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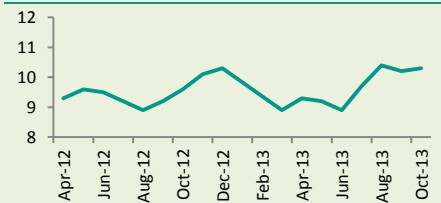
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Exhibit 1: Economic indicators for Oct 2013

YoY% or otherwise specified	Oct 2013	Sept 2013
CPI	3.2	3.1
PPI	(1.5)	(1.3)
Exports	5.6	(0.3)
Imports	7.6	7.4
Trade Balance (US\$/bn)	31.1	15.2
FAI (YTD%)	20.1	20.2
Industrial production	10.3	10.2
Retail Sales	13.3	13.3
M2	14.3	14.2
New loans (RMB/bn)	506.1	787

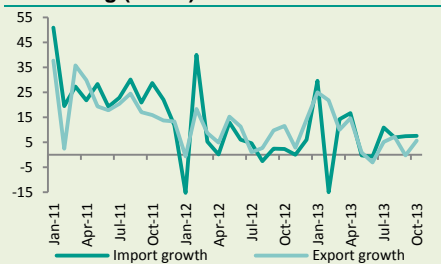
Source(s): National Bureau of Statistics, Bloomberg

Exhibit 2 Industrial production is trending up (YTD YoY%)



Source(s): National Bureau of Statistics, Bloomberg

Exhibit 3: External trade is steadily recovering (YoY%)



Source(s): National Bureau of Statistics, Bloomberg

October data – Recovery on track

Entering 4Q13, the Chinese economy recorded an accelerated recovery in manufacturing and exports, boosting the government's confidence and determination to restructure its economy in the coming decade. The October economic data confirms a mild recovery. Looking forward, we believe economic policies will remain accommodative and lagged impacts of consumption, investment, and fiscal stimulus will be felt as the quarter progresses.

Inflation pressure is looming but still under control. In October, CPI was 3.2% YoY, driven mainly by the food price CPI that accelerated to 6.5% YoY. Within the food category, prices of fresh vegetables grew 31.5% YoY. CPI of other product categories stayed mostly the same as the previous month. However, decline in PPI widened to 1.5% YoY. The factory-gate deflation was mainly driven by the larger-than-expected decline in prices of "Means of production". We expect CPI to continue rising in 4Q, but the index will remain below the target of 3.5% YoY. We also anticipate that deflation in PPI will continue to narrow for the rest of the year.

YTD FAI growth stabilized above 20%. For October, the YTD FAI growth came in slightly lower than expected at 20.1% YoY (September: 20.2%YoY). The mild deceleration was mainly caused by the decline in real estate investment. The YoY growth rates of the floor space under construction and newly started buildings were lower than that of September. In addition, investment in construction sector further contracted, contributing to the lower-than-expected FAI growth in October. As the economy stabilizes, we expect economic growth to be driven more by consumption than FAI.

Industrial production growth was higher than expected. Industrial production in October grew 10.3% YoY, the highest since December 2012. Continuous improvement in growth of industrial production and PMI indicate recovery in China's manufacturing sector. Although the improvement could be partly attributed to the low base last year, we believe the consistent growth among major product categories for the past 10 months unanimously point to a sustainable recovery, and that the positive momentum will continue in the near future.

Retail sales recorded flat growth. October's retail sales grew 13.3% YoY, the same as September, with seven out of the 14 product categories under the "Retail sales of goods" showing slower growth. Among which, "Garments, Footwear, Hats, Knitwear" and "Catering services" registered high single-digit growth. We expect that retail sales in November and December to improve on sales promotion for the festive season.

High-flying trade data for October. Trade in October was better than expected. Exports/imports grew 5.6%/7.6% YoY (September: -0.3%/7.4% YoY) while trade balance increased to US\$ 31.1 billion (September: US\$ 15.2 billion). The positive trade data reflects that China's economy is stabilizing on the back of strong domestic demand and recovering developed markets. Looking ahead to November and December, we believe that imports will continue to improve on strong domestic demand. Exports, however, may suffer from the uncertain outlook in Europe and the still vulnerable external



trade environment indicated by the lower-than-expected transaction volume in the latest China Export and Import Fair.

New loans and M2 growth reflect prudent monetary policies are still in play. M2 growth for October was higher than expected at 14.3% YoY (September: 14.2% YoY), while new loans was much lower than expected at RMB 506.1 billion. We believe the accelerated M2 growth was mainly a result of low-base effect rather than strong credit demand. Moreover, we believe the lower new loans number in October can be attributed to the 'holiday effect' and the lower desire for banks to increase lending as their full-year targets are almost fulfilled. In our view, a similar trend in M2 growth and new loans will persist for the rest of the year.



China Economic Indicators

	2012			2013									
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Real GDP (YoY%)	---	---	7.9	---	---	7.7	---	---	7.5	---	---	7.8	---
Export Growth (YoY%)	11.6	2.9	14.1	25.0	21.8	10.0	14.7	1.0	(3.1)	5.1	7.2	(0.3)	5.6
Import Growth (YoY%)	2.4	0	6	28.8	(15.2)	14.1	16.8	(0.3)	(0.7)	10.9	7.0	7.4	7.6
Trade Balance (USD/bn)	32.11	19.63	31.6	29.2	15.3	(0.9)	18.2	20.4	27.1	17.8	28.5	15.2	31.1
Retail Sales Growth (YoY%)	14.5	14.9	15.2		12.3	12.6	12.8	12.9	13.3	13.2	13.4	13.3	13.3
Industrial Production (YoY%)	9.6	10.1	10.3		9.9	8.9	9.3	9.2	8.9	9.7	10.4	10.2	10.3
PMI - Manufacturing (%)	50.2	50.6	50.6	50.4	50.1	50.9	50.6	50.8	50.1	50.3	51.0	51.1	51.4
PMI - Non-manufacturing (%)	55.5	55.6	56.1	56.2	54.5	55.6	54.5	54.3	53.9	54.1	53.9	55.4	56.3
FAI(YTD) (YoY%)	20.7	20.7	20.6		21.2	20.9	20.6	20.4	20.1	20.1	20.3	20.2	20.1
CPI (YoY%)	1.7	2	2.4	2.0	3.2	2.1	2.4	2.1	2.7	2.7	2.6	3.1	3.2
PPI (YoY%)	(2.8)	(2.2)	(1.9)	(1.6)	(1.6)	(1.9)	(2.6)	(2.9)	(2.7)	(2.3)	(1.6)	(1.3)	(1.5)
M2 (YoY%)	14.1	13.9	13.8	15.9	15.2	15.7	16.1	15.8	14.0	14.5	14.7	14.2	14.3
New Lending (RMB/bn)	505.2	522.9	454.3	1070.0	620.0	1060.0	792.9	667.4	860.5	699.9	711.3	787.0	506.1

World Economic/Financial Indicators

Equity Indices				Global Commodities				Bond Yields & Key Interest Rates			
	Closing price	Chg. WTD (%)	P/E	Unit	Price	Chg. WTD (%)	Volume (5-day avg.)		Yield (%)	Chg. WTD	
U.S.				Energy							
DJIA	15,761.78	0.00	15.28	NYMEX WTI	USD/bbl	94.35	(0.26)	246,114	US Fed Fund Rate	0.25	0.000
S&P 500	1,770.61	0.00	16.76	ICE Brent Oil	USD/bbl	105.44	0.30	239,007	US Prime Rate	3.25	0.000
NASDAQ	3,919.23	0.00	23.53	NYMEX Natural Gas	USD/MMBtu	3.56	0.08	120,519	US Discount Window	0.75	0.000
MSCI US	1,692.30	0.00	16.94	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	80.60	N/A	N/A	US Treasury (1 Mth)	0.0355	0.000
Europe				Basic Metals							
FTSE 100	6,716.29	0.12	20.28	LME Aluminum Cash	USD/MT	1,771.25	0.00	23,353	US Treasury (5 Yr)	1.4118	0.000
DAX	9,082.02	0.04	14.91	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,815.00	0.00	32,272	US Treasury (10 Yr)	2.7477	0.000
CAC40	4,267.10	0.16	18.35	CMX Copper Active	USD/lb.	326.60	0.37	54,239	Japan 10-Yr Gov. Bond	0.5970	0.003
IBEX 35	9,725.50	(0.22)	56.49	LME Copper 3- mth Rolling Fwd.	USD/MT	7,167.50	0.00	47,733	China 10-Yr Gov. Bond	4.2500	0.030
FTSE MIB	18,951.04	(0.06)	391.4	TSI CFR China Iron Ore Fines Index ³	USD	135.90	0.44	N/A	ECB Rate (Refinancing)	0.25	(0.25)
Stoxx 600	323.12	0.12	20.92	Precious Metals							
MSCI UK	1,982.06	0.00	20.17	CMX Gold	USD/T. oz	1,281.50	(0.24)	129,220	1-Month LIBOR	0.1685	0.00
MSCI France	118.76	0.00	21.05	CMX Silver	USD/T. oz	21.31	(0.06)	37,550	3 Month LIBOR	0.2394	0.002
MSCI Germany	124.65	0.00	14.34	NYMEX Platinum	USD/T. oz	1,439.20	(0.26)	8,051	O/N SHIBOR	3.6000	(0.16)
MSCI Italy	54.55	0.00	97.92	Agricultural Products							
Asia				CBOT Corn	USD/bu	430.50	0.88	227,859	3-Month HIBOR	0.3807	0.001
NIKKEI 225	14,269.84	1.30	20.78	CBOT Wheat	USD/bu	651.75	0.31	61,384	Corporate Bonds (Moody's)		
S&P/ASX 200	5,387.14	(0.25)	22.57	NYB-ICE Sugar	USD/lb.	18.12	0.22	49,785	Aaa	4.57	0.03
HSI	23,069.85	1.43	10.45	CBOT Soybeans	USD/bu.	1,294.50	(0.12)	96,410	Baa	5.33	0.04
HSCEI	10,582.90	1.85	7.90								
CSI300	2,315.89	0.34	10.84								
SSE Composite	2,109.47	0.16	10.56								
SZSE Composite	1,004.94	0.71	37.19								
MSCI China	60.75	0.00	9.52								
MSCI Hong Kong	11,924.40	0.00	10.79								
MSCI Japan	725.59	0.00	15.98								

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-Mth
Spot Rate	1.3385	1.6016	0.9371	99.09	0.9209	6.0914	7.7528	6.1595
Chg. WTD (%)	0.13	(0.01)	(0.15)	(0.04)	0.07	(0.01)	(0.01)	(0.02)

Note:

- Data sources: Bloomberg Finance LP, 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
- TSI CFR China Iron Ore Fines Index is calculated with the 62% Fe specification, spot price



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 2007-2011

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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