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Exhibit 1: 1Q15 economic indicators

YoY% or otherwise specified	1Q'15	4Q'14	2014
GDP	7.0	7.3	7.4
CPI	1.2	1.5	2.0
PPI	(4.6)	(2.7)	(1.9)
Exports	4.7	8.5	6.1
Imports	(17.6)	(1.6)	0.4
Trade Balance (US\$/bn)	123.7	149.5	382.5
FAI (YTD%)	13.6	15.7	15.7
Industrial production	6.4	7.6	8.3
Retail Sales	10.6	11.7	12.0
M2	10.52	12.2	12.2
New loans (RMB/bn)	3,670.7	3,020.0	9,781.4
Aggregate financing (RMB/bn)	4,596.3	3,521.1	16,413.3

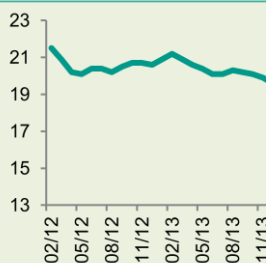
Source(s): NBS, PBOC, Bloomberg, ABCI Securities

Exhibit 2: March economic indicators

YoY% or otherwise specified	Mar'15	Jan-Feb'15
Manufacturing PMI(%)	50.1	49.9
Non-Manufacturing PMI (%)	53.7	53.9
CPI	1.4	1.1
PPI	(4.6)	(4.6)
Exports	(15.0)	15.0
Imports	(12.7)	(20.2)
Trade Balance (US\$/bn)	3.08	120.6
FAI (YTD%)	13.5	13.9
Industrial production	5.6	6.8
Retail Sales	10.2	10.7
M2	11.6	12.5
New loans (RMB/bn)	1,180	2,490
Aggregate financing (RMB/bn)	1,180	3,400.8

Source(s): NBS, PBOC, Bloomberg, ABCI Securities

Exhibit 3: FAI (YTD YoY %)



Source(s): NBS, Bloomberg, ABCI Securities

Disappointing 1Q15 data suggest more stimulus needed

China posted a GDP growth of 7.0% YoY for 1Q15 (up 1.3% QoQ), in line with market consensus and our forecast. However, macro indicators declined across the board on slower-than-expected recovery in investment and consumption. We believe more policies will be formulated to support economic growth, foster job creation, and enhance efficiency. As economic policies would remain accommodative throughout 2015, and lagged impacts of previous credit loosening measures on consumption and investment are likely to be seen in 2Q15 and 3Q15, we expect China's economic growth to improve going forward.

FAI faltered in March. YTD growth of FAI was 13.5% YoY in March, lower than market expectation (consensus: 13.9% YoY) and previous reading (2M14: 13.9% YoY). This was mainly caused by the government's efforts to reduce redundant investments and overcapacity. Also contributing to the slowdown was the languishing momentum in real estate FAI, which grew only by 8.5% YoY. However, the government's new investment programs in five provinces and initiatives to accelerate project approval, as announced earlier in April this year, would help boost FAI later in the year.

Industrial production is losing momentum. In March, industrial production expanded by 5.6% YoY, down from the 6.8% YoY in February. Resumption of overall manufacturing activities after the holiday was slower than expected, but some product categories still managed to record double-digit growth on a YoY basis. In particular, value-added growth of "Computer, Communication Equipment and Other Electronic Equipment" rose by 12.3% YoY while "Railways, Shipbuilding, Aerospace and Other Transportation Equipment" increased 15.5%. We believe industrial production would advance further as business environment turns more favorable in the coming months.

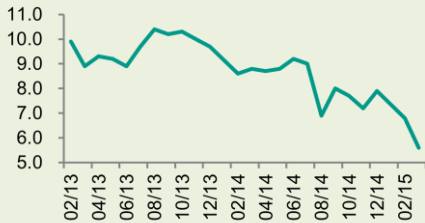
Retail sales growth decelerated. Retail sales in March grew 10.2% YoY, lower than the 10.7% YoY expansion in 2M15. Most categories recorded a double-digit YoY increase. Year-on-year growth of online retail sales, however, decelerated in March, and 1Q15 growth was 41.0% YoY (Jan-Feb: 47.4% YoY). We believe it will take more time for retail sales to become one of the major economic drivers in China.

Market surprised by external trade decline. Exports and imports declined by 15.0% YoY (RMB 14.6% YoY) and 12.7% YoY (RMB 12.3%) in March, while trade balance was US\$ 3.08bn (RMB \$18.2 bn). For 1Q15, exports rose 4.7% (RMB 4.9%) while imports dropped 17.6% YoY (RMB 17.3%). The declines were partly caused by the high bases in 2014, but they also reflect that demand has been softening. Yet, we believe the absolute values of exports and imports would continue to increase MoM as domestic demand rebounds on improved economic outlook as well as surging demand for China's exports from emerging economies and the U.S.

Disinflation accelerated in 1Q15. CPI increased by 1.4% YoY and PPI decreased by 4.6% YoY in March. For 1Q15, CPI inflation fell to 1.2% YoY (versus 1.5% in 4Q14), the lowest since 2009. The deceleration in inflation was primarily driven by dipping food and non-food prices that only rose 1.9% and 0.8% in 1Q15 on tepid

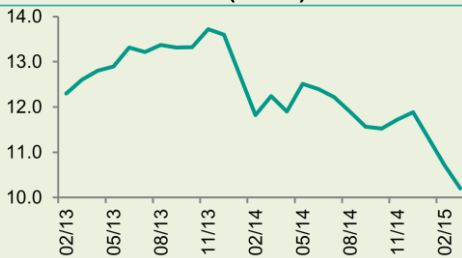


Exhibit 4: Industrial production (YoY %)



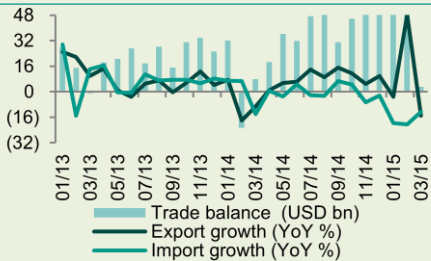
Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 5: Retail sales (YoY %)



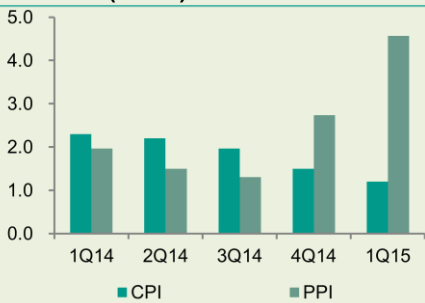
Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 6: External trade



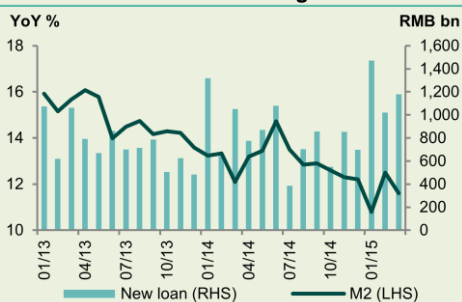
Source(s): Bloomberg, ABCI Securities

Exhibit 7: CPI growth narrows, and decline of PPI widens (YoY %)



Source(s): NBS, Bloomberg, ABCI Securities

Exhibit 8: New loans and M2 growth



Source(s): PBOC, Bloomberg, ABCI Securities

growth in the economy. In our view, a low CPI level would leave room for the government to maneuver economic policies when necessary. For the PPI, decreased manufacturing activities and low input prices extended the decline to 4.6% in 1Q15 (versus 2.7% in 4Q14). While a major turnaround in PPI is unlikely in the short term, we expect the index to improve gradually over time.

Monetary data reflected PBOC's prudent stance. New loans and M2 growth were RMB 1180bn and 11.6% YoY in March. On one hand, the loan data signals that credit growth would normalize as the government develops a more well-rounded capital market, and recent withdrawal of liquidity from the market by PBOC may continue in the near future; on the other hand, the decrease in M2 shows that despite the growing credit, circulation of liquidity was slowed by the tightening measures. Also noteworthy is that trust loan in total social financing have been declining on year for the past 3 months. We believe the changes observed were driven by the government's efforts to manage shadow banking risks. We expect new loans to gradually normalize after 1Q15, and M2 growth is likely to be determined by PBOC's future actions.



China Economic Indicators

	2014												2015		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Real GDP (YoY%)	---	---	7.4	---	--	7.5	--	---	7.3	---	---	7.3	---	---	7.0
Export Growth (YoY%)	10.6	(18.1)	(6.6)	0.9	7.0	7.2	14.5	9.4	15.3	11.6	4.7	9.7	(3.2)	48.3	(15.0)
Import Growth (YoY%)	10.0	10.1	(11.3)	0.8	(1.6)	5.5	(1.6)	(2.4)	7.0	4.6	(6.7)	(2.4)	(19.7)	(20.5)	(12.7)
Trade Balance (USD/bn)	31.9	(23.0)	7.7	18.5	35.9	31.6	47.3	49.8	30.9	45.4	54.5	49.6	60.0	60.6	3.08
Retail Sales Growth (YoY%)	11.8		12.2	11.9	12.5	12.4	12.2	11.9	11.6	11.5	11.7	11.9	10.7		10.2
Industrial Production (YoY%)	8.6		8.8	8.7	8.8	9.2	9.0	6.9	8.0	7.7	7.2	7.9	6.8		5.6
PMI - Manufacturing (%)	50.5	50.2	50.3	50.4	50.8	51.0	51.7	51.1	51.1	50.8	50.3	50.1	49.8	49.9	50.1
PMI - Non-manufacturing (%)	53.4	55.0	54.5	54.8	55.5	55.0	54.2	54.4	54.0	53.8	53.9	54.1	53.7	53.9	53.7
FAI(YTD) (YoY%)	17.9		17.6	17.3	17.2	17.3	17.0	16.5	16.1	15.9	15.8	15.7	13.9		13.5
CPI (YoY%)	2.5	2.0	2.4	1.8	2.5	2.3	2.3	2.0	1.6	1.6	1.4	1.5	0.8	1.4	1.4
PPI (YoY%)	(1.6)	(2.0)	(2.3)	(2.0)	(1.4)	(1.1)	(0.9)	(1.2)	(1.8)	(2.2)	(2.7)	(3.3)	(4.3)	(4.8)	(4.6)
M2(YoY%)	13.2	13.3	12.1	13.2	13.4	14.7	13.5	12.8	12.9	12.6	12.3	12.2	10.8	12.5	11.6
New Lending (RMB/bn)	1,320	644.5	1,050	774.7	870.8	1,080	385.2	702.5	857.2	548.3	852.7	697.3	1,470.0	1,020	1,180
Aggregate Financing (RMB bn)	2,580	938.7	2,081.3	1,550	1,400	1,970	273.7	957.7	1,135.5	662.7	1,146.3	1,690.0	2,050.0	1,350	1,180

World Economic/Financial Indicators

Equity Indices				Global Commodities				Bond Yields & Key Rates			
	Closing price	Chg. WTD (%)	P/E	Unit	Price	Chg. WTD (%)	Volume (5-day avg.)		Yield (%)	Chg. WTD (Bps)	
U.S.				Energy				US Fed Fund Rate			
DJIA	18,036.70	(0.12)	15.79	NYMEX WTI	USD/bbl	53.96	4.49	440,771		0.25	0.00
S&P 500	2,095.84	(0.30)	18.47	ICE Brent Oil	USD/bbl	59.06	2.06	157,831	US Prime Rate	3.25	0.00
NASDAQ	4,977.29	(0.37)	29.50	NYMEX Natural Gas	USD/MMBtu	2.52	0.32	143,972	US Discount Window	0.75	0.00
MSCI US	2,009.17	(0.32)	19.00	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	N/A	US Treasury (1 Yr)	0.2087	(1.02)
Europe				Basic Metals				US Treasury (5Yr)			
FTSE 100	7,104.68	0.21	24.21	LME Aluminum Cash	USD/MT	1,792.25	1.26	39,065	US Treasury (10 Yr)	1.8967	(5.06)
DAX	12,310.43	(0.52)	20.49	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,789.00	1.36	31,201	Japan 10-Yr Gov. Bond	0.3290	(1.60)
CAC40	5,252.47	0.23	27.15	CMX Copper Active	USD/lb.	5,954.50	(1.59)	19,583	China 10-Yr Gov. Bond	3.7000	12.00
IBEX 35	11,787.80	0.33	22.27	LME Copper 3- mth Rolling Fwd.	USD/MT	5,945.00	(1.56)	40,294	ECB Rate (Refinancing)	0.05	0.00
FTSE MIB	23,961.61	0.35	92.61	Precious Metals				1-Month LIBOR			
Stoxx 600	414.87	0.47	25.41	CMX Gold	USD/T. oz	1,188.90	(1.30)	124,387	3 Month LIBOR	0.2753	(0.17)
MSCI UK	2,078.51	(0.16)	24.49	CMX Silver	USD/T. oz	16.07	(1.94)	45,108	O/N SHIBOR	2.3070	(18.2)
MSCI France	147.03	(0.39)	27.98	NYMEX Platinum	USD/T. oz	1,148.40	(1.90)	8,020	1-mth SHIBOR	4.3840	(17.4)
Asia				Agricultural Products				3-mth HIBOR			
NIKKEI 225	19,869.76	(0.19)	22.46	CBOT Corn	USD/bu	379.50	(1.36)	129,447	Corporate Bonds (Moody's)		
S&P/ASX 200	5,908.42	(1.00)	21.28	CBOT Wheat	USD/bu	496.00	(5.34)	78,516	Aaa	3.52	(1.00)
HSI	27,618.82	1.27	11.62	NYB-ICE Sugar	USD/lb.	13.00	1.72	93,192	Baa	4.48	(1.00)
HSCEI	14,471.82	3.46	10.31	CBOT Soybeans	USD/bu.	967.25	1.18	94,072			
CSI300	4,380.51	0.83	18.92								
SSE Composite	4,084.16	1.24	20.11								
SZSE Composite	2,101.65	(2.21)	49.56								
MSCI China	81.68	0.99	12.62								
MSCI Hong Kong	14,337.55	0.53	10.76								
MSCI Japan	978.38	0.01	17.96								

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-mth Spot pr.
Spot Rate	1.0581	1.4710	0.7579	119.55	0.9756	6.2051	7.7512	6.3125
Chg. WTD (%)	(0.22)	0.53	(1.34)	0.56	0.36	0.06	(0.01)	0.28

Note:

- Data sources: Bloomberg, National Bureau of Statistics of China, ABCIS (updated on date of report)
- Australia Newcastle Steam Coal Spot fob is the Australia Newcastle 6700 kc GAD fob Steam Coal Spot price published by McCloskey



Disclosures

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Definition of equity rating

Rating	Definition
Buy	Stock return \geq Market return rate
Hold	Market return - 6% \leq Stock return < Market return rate
Sell	Stock return < Market return - 6%

Stock return is defined as the expected % change of share price plus gross dividend yield over the next 12 months

Market return: 5-year average market return rate from 2009-2013

Time horizon of share price target: 12-month

Definition of share price risk

Rating	Definition
Very high	$2.6 \leq 180$ day volatility/180 day benchmark index volatility
High	$1.5 \leq 180$ day volatility/180 day benchmark index volatility < 2.6
Medium	$1.0 \leq 180$ day volatility/180 day benchmark index volatility < 1.5
Low	180 day volatility/180 day benchmark index volatility < 1.0

We measure share price risk by its volatility relative to volatility of benchmark index. Benchmark index: Hang Seng Index.

Volatility is calculated from the standard deviation of day to day logarithmic historic price change. The 180-day price volatility equals the annualized standard deviation of the relative price change for the 180 most recent trading days closing price.

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