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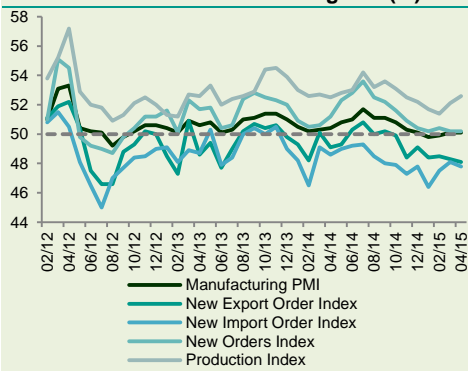
Exhibit 1: April economic indicators

YoY% or otherwise specified	Apr'15F	Mar'15
Manufacturing PMI(%)	50.1	50.1
Non-Manufacturing PMI (%)	53.4	53.7
CPI	2.0	1.4
PPI	(4.0)	(4.6)
Exports	(8.0)	(15.0)
Imports	(10.5)	(12.7)
Trade Balance (US\$/bn)	21.23	3.08
FAI (YTD%)	13.6	13.5
Industrial production	6.0	5.6
Retail Sales	10.6	10.2
M2	12.0	11.6
New loans (RMB/bn)	1,000	1,180
Aggregate financing (RMB/bn)	1,373.1	1,180

* Manufacturing PMI and Non-Manufacturing PMI are actual figures

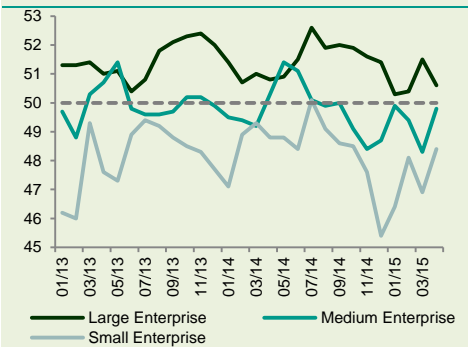
Source(s): NBS, PBOC, Bloomberg, ABCI Securities forecast

Exhibit 2: China's manufacturing PMI (%)



Source(s): Bloomberg, ABCI Securities

Exhibit 3: PMI for SMEs rebounded



Source(s): Bloomberg, ABCI Securities

April PMI signals stammered growth

China's newly released manufacturing PMI for April stayed unchanged at 50.1, higher than the market expectation of 50.0. A PMI slightly above the 50 level reinforces the market belief that China's manufacturing sector is picking up slowly. Non-manufacturing PMI for April fell slightly to 53.4 from 53.7 in March, indicating expansion in the services sector has moderated further. In general, China is still experiencing volatility in external demand and a slowdown in domestic economic activities. Although China's factories are still facing weak domestic and export demand, we believe the latest PMI has demonstrated a stabilizing trend; macro loosening measures deployed in the past few months have started to lift growth in the manufacturing and services sectors. We expect China's economic indicators for April to improve, with the uptrend to be continuing in a steady manner over the next few months. In our view, China will roll out more measures to support the slowing economy.

Plight of small- and medium-sized enterprises (SMEs) eased slightly in April. PMI of medium-sized (49.8 in April vs. 48.3 in March) and small-sized enterprises (48.4 in April vs. 46.9 in March) were still below the 50 threshold, reflecting ongoing contraction of manufacturing activities although the slowdown was less substantial in April. New orders from domestic and external markets have increased, and financing costs for enterprises have been reduced through the support of macro loosening measures implemented in the past few months. We expect these easing measures and the improving business environment to help the economy regain traction, lifting growth in manufacturing activities among the SMEs.

Pricing pressure to remain mild. With the uptick in economic activities and accelerated growth in food prices, we believe CPI inflation for April would edge up to 2.0% YoY. The start of a restocking cycle by domestic and overseas retailers should enhance manufacturers' pricing power. Hence, decline in April's PPI is expected to narrow to 4.0% YoY.

External trade sector shows deterioration. Sub-indices of the manufacturing PMI, the New Export Order Index and the New Import Order Index, contracted to 48.1 and 47.8 in April, as opposed to 48.3 and 48.1 in March, reflecting a sluggish growth in external trade. For April, we forecast exports and imports to decline by 8.0% and 10.5% YoY, while trade balance will reach US\$ 21.23bn.

FAI growth to accelerate slowly. Improvements in the manufacturing sector are expected to lift growth in FAI, which we believe has bottomed. Going forward, surging investment in infrastructure and railways will help reverse the downtrend in FAI dragged by moderating growth in real estate investment. Hence, we expect FAI for April to accelerate with its YTD growth hitting 13.6% YoY.

Industrial production is likely to rebound. Sub-index of the manufacturing PMI, the Production Index, edged up 52.6% in April from 52.1% in March. We believe the stabilizing PMI and narrowing decline in producer prices signal that industrial output will likely increase. We expect industrial production for April to grow by 6.0% YoY and will continue to improve later this year.



Retail sales will improve steadily. Improvement in retail sales is expected to broaden as the economy regains poise. April retail sales is expected to grow by 10.6% YoY, driven by the government's continuous efforts to encourage private consumption and positive wealth impacts driven by buoyant stock market. Consumption is trending up, and demand for consumer discretionary and staples will continue to climb.

New loans, M2 growth and aggregate financing will rise on credit loosening measures. PBOC's RRR cut of 100 bps in April has injected ample liquidity into the banking system and helped stimulate economic activities. Hence, we believe monetary indicators for April will improve. New bank loans will rise to RMB 1.0tr; aggregate financing will reach RMB 1.37tr; and M2 growth will rebound to 12.0% YoY.



China Economic Indicators

	2014												2015			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr*
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)	(8.0)
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)	(10.5)
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	3.1	21.2
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	10.6
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	6.0
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	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	53.4
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	13.6
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	2.0
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)	(4.0)
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	12.0
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	1,020	1,180	1,000
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	2,050	1,350	1,180	1,373.1

* Forecast (Excluding PMI - Manufacturing & PMI - Non-manufacturing)

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	18,024.06	0.00	15.64	NYMEX WTI	USD/bbl	59.24	0.15	305,719		0.25	0.00		
S&P 500	2,108.29	0.00	18.49	ICE Brent Oil	USD/bbl	66.57	0.17	207,492	US Prime Rate	3.25	0.00		
NASDAQ	5,005.39	0.00	29.41	NYMEX Natural Gas	USD/MMBtu	2.76	(0.61)	107,218	US Discount Window	0.75	0.00		
MSCI US	2,018.83	0.00	19.02	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	N/A	US Treasury (1 Yr)	0.2291	0.00		
Europe				Basic Metals				US Treasury (5Yr)					
FTSE 100	6,985.95	0.00	26.46	LME Aluminum Cash	USD/MT	1,902.25	0.00	29,788	US Treasury (10 Yr)	2.1118	(0.17)		
DAX	11,502.21	0.42	19.10	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,910.00	0.00	41,218	Japan 10-Yr Gov. Bond	0.3630	0.00		
CAC40	5,050.68	0.08	25.69	CMX Copper Active	USD/lb.	6,407.50	0.00	7,762	China 10-Yr Gov. Bond	3.4400	(3.00)		
IBEX 35	11,373.00	(0.11)	20.79	LME Copper 3- mth Rolling Fwd.	USD/MT	6,400.00	0.00	46,150	ECB Rate (Refinancing)	0.05	0.00		
FTSE MIB	22,995.77	(0.22)	98.85	Precious Metals				1-Month LIBOR					
Stoxx 600	395.70	0.26	24.93	CMX Gold	USD/T. oz	1,181.60	0.60	167,452	3 Month LIBOR	0.2798	0.08		
MSCI UK	2,053.03	0.00	27.01	CMX Silver	USD/T. oz	16.32	1.12	48,692	O/N SHIBOR	1.6190	(7.10)		
MSCI France	142.29	0.00	26.84	NYMEX Platinum	USD/T. oz	1,133.00	0.29	12,172	1-mth SHIBOR	3.3800	(8.50)		
Asia				Agricultural Products				3-mth HIBOR					
NIKKEI 225	19,531.63	0.00	21.54	CBOT Corn	USD/bu	362.00	(0.28)	188,220	Corporate Bonds (Moody's)				
S&P/ASX 200	5,827.54	0.23	21.16	CBOT Wheat	USD/bu	472.00	(0.42)	72,032	Aaa	3.74	19.00		
HSI	28,123.82	(0.03)	11.89	NYB-ICE Sugar	USD/lb.	12.91	0.00	78,171	Baa	4.65	16.00		
HSCEI	14,459.15	0.19	10.42	CBOT Soybeans	USD/bu.	968.00	0.34	137,503					
CSI300	4,787.74	0.80	19.99										
SSE Composite	4,480.46	0.87	22.20										
SZSE Composite	2,281.66	0.61	55.11										
MSCI China	83.40	0.00	12.88										
MSCI Hong Kong	14,344.08	0.00	10.76										
MSCI Japan	978.02	0.00	17.27										

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

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-mth Spot pr.
Spot Rate	1.1146	1.5146	0.7836	120.08	0.9375	6.2092	7.7524	6.2794
Chg. WTD (%)	(0.47)	(0.01)	(0.19)	0.06	(0.54)	(0.10)	(0.00)	(0.09)



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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