS 2015E	2016E	2014E	P/E 2015E	2016E	Analyst
CMEC	1829 HK	BUY	HK\$4.38	HK\$7.01	53	537	0.54	0.63	0.68	6.8	5.8	5.4	Yiding JIAO
Lonking	3339 HK	BUY	HK\$1.35	HK\$2.06	55	734	0.11	0.13	0.16	9.7	8.2	6.7	Yiding JIAO
Sany Heavy	631 HK	NEUTRA	HK\$1.71	HK\$1.47	-15	675	0.12	0.12	0.13	11.5	11.5	10.6	Yiding JIAO
Electric Power													
HUADIAN POWER	1071 HK	BUY	HK\$5.67	HK\$6.1	-6	866	0.56	0.61	0.65	6.7	6.2	5.8	Vera LIANG
China Power	2380 HK	BUY	HK\$3.37	HK\$3.6	18	2,542	0.40	0.41	0.47	6.1	6.0	5.2	Vera LIANG
Huaneng Power	902 HK	BUY	HK\$9.31	HK\$9.65	10	4,013	0.74	0.77	0.86	9.5	9.1	8.2	Vera LIANG
Datang Power	991 HK	BUY	HK\$3.96	HK\$4.4	9	1,296	0.27	0.33	0.39	9.0	7.4	6.2	Vera LIANG
Pharmaceutical & Healthcare													
Essex Bio-Technology	1061 HK	BUY	HK\$2.63	HK\$4.12	63	181	0.10	0.12	0.14	25.2	21.0	18.0	Jonathan HSU
CSPC Pharmaceutical	1093 HK	BUY	HK\$6.34	HK\$8.0	29	4,461	0.17	0.23	0.29	36.4	26.9	21.3	Jonathan HSU
Sinopharm Group	1099 HK	BUY	HK\$23.95	HK\$24.4	14	2,750	0.66	0.82	1.01	26.1	21.0	17.1	Jonathan HSU
Sino Biopharm	1177 HK	BUY	HK\$6.93	HK\$6.7	7	4,003	0.09	0.18	0.22	69.8	34.9	28.6	Jonathan HSU
Phoenix Healthcare	1515 HK	BUY	HK\$11.8	HK\$16.6	42	1,256	0.13	0.23	0.28	72.2	40.8	33.5	Jonathan HSU
Dawnrays	2348 HK	BUY	HK\$6.36	HK\$8.2	45	586	0.19	0.25	0.32	23.9	18.2	14.2	Jonathan HSU
Shineway Pharma	2877 HK	NEUTRA	HK\$13.9	HK\$12.3	-10	1,451	0.91	0.78	0.89	12.0	14.0	12.3	Jonathan HSU
Sihuan Pharmaceutical	460 HK	BUY	HK\$5.27	HK\$5.5	16	6,329	0.13	0.15	0.18	29.3	25.4	21.2	Jonathan HSU
iKang Healthcare Group	KANG	BUY	US\$18.95	US\$21.3	14	1,219	0.33	0.50	0.71	56.4	37.2	26.2	Jonathan HSU
Bank													
ABC	1288 HK	BUY	HK\$3.51	HK\$4.19	18	143,803	0.51	0.55	0.60	5.6	5.2	4.7	Donger WANG
ICBC	1398 HK	BUY	HK\$4.97	HK\$5.95	19	226,646	0.75	0.79	0.84	5.4	5.1	4.8	Donger WANG
Minsheng	1988 HK	BUY	HK\$7.12	HK\$8.35	18	25,944	1.49	1.60	1.78	3.8	3.6	3.2	Donger WANG
BOCOM	3328 HK	NEUTRA	HK\$5.24	HK\$4.81	-8	45,689	0.84	0.87	0.92	5.0	4.8	4.6	Donger WANG
CQRCB	3618 HK	BUY	HK\$3.53	HK\$4.15	17	4,271	0.64	0.71	0.78	4.5	4.0	3.7	Donger WANG
BOC	3988 HK	BUY	HK\$3.52	HK\$4.05	16	126,133	0.56	0.59	0.63	5.0	4.8	4.5	Donger WANG
China Construction Bank	939 HK	BUY	HK\$5.57	HK\$6.98	25	179,963	0.86	0.92	0.99	5.2	4.9	4.5	Donger WANG
Citic	998 HK	SELL	HK\$4.81	HK\$4.1	-14	28,850	0.84	0.85	0.96	4.6	4.5	4.0	Donger WANG
Gaming													
Wynn Macau	1128 HK	SELL	HK\$29.05	HK\$31.7	4	20,344	1.48	1.65	1.76	20.5	18.4	17.3	Angela HAN
Sands China	1928 HK	BUY	HK\$55.75	HK\$81.2	39	60,865	2.13	3.09	3.63	27.5	19.0	16.1	Angela HAN
MGM China	2282 HK	BUY	HK\$26.5	HK\$42.9	59	13,187	1.40	1.70	1.88	19.2	15.8	14.3	Angela HAN
Galaxy Entertainment	27 HK	BUY	HK\$62.0	HK\$79.9	29	33,685	2.39	2.96	3.91	25.9	21.0	15.9	Angela HAN
Melco Crown	6883 HK	BUY	HK\$84.5	HK\$120.6	28	20,004	3.00	4.16	4.79	31.3	22.6	19.6	Angela HAN
SJM	880 HK	SELL	HK\$19.84	HK\$16.3	-16	13,905	1.39	1.51	1.71	14.0	12.9	11.4	Angela HAN

Company	Ticker	Rating	Share px Jul. 17	12-month TP	% Upside	Mkt cap (US\$mn)	2014E	EPS 2015E	2016E	2014E	P/E 2015E	2016E	Analyst
Environmental Protection													
Everbright International	257 HK	BUY	HK\$11.4	HK\$12.2	10	6,409	0.30	0.38	0.48	36.9	29.2	23.1	Shawn LEE
Dongjiang Environmental	895 HK	BUY	HK\$24.65	HK\$34.1	36	1,125	0.60	0.84	1.28	33.6	24.0	15.8	Shawn LEE
Industrial Goods													
TK group	2283 HK	BUY	HK\$1.13	HK\$1.74	41	131	0.14	0.18	0.21	8.8	6.8	5.9	Ling HUA

HSI Index Components Performance

HSCEI Index Components Performance

Last price

Code	Name	Price	Chg 1D (%)	Code	Name	Price	Chg 1D (%)
1	CHEUNG KONG	139.2	-0.2	168	TSINGTAO BREW-H	60.50	-1.6
2	CLP HLDGS LTD	63.70	-0.2	177	JIANGSU EXPRES-H	9.70	0.0
3	HONG KG CHINA GS	16.90	-0.1	323	MAANSHAN IRON-H	1.69	-1.2
4	WHARF HLDG	56.90	-0.6	338	SINOPEC SHANG-H	2.33	-0.4
5	HSBC HLDGS PLC	79.80	0.3	347	ANGANG STEEL-H	5.24	-5.1
6	POWER ASSETS HOL	68.85	0.1	358	JIANGXI COPPER-H	13.72	-1.7
11	HANG SENG BK	128.6	0.0	386	SINOPEC CORP-H	7.35	0.8
12	HENDERSON LAND D	46.40	0.2	390	CHINA RAIL GR-H	4.11	0.5
13	HUTCHISON WHAMPO	104.5	-0.2	489	DONGFENG MOTOR-H	14.56	-0.3
16	SHK PPT	106.0	-0.2	552	CHINA COMM SER-H	3.88	0.0
17	NEW WORLD DEV	9.09	-0.4	576	ZHEJIANG EXPRESS	8.34	-1.0
19	SWIRE PACIFIC-A	97.05	-0.4	694	BEIJING CAP AI-H	5.55	0.4
23	BANK EAST ASIA	32.20	-0.5	728	CHINA TELECOM-H	4.10	-0.7
66	MTR CORP	29.80	0.5	753	AIR CHINA LTD-H	4.63	-1.3
83	SINO LAND CO	12.58	-0.6	857	PETROCHINA CO-H	10.16	-0.2
101	HANG LUNG PROPER	23.45	0.0	902	HUANENG POWER-H	9.31	0.0
144	CHINA MERCHANT	25.90	0.4	914	ANHUI CONCH-H	28.70	1.1
267	CITIC PACIFIC	14.54	-1.2	939	CHINA CONST BA-H	5.57	-0.2
291	CHINA RES ENTERP	21.90	0.7	991	DATANG INTL PO-H	3.96	-1.5
293	CATHAY PAC AIR	14.48	0.4	998	CHINA CITIC BK-H	4.81	0.4
330	ESPRIT HLDGS	11.42	-1.6	1088	CHINA SHENHUA-H	21.15	0.0
386	SINOPEC CORP-H	7.35	0.8	1133	HARBIN ELECTRIC	5.18	-0.2
388	HKEX	153.6	-0.4	1138	CHINA SHIPPING-H	4.79	-0.4
494	LI & FUNG LTD	10.22	-0.6	1171	YANZHOU COAL-H	5.83	0.2
551	YUE YUEN INDUS	25.30	0.0	1186	CHINA RAIL CN-H	7.30	0.3
688	CHINA OVERSEAS	20.30	-0.3	1398	ICBC-H	4.97	-0.2
700	TENCENT	123.5	-0.6	1800	CHINA COM CONS-H	5.61	-1.2
762	CHINA UNICOM HON	13.00	0.8	1898	CHINA COAL ENE-H	4.11	-0.7
857	PETROCHINA CO-H	10.16	-0.2	1919	CHINA COSCO HO-H	3.09	-1.0
883	CNOOC LTD	13.56	0.6	2318	PING AN INSURA-H	58.95	-0.1
939	CHINA CONST BA-H	5.57	-0.2	2328	PICC PROPERTY &	11.82	0.9
941	CHINA MOBILE	81.85	0.2	2600	ALUMINUM CORP-H	3.04	0.3
1088	CHINA SHENHUA-H	21.15	0.0	2628	CHINA LIFE INS-H	20.55	-0.7
1199	COSCO PAC LTD	11.02	0.0	2727	SHANGHAI ELECT-H	3.29	-0.6
1398	ICBC-H	4.97	-0.2	2777	GUANGZHOU R&F -H	10.52	-0.4
2038	FIH MOBILE LTD	4.67	-2.7	2866	CHINA SHIPPING-H	2.15	-0.9
2318	PING AN INSURA-H	58.95	-0.1	2883	CHINA OILFIELD-H	20.15	-1.2
2388	BOC HONG KONG HO	23.50	-0.6	2899	ZIJIN MINING-H	1.80	0.0
2600	ALUMINUM CORP-H	3.04	0.3	3323	CHINA NATL BDG-H	7.75	-0.6
2628	CHINA LIFE INS-H	20.55	-0.7	3328	BANK OF COMMUN-H	5.24	0.6
3328	BANK OF COMMUN-H	5.24	0.6	3968	CHINA MERCH BK-H	14.86	0.7
3988	BANK OF CHINA-H	3.52	-0.3	3988	BANK OF CHINA-H	3.52	-0.3
				3993	CMOC-H	4.89	3.0

A+H Company Performance

Last price

Name(H)	Code (H)	Price (H)	Code (A)	Price (A)	Spread (%)
NANJING PANDA-H	553	5.15	600775	8.09	96.2
JINGCHENG MAC	187	4.17	600860	6.33	89.6
JINGWEI TEXTIL-H	350	7.30	000666	10.89	86.3
NORTHEAST ELEC-H	42	1.68	000585	2.41	79.2
SHENJI GROUP-H	300	3.14	600806	4.49	78.6
SINOPEC SHANG-H	338	2.33	600688	3.31	77.5
CHONGQING IRON-H	1053	1.65	601005	2.33	76.4
TIANJIN CAP-H	1065	5.53	600874	7.75	75.1
SHANDONG XINHU-H	719	4.56	000756	6.09	66.8
BEIJING NORTH-H	588	2.02	601588	2.52	55.8
YANZHOU COAL-H	1171	5.83	600188	6.73	44.2
ALUMINUM CORP-H	2600	3.04	601600	3.20	31.5
BAIYUNSHAN PH-H	874	23.50	600332	23.04	22.5
CHINA SOUTHERN-H	1055	2.44	600029	2.35	20.3
DATANG INTL PO-H	991	3.96	601991	3.75	18.3
CHINA SHIPPING-H	1138	4.79	600026	4.51	17.6
MAANSHAN IRON-H	323	1.69	600808	1.59	17.5
JIANGXI COPPER-H	358	13.72	600362	12.76	16.2
DONGFANG ELECT-H	1072	13.00	600875	12.05	15.8
ANHUI EXPRESS-H	995	4.76	600012	4.28	12.3
GUANGSHEN RAIL-H	525	2.92	601333	2.61	11.7
CHINA CITIC BK-H	998	4.81	601998	4.05	5.2
SHENZHEN EXPRE-H	548	4.57	600548	3.79	3.6
HISENSE KELON -H	921	10.40	000921	8.51	2.2
ZTE CORP-H	763	16.52	000063	13.49	2.0
GUANGZHOU SHIP-H	317	13.73	600685	0.00	0.0
LUOYANG GLASS-H	1108	3.80	600876	7.24	0.0
SINOPEC YIZHEN-H	1033	1.77	600871	0.00	0.0
BANK OF CHINA-H	3988	3.52	601988	2.57	-8.8
AIR CHINA LTD-H	753	4.63	601111	3.33	-10.2
BANK OF COMMUN-H	3328	5.24	601328	3.70	-11.8
ICBC-H	1398	4.97	601398	3.45	-13.3
SINOPEC CORP-H	386	7.35	600028	4.98	-15.4
PING AN INSURA-H	2318	58.95	601318	39.91	-15.4
HUADIAN POWER-H	1071	5.67	600027	3.78	-16.7
CHINA LIFE INS-H	2628	20.55	601628	13.67	-16.9
HUANENG POWER-H	902	9.31	600011	6.15	-17.5
TSINGTAO BREW-H	168	60.50	600600	39.81	-17.8
CHINA MERCH BK-H	3968	14.86	600036	9.74	-18.1
JIANGSU EXPRES-H	177	9.70	600377	6.00	-22.7
ANGANG STEEL-H	347	5.24	000898	3.17	-24.4
WEICHAIR POWER-H	2338	31.00	000338	18.69	-24.7
ANHUI CONCH-H	914	28.70	600585	16.86	-26.6

Recently Published Research

Date published	Name of report	Analyst
17-Jul-14	Bonjour Holdings (653 HK)	Wang Xiaodi
16-Jul-14	Huadian Power (1071 HK)	Vera Liang
16-Jul-14	Sa Sa International (178 HK)	Wang Xiaodi
15-Jul-14	China Longyuan (916HK)	Yin Lei
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17-Jun-14	2H14 Hong Kong Shipping and Port Sector Investment	Kate Li
16-Jun-14	2H14 China Healthcare Equity Strategy	Jonathan Hsu
13-Jun-14	2H14 Oil & Gas Industry Outlook	Michael Yuk
12-Jun-14	HK Stock Market Machinery Sector Outlook	Yiding JIAO
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9-Jun-14	Truly International (732 HK)	Alex Ng
5-Jun-14	China Dongxiang (3818 HK)	Ivy Zhao
4-Jun-14	Belle(1880 HK)	Ivy Zhao
4-Jun-14	Environmental protection	Li Xiang
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OVERWEIGHT	Expected to outperform the market index by > 10% over the next 12 months
NEUTRAL	Expected to outperform or underperform the market index by 10% or less over the next twelve months
UNDERWEIGHT	Expected to underperform the market index by >10% over the next 12 months

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

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