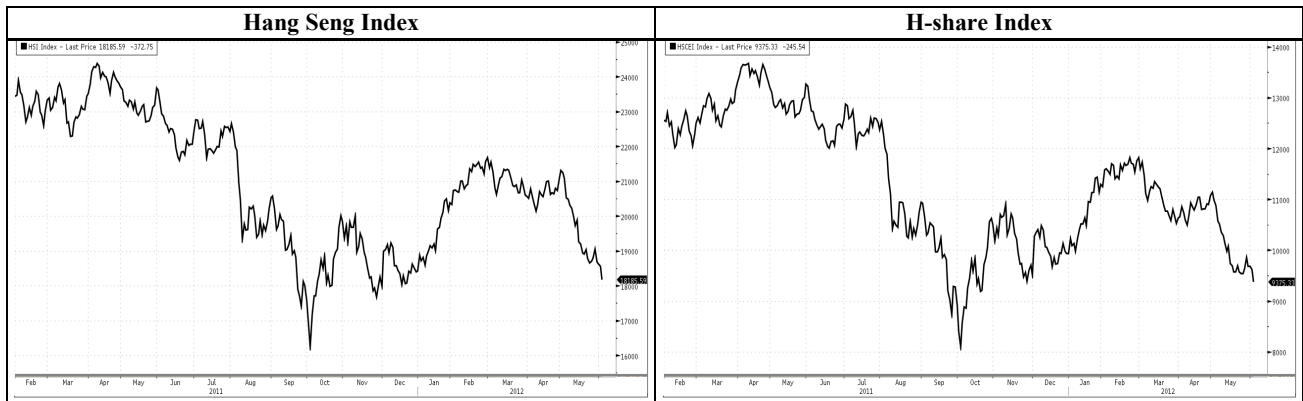




**HONG KONG STOCK MARKET SUMMARY**



**Indexes Performance**

04/06/2012	PER(x)	Close	Chg. (%)	Net Chg.	Day High	Day Low		(HK\$mn)	Chg. (%)
Hang Seng Index	8.81	18,185.59	-2.01%	-372.75	18,249.61	18,056.40	Main board turnover	51,724	-5.23%
HSI-Finance	8.54	24,813.64	-1.92%	-484.64	24,857.07	24,629.21	HSI stocks	20,639	-7.05%
HSI-Comm & Ind	9.62	10,892.47	-2.30%	-256.52	10,960.87	10,816.53	HSCEI stocks	12,883	1.86%
HSI-Properties	5.76	22,423.89	-2.35%	-539.14	22,540.76	22,293.56	Derivative warrants	6,432	-3.33%
HSI-Utilities	16.53	44,036.88	-0.13%	-56.05	44,078.67	43,568.45	Callable Bull/Bear	7,666	20.08%
HSI Volatility Index	-	31.40	8.76%	2.53	33.39	30.00	Short-selling	5,590	-2.12%

04/06/2012	PER(x)	Close	Chg. (%)	04/06/2012	Close	Chg. (%)
HS Composite Index	-	2,502.56	-2.47%	HSCI-Financials	2,659.52	-2.10%
Red Chip Index	10.15	3,567.59	-3.70%	HSCI-Services	3,270.44	-3.55%
HS H-share Index	7.86	9,375.33	-2.55%	HSCI-Telecom	1,599.42	-2.07%
H-share Financial Index	7.21	12,483.35	-3.01%	HSCI-Prop & con	2,325.93	-3.01%
				HSCI-Utilities	5,278.68	-0.71%
				HSCI-Energy	11,637.94	-2.48%
				HSCI-Materials	5,794.50	-2.96%
				HSCI-Industrial goods	1,039.20	-4.54%
				HSCI-Consumer goods	4,098.98	-2.99%
				HSCI-I.T.	2,383.53	-2.80%
				HSCI-Conglomerates	1,926.06	-2.67%

**Futures Market**

	Close	Net change	Chg.(%)	Day High	Day Low	Volume	O/I
<b>HSI Futures</b>							
HSI Jun 12	17,944	-476	-2.58%	18,064	17,856	80,892	106,651
HSI July 12	17,945	-464	-2.52%	18,066	17,859	1,016	1,723
<b>HS CEI Futures</b>							
HSCEI Jun 12	9,131	-283	-3.01%	9,221	9,097	53,424	117,921
HSCEI July 12	9,123	-306	-3.25%	9,210	9,123	900	998

**HK Stocks in the U.S.**

Code	Stock	In US (HK\$)	In HK (HK\$)	Chg.	Code	Stock	In US (HK\$)	In HK (HK\$)	Chg.
5	HSBC HOLDINGS	60.61	60.15	0.8%	857	PETROCHINA	9.77	9.71	0.6%
2888	STANCHART	152.62	155.00	-1.5%	386	SINOPEC CORP	6.84	6.77	1.0%
945	MANULIFE	79.06	78.80	0.3%	883	CNOOC	13.52	13.38	1.1%
2628	CHINA LIFE	17.34	17.06	1.6%	338	SHANGHAI PECEM	2.19	2.19	-0.1%
941	CHINA MOBILE	77.14	76.75	0.5%	670	CHINA EAST AIR	2.18	2.19	-0.6%
762	CHINA UNICOM	10.18	10.04	1.4%	1055	CHINA SOUTH AIR	3.43	3.48	-1.5%
728	CHINA TELCOM	3.32	3.37	-1.4%	902	HUANENG POWER	4.85	4.98	-2.7%
1137	CITY TELECOM	4.21	4.34	-3.1%	1171	YANZHOU COAL	12.25	12.22	0.3%
700	TENCENT	210.27	208.60	0.8%	2600	CHALCO	3.10	3.11	-0.4%
992	LENOVO GROUP	6.55	6.52	0.5%	525	GUANGSHEN RAIL	2.45	2.46	-0.3%

**HK stock market risks monitor**

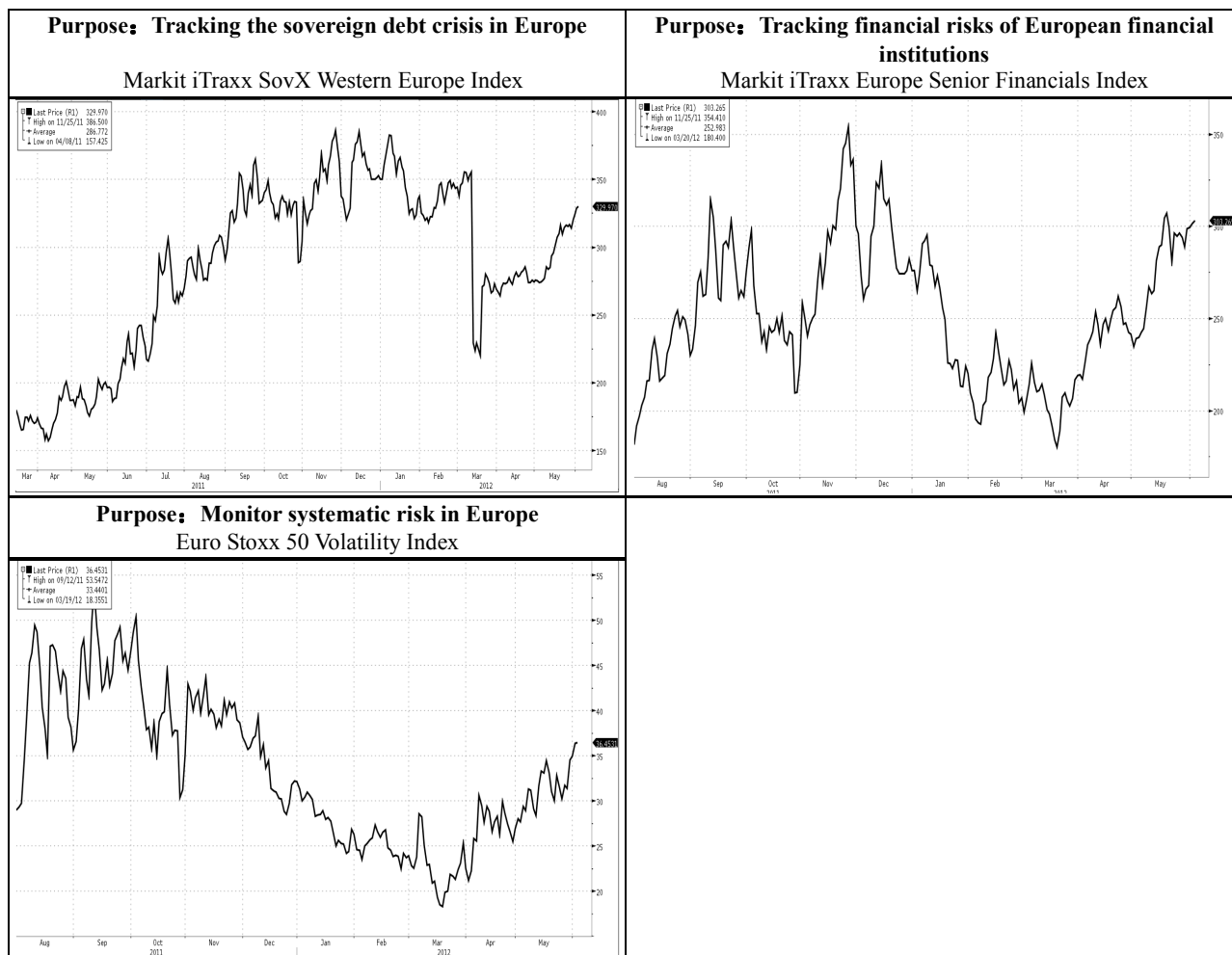
China 5-year CDS and HK 5-year CDS continued to increase on 04June. The HK\$ against US\$ is traded at 7.7589 in the morning of 05June.



Source: Bloomberg

**Europe debt crisis monitor (Update to 04/06/2012)**

Markit iTraxx SovX Western Europe Index which tracks CDS of 15 Western European and Markit iTraxx Europe Senior Financials Index which tracks CDS of major financial institutions in Europe rise on 04June.



Remarks: Indices indicate the default risks of sovereign debt and debts of financial institutions. Increase in index implies risk of debt crisis is rising and vice versa.

Source: Bloomberg, Markit



**SHORT SELLING ACTIVITIES (04/06/2012)**

Code	Stock	Price (HK\$)	Price Chg	Short sell ratio	Notes:
135	KUNLUN ENERGY CO	12.22	-6.14%	46%	The main short selling sector: • Energy- Kunlun Energy(135), Yanzhou Coal(1171) • Financial-Hang Seng Bank(11), China Minsheng Bank(1988)
1988	CHINA MINSHENG-H	6.97	-3.60%	42%	
11	HANG SENG BK	99.50	-0.50%	41%	
17	NEW WORLD DEV	8.21	-3.75%	38%	
267	CITIC PACIFIC	11.10	-4.64%	37%	
1919	CHINA COSCO HO-H	3.51	-3.04%	37%	
144	CHINA MERCHANT	22.35	-4.08%	31%	
1171	YANZHOU COAL-H	12.22	-4.53%	30%	
494	LI & FUNG LTD	14.08	-2.49%	30%	
2601	CHINA PACIFIC-H	21.75	-4.40%	29%	
4	WHARF HLDG	39.20	-3.57%	29%	
3968	CHINA MERCH BK-H	14.38	-1.51%	28%	
992	LENOVO GROUP LTD	6.52	-3.41%	28%	
23	BANK EAST ASIA	25.80	-0.19%	28%	
2777	GUANGZHOU R&F -H	9.53	-4.89%	28%	

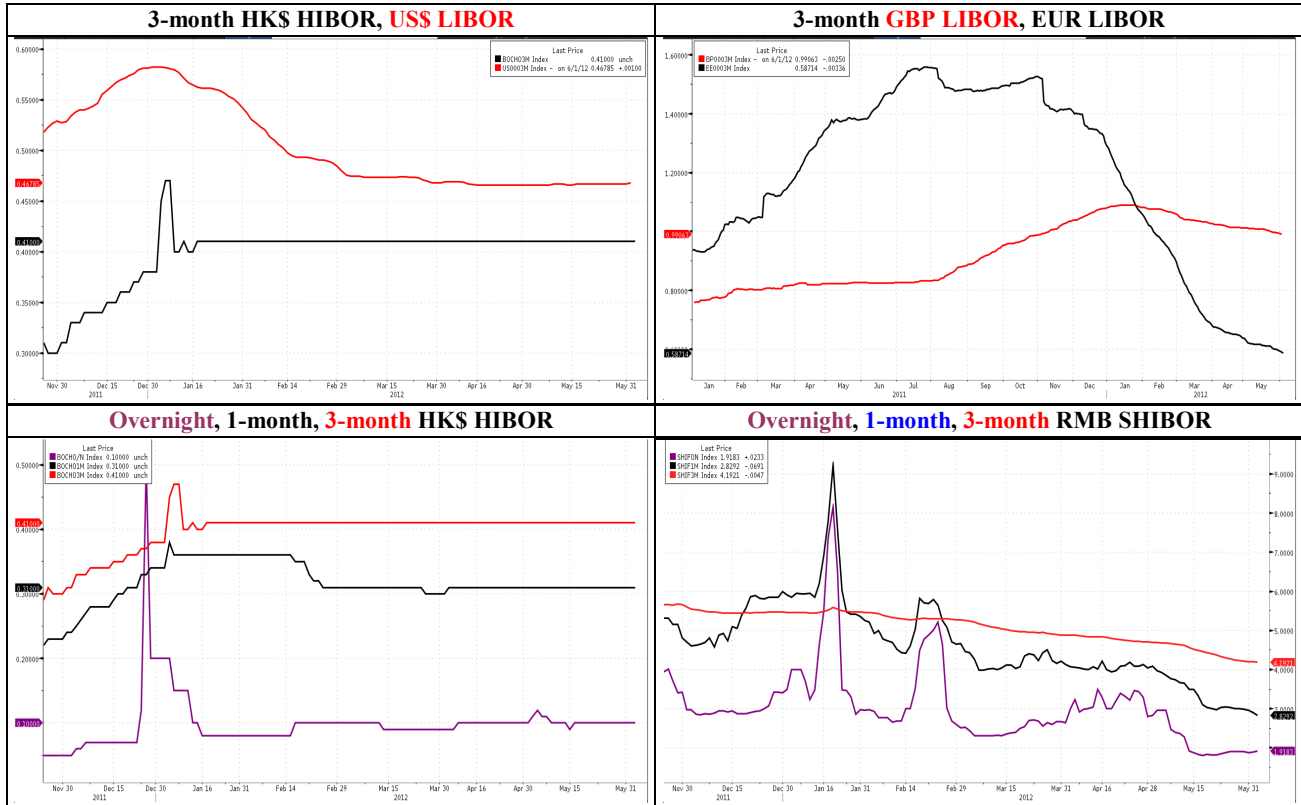
Remark: Ranked by top 15 short-selling turnover to total stock turnover ratios among Hang Seng Index, Red-chip index or H-share index. Short sell ratio = Short selling transaction value of the stock/total transaction value of the stock

**Top 10 Percentage Gainers and Losers (04/06/2012)**

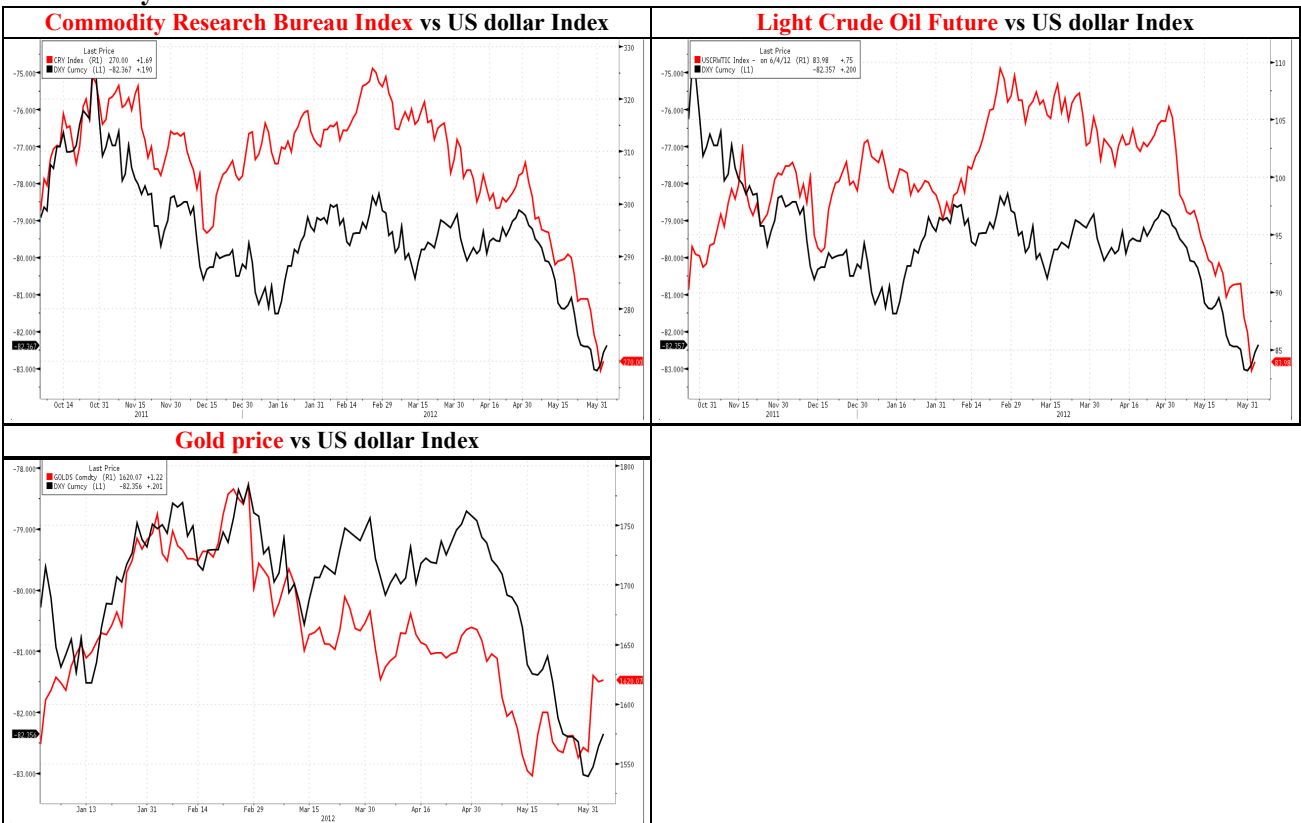
Hang Seng Index stocks								
Top 10 percent gain stocks					Top 10 percent loss stocks			
Rank	Code	Stock	Price (HK\$)	Change	Code	Stock	Price (HK\$)	Change
1	6	POWER ASSETS HOL	54.40	0.55%	762	CHINA UNICOM HON	10.04	-5.64%
2					2318	PING AN INSURA-H	53.4	-5.49%
3					2628	CHINA LIFE INS-H	17.06	-4.91%
4					1898	CHINA COAL ENE-H	6.68	-4.84%
5					388	HONG KONG EXCHNG	101.5	-4.78%
6					83	SINO LAND CO	10.26	-4.65%
7					267	CITIC PACIFIC	11.1	-4.64%
8					1088	CHINA SHENHUA-H	26.3	-4.19%
9					144	CHINA MERCHANT	22.35	-4.08%
10					1199	COSCO PAC LTD	8.93	-3.77%
H-share Index stocks								
Top 10 percent gain stocks					Top 10 percent loss stocks			
Rank	Code	Stock	Price (HK\$)	Change	Code	Stock	Price (HK\$)	Change
1	168	TSINGTAO BREW-H	49.05	3.15%	2328	PICC PROPERTY &	7.90	-7.17%
2	2899	ZIJIN MINING-H	2.59	2.37%	763	ZTE CORP-H	14.26	-6.68%
3	902	HUANENG POWER-H	4.98	2.26%	390	CHINA RAIL GR-H	2.75	-6.46%
4					998	CHINA CITIC BK-H	3.79	-6.42%
5					1066	SHANDONG WEIG-H	7.49	-6.14%
6					1157	ZOOMLION HEAVY-H	10.26	-5.52%
7					2318	PING AN INSURA-H	53.40	-5.49%
8					1186	CHINA RAIL CN-H	5.56	-5.12%
9					2628	CHINA LIFE INS-H	17.06	-4.91%
10					1898	CHINA COAL ENE-H	6.68	-4.84%
Top 10 percent gain stocks					Top 10 percent loss stocks			
Rank	Code	Stock	Price (HK\$)	Change	Code	Stock	Price (HK\$)	Change
1					966	CHINA TAIPING IN	11.76	-9.40%
2					1114	BRILLIANCE CHINA	6.97	-8.53%
3					119	POLY HONG KONG	3.41	-8.09%
4					123	YUEXIU PROPERTY	1.78	-7.29%
5					297	SINOFERT HOLDING	1.18	-6.35%
6					3808	SINOTRUK HK LTD	4.04	-6.26%
7					135	KUNLUN ENERGY CO	12.22	-6.14%
8					1313	CHINA RES CEMENT	5.17	-5.83%
9					762	CHINA UNICOM HON	10.04	-5.64%
10					267	CITIC PACIFIC	11.10	-4.64%

Source: Bloomberg

**Interest Rates Monitor**



**Commodity Monitor**



Source: Bloomberg

**Appendix: H-Share and A-share Price Comparison Table (04/06/2012)**

H-share Code	A-share Code	Stock Name	H-share					2011 PER	2012 PER	2013 PER	2011 P/B
			Price (HK\$)	price chg (%)	A-share Price (RMB)	price chg (%)	premium (discount) to A-share				
939	601939	CCB	5.32	-1.8%	4.44	-1.1%	-1.7%	6.42	5.92	5.28	1.35
1398	601398	ICBC	4.65	-1.1%	4.17	-1.7%	-8.5%	6.47	5.76	5.18	1.39
1288	601288	ABC	3.09	-0.6%	2.61	-1.5%	-2.9%	6.18	5.42	4.77	1.19
3988	601988	BANK OF CHINA	2.94	-1.3%	3.00	-1.0%	-19.6%	5.40	5.09	4.72	0.93
3328	601328	BANKCOMM	4.97	-1.4%	4.55	-1.5%	-10.4%	4.97	4.75	4.49	0.93
3968	600036	CM BANK	14.38	-1.5%	11.40	-2.3%	3.5%	7.06	6.54	5.94	1.54
998	601998	CITIC BANK	3.79	-6.4%	4.13	-2.6%	-24.7%	4.38	4.32	3.96	0.83
1988	600016	MINSHENG BANK	6.97	-3.6%	6.16	-2.8%	-7.2%	4.96	5.00	4.52	1.10
2628	601628	CHINA LIFE	17.06	-4.9%	16.95	-3.6%	-17.4%	21.53	14.31	11.61	2.07
2318	601318	PING AN	53.40	-5.5%	40.81	-3.2%	7.3%	17.39	13.24	11.03	2.65
2601	601601	CPIC	21.75	-4.4%	20.30	-5.3%	-12.1%	18.39	14.41	11.86	2.00
1336	601336	NEW CHINA LIFE	28.90	-2.5%	30.91	-5.7%	-23.3%	19.12	19.71	16.17	2.36
6030	600030	CITIC SEC	14.90	-7.1%	13.34	-3.9%	-8.4%	9.94	21.52	17.12	1.56
6837	600837	HAITONG SEC	10.10	-6.0%	10.19	-4.1%	-18.7%	-	19.22	15.81	-
857	601857	PETROCHINA	9.71	-0.7%	9.30	-1.7%	-14.4%	10.91	9.25	8.50	1.45
386	600028	SINOPEC CORP	6.77	-1.3%	6.49	-3.1%	-14.4%	6.58	6.33	5.86	1.02
338	600688	SHANGHAI PEICHEM	2.19	-3.1%	5.77	-3.7%	-68.9%	13.51	11.02	6.88	0.72
1033	600871	YIZHENG CHEM	1.56	-1.9%	6.76	-3.0%	-81.1%	6.09	7.53	7.11	0.57
2883	601808	CHINA OILFIELD	10.48	-4.4%	16.88	-5.4%	-49.1%	9.58	8.31	7.41	1.36
568	002490	SHANDONG MOLONG	4.81	-2.2%	14.81	-7.5%	-73.4%	9.39	-	-	0.58
1088	601088	SHENHUA ENERGY	26.30	-4.2%	25.21	-2.6%	-14.4%	9.58	8.76	7.84	1.90
1898	601898	CHINA COAL	6.68	-4.8%	8.79	-2.1%	-37.7%	7.20	6.82	5.92	0.89
1171	600188	YANZHOU COAL	12.22	-4.5%	21.91	-3.9%	-54.2%	5.63	6.00	5.56	1.17
902	600011	HUANENG POWER	4.98	2.3%	5.66	2.7%	-27.8%	48.91	12.12	10.72	1.13
991	601991	DATANG POWER	2.61	-3.0%	5.04	-0.6%	-57.5%	14.01	9.23	7.54	0.73
1071	600027	HUADIAN POWER	1.67	-0.6%	3.30	1.5%	-58.5%	124.54	8.11	6.62	0.57
670	600115	CHINA EAST AIR	2.19	-3.5%	4.01	-4.8%	-55.2%	4.45	6.03	5.02	1.01
1055	600029	CHINA SOUTH AIR	3.48	0.3%	4.68	-3.9%	-39.0%	5.49	8.35	7.40	0.87
753	601111	AIR CHINA	4.76	-3.4%	6.00	-4.9%	-34.9%	6.45	5.98	8.70	1.09
1800	601800	CHINA COMM CONS	6.83	-3.5%	5.29	-4.9%	5.9%	7.09	7.06	6.21	1.18
390	601390	CHINA RAILWAY	2.75	-6.5%	2.64	-3.6%	-14.6%	7.18	7.32	6.56	0.67
1186	601186	CHINA RAIL CONS	5.56	-5.1%	4.33	-4.0%	5.3%	7.13	7.64	6.89	0.87
1766	601766	CSR	5.48	-4.5%	4.81	-2.6%	-6.5%	13.79	13.79	11.68	2.36
525	601333	GUANGSHEN RAIL	2.46	-2.8%	3.16	-2.5%	-36.1%	8.07	9.09	8.17	0.56
177	600377	JIANGSU EXPRESS	7.43	-0.4%	5.96	-1.3%	2.3%	12.65	11.79	10.77	1.69
548	600548	SHENZHENEXPRESS	2.95	0.0%	3.94	-1.7%	-38.6%	6.03	6.84	6.32	0.57
995	600012	ANHUIEXPRESSWAY	3.35	-1.5%	4.35	-2.9%	-36.8%	5.37	5.28	5.12	0.71
107	601107	SICHUAN EXPRESS	2.69	0.4%	3.68	-3.7%	-40.0%	5.18	5.36	5.22	0.72
895	002672	DONGJIANG	30.20	0.0%	51.80	-0.4%	-52.2%	21.03	13.25	11.24	4.63
1065	600874	TIANJIN CAPITAL	1.85	-2.1%	5.56	-2.8%	-72.7%	7.71	8.67	9.20	0.61
1211	002594	BYD COMPANY	15.02	-4.3%	23.65	-2.6%	-47.9%	20.85	22.36	16.88	1.37
2238	601238	GUANGZHOU AUTO	6.40	-4.2%	7.76	-2.9%	-32.3%	7.56	7.33	6.26	1.11
2333	601633	GREATWALL MOTOR	15.40	-3.3%	16.44	-1.6%	-23.2%	10.36	8.97	8.08	3.08
2338	000338	WEICHAI POWER	32.35	-3.4%	32.40	-3.0%	-18.1%	7.90	8.40	7.27	1.93
1157	000157	ZOOMLION	10.26	-5.5%	10.61	-3.5%	-20.7%	8.02	7.42	6.45	1.83
187	600860	BEIREN PRINTING	1.59	0.0%	-	-	-	55.20	-	-	0.73
300	600806	JIAODA HIGHTECH	1.98	-3.9%	6.50	-5.1%	-75.0%	15.82	3.38	9.56	0.62
42	000585	NE ELECTRIC	0.62	0.0%	2.07	-3.3%	-75.4%	-	-	-	1.65
1072	600875	DONGFANG ELEC	17.18	-7.1%	21.31	-3.2%	-33.9%	9.21	8.42	7.98	2.05
2727	600627	SH ELECTRIC	3.17	-6.8%	5.41	-5.4%	-51.9%	10.21	9.25	8.39	1.14
2208	002202	GOLDWIND	3.06	-5.6%	7.09	-3.0%	-64.6%	10.91	14.85	12.94	0.53



350	000666	JINGWEI TEXTILE	4.20	-4.8%	12.56	-5.6%	-72.6%	4.25	-	-	0.61
168	600600	TSINGTAO BREW	49.05	3.2%	37.77	1.1%	6.5%	31.27	26.74	22.52	4.89
719	000756	SHANDONG XINHUA	1.74	-5.4%	5.30	-4.0%	-73.1%	8.50	-	-	0.38
874	600332	GUANGZHOU PHAR	13.30	10.6%	24.06	4.0%	-54.7%	30.73	24.36	19.95	2.34
2607	601607	SH PHARMA	9.24	-1.6%	10.49	-0.8%	-27.7%	9.02	10.38	9.15	0.88
1618	601618	MCC	1.72	0.6%	2.57	-3.4%	-45.1%	6.47	5.81	4.87	0.56
347	000898	ANGANG STEEL	4.21	-5.0%	4.05	-4.0%	-14.7%	-	1151.27	19.19	0.49
323	600808	MAANSHAN IRON	1.72	-7.0%	2.35	-3.7%	-40.0%	156.78	34.42	10.08	0.40
1053	601005	CHONGQING IRON	1.06	-7.8%	3.43	-7.8%	-74.6%	-	-	-	0.37
2600	601600	CHALCO	3.11	-2.8%	6.65	-3.6%	-61.6%	127.56	-	43.99	0.67
358	600362	JIANGXI COPPER	15.52	-3.6%	24.77	-3.6%	-48.6%	6.70	6.58	6.50	1.12
2899	601899	ZIJIN MINING	2.59	2.4%	4.15	0.2%	-48.8%	8.17	7.23	6.64	1.85
914	600585	ANHUI CONCH	22.50	-3.8%	16.56	-4.4%	11.5%	8.43	10.98	9.10	2.20
2009	601992	BBMG	5.64	-7.1%	7.85	-4.7%	-41.1%	5.71	5.29	4.50	0.98
588	601588	BEIJING N STAR	1.35	-2.2%	2.88	-2.7%	-61.5%	3.18	-	-	0.27
763	000063	ZTE	14.26	-6.7%	14.79	-3.3%	-20.9%	18.00	12.14	9.63	1.66
553	600775	NANJING PANDA	1.69	-2.9%	6.17	-3.3%	-77.5%	8.25	-	-	0.57
317	600685	GUANGZHOU SHIP	5.29	-2.0%	15.04	-4.3%	-71.1%	5.40	3.68	5.29	0.81
1919	601919	CHINA COSCO	3.51	-3.0%	4.86	-4.0%	-40.8%	-	-	20.14	0.85
2866	601866	CSCL	1.91	-2.1%	2.78	-3.8%	-43.6%	-	60.27	15.83	0.70
1138	600026	CHINA SHIP DEV	3.89	-5.1%	5.71	-2.7%	-44.1%	10.37	15.12	8.35	0.46
2880	601880	DALIAN PORT	1.66	-5.1%	3.32	-1.5%	-59.0%	8.83	7.44	6.98	0.48
921	000921	HISENSE KELON	1.49	-5.7%	4.17	-3.7%	-70.7%	7.29	-	-	2.06
1108	600876	LUOYANG GLASS	1.43	-0.7%	6.60	-0.5%	-82.2%	14.66	-	-	5.81
1812	000488	CHENMING PAPER	3.06	-6.1%	4.59	-3.0%	-45.3%	8.66	6.20	4.44	0.38

Source: Bloomberg

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## **Analyst Certification and Disclosure**

### **Analyst Certification**

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