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Exhibit 1: Government's target for 2015

YoY% or otherwise specified	2015 target	2014 target
GDP	7.0	7.5
CPI	3.0	3.5
Fiscal deficit (% of GDP)	2.3	2.1
FAI	15.0	17.5
Retail sales	13.0	14.5
Total trade	6.0	7.5
M2	12.0	13.0
Urban unemployment rate	4.5	4.6
New jobs (million)	10.0	10.0

Source(s): Report on the work of Government, ABCI Securities

China's NPC: a new era of balancing growth and reform

China's efforts to increase economic and social stability at home, strengthen massive economic structural reforms, ameliorate social inequality and protect environment become the emphasis of NPC in 2015. With China's economy entering into a period of a "new normal" of slower but more sustainable growth, Premier Li Keqiang sets GDP growth target for 2015 at 7.0%, down from 7.5% in 2014, the lowest in 11 years. The move signals the Chinese government will revitalize growth momentum through quality instead of quantity and ensure that the benefits of economic growth will be shared by a larger population.

Greater focus on quality economic growth. China signals strongly that it will shift toward a balanced and clean economic growth, promising to reduce the pace of investment to a decade-low while fighting against pollution. With a lower growth target, China aims to liberalize the economy and pursue quality growth through financial liberalization, industry deregulation, land reforms, greater access to different industries for foreign investors, enhancing efficiency of SOE, strengthening social security system, deepening tax reform, promoting foreign trade growth, reducing overcapacity and creating new growth engines to drive consumption. With inflation concern subsiding, the government is shifting its focus from restricting liquidity to stimulating economic growth.

Financial liberalization on track. China has taken another crucial step to reform its financial sector. PBOC's move to lift the ceiling for the floating range for the deposit rate to 1.3 times the benchmark rate before NPC conveys that China is stepping up to liberalize interest rate and align deposit rates with market conditions, spurring greater activities in China's capital and financial markets. We believe the deposit insurance scheme is likely to be launched in 1H15 and full liberalization of interest rate would be achieved in 2H15 the soonest. In addition, China will strengthen RMB's two-way floating flexibility to further internationalize the currency, allowing it to attain a global reserve currency status in the future.

Greater capital market convergence continues. The Shanghai-Hong Kong stock connect is an important step in integrating China's A-share market and Hong Kong stock market. Planning to connect with Shenzhen stock market in 2015, Hong Kong stock exchange will finally link up with both stock markets in China, creating a platform for worldwide investors to access a much larger market. This will improve market efficiency and robustness of China's financial system, paving the way for the full opening of China's capital markets.

Deepening tax reform. The enhancement of tax efficiency along with reduction in taxes would boost growth within China's services and consumer industries. The replacement of the business tax with a value added tax (VAT) will extend to most sectors in the economy, thus alleviating the tax burden on enterprises. We believe there is more room for the government to reduce the consumption tax；this would in turn increase purchasing power and boost domestic consumption.

Environmental protection for sustainable development. Amid the rising awareness of environmental pollution, NPC's initiatives this year include reducing carbon intensity by at least 3.1%; policies supportive of new energy and water conservation will also likely be implemented to enhance environmental protection. One of the top priorities in the development of new energy is to restart the nuclear projects. We believe the expansion of nuclear project capacity would help alleviate air pollution in China. Also, water conservation is high on the agenda as urbanization is inflicting stress on water consumption and industrial pollution. Three major challenges confronting China at present include a large and growing population, limited water resources and deteriorating water quality. To ensure sustainable economic and social development in the coming decades, greater investment would be seen in improving water conservation, irrigation and management systems.

China Economic Indicators

	2013	2014												2015	
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb*
Real GDP (YoY%)	7.7	---	---	7.4	---	--	7.5	--	---	7.3	---	---	7.3	---	---
Export Growth (YoY%)	5.8	10.6	(18.1)	(6.6)	0.9	7.0	7.2	14.5	9.4	15.3	11.6	4.7	9.7	(3.3)	15.5
Import Growth (YoY%)	6.5	10.0	10.1	(11.3)	0.8	(1.6)	5.5	(1.6)	(2.4)	7.0	4.6	(6.7)	(2.4)	(19.9)	(6.5)
Trade Balance (USD/bn)	32.3	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	3.6
Retail Sales Growth (YoY%)	13.6	11.8		12.2	11.9	12.5	12.4	12.2	11.9	11.6	11.5	11.7	11.9	11.6	
Industrial Production (YoY%)	9.7	8.6		8.8	8.7	8.8	9.2	9.0	6.9	8.0	7.7	7.2	7.9	7.7	
PMI - Manufacturing (%)	51.0	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
PMI - Non-manufacturing (%)	54.6	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
FAI(YTD) (YoY%)	19.6	17.9		17.6	17.3	17.2	17.3	17.0	16.5	16.1	15.9	15.8	15.7	15.2	
CPI (YoY%)	2.5	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	1.0
PPI (YoY%)	(1.4)	(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)	(4.0)
M2(YoY%)	13.6	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	11.5
New Lending (RMB/bn)	482.5	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	700
Aggregate Financing (RMB bn)	1,232.2	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	1,030.7

** Forecasts (Excluding PMI – Manufacturing and PMI – Non-manufacturing)*

World Economic/Financial Indicators

Equity Indices

	Closing price	Chg. WTD (%)	P/E
U.S.			
DJIA	18,096.90	(0.20)	16.43
S&P 500	2,098.53	(0.28)	18.75
NASDAQ	4,967.14	0.07	31.34
MSCI US	2,008.81	(0.25)	19.29
Europe			
FTSE 100	6,923.75	(0.33)	23.94
DAX	11,436.27	0.30	19.15
CAC40	4,939.25	(0.25)	25.30
IBEX 35	11,051.50	(1.13)	20.76
FTSE MIB	22,192.51	(0.65)	64.63
Stoxx 600	391.63	(0.15)	24.16
MSCI UK	2,032.66	(0.39)	23.99
MSCI France	138.54	(0.54)	26.43
MSCI Germany	152.14	(0.18)	19.52
MSCI Italy	63.45	(1.08)	72.80
Asia			
NIKKEI 225	18,751.84	(0.25)	21.33
S&P/ASX 200	5,904.16	(0.42)	21.68
HSI	24,193.04	(2.54)	10.10
HSCEI	11,597.77	(4.83)	8.17
CSI300	3,496.34	(2.14)	15.39
SSE Composite	3,248.48	(1.87)	15.66
SZSE Composite	1,677.77	2.93	40.48
MSCI China	68.26	(2.28)	10.30
MSCI Hong Kong	13,196.56	0.57	10.12
MSCI Japan	934.46	(0.49)	17.14

Global Commodities

	Unit	Price	Chg. WTD (%)	Volume (5-day avg.)
Energy				
NYMEX WTI	USD/bbl	51.95	4.40	424,168
ICE Brent Oil	USD/bbl	60.94	(2.62)	268,972
NYMEX Natural Gas	USD/MMBtu	2.76	1.10	108,763
Australia Newcastle Steam Coal Spot fob[2]	USD/Metric Tonne	61.80	N/A	N/A
BasicMetals				
LME Aluminum Cash	USD/MT	1,786.25	(0.86)	23,022
LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,800.00	(0.83)	31,927
CMX Copper Active	USD/lb.	5,861.00	(0.96)	18,090
LME Copper 3- mth Rolling Fwd.	USD/MT	5,840.00	(0.93)	48,013
Precious Metals				
CMX Gold	USD/T. oz	1,201.20	(0.98)	129,472
CMX Silver	USD/T. oz	16.23	(1.98)	32,906
NYMEX Platinum	USD/T. oz	1,184.40	(0.10)	10,953
Agricultural Products				
CBOT Corn	USD/bu	389.50	(0.95)	147,997
CBOT Wheat	USD/bu	494.75	(3.56)	67,776
NYB-ICE Sugar	USD/lb.	13.58	(1.38)	57,827
CBOT Soybeans	USD/bu.	996.75	(3.39)	121,599

Bond Yields & Key Rates

	Yield (%)	Chg. WTD (Bps)
US Fed Fund Rate	0.25	0.00
US Prime Rate	3.25	0.00
US Discount Window	0.75	0.00
US Treasury (1 Yr)	0.2393	5.15
US Treasury (5Yr)	1.5943	9.55
US Treasury (10 Yr)	2.1216	12.86
Japan 10-Yr Gov. Bond	0.4040	6.90
China 10-Yr Gov. Bond	3.4400	7.00
ECB Rate (Refinancing)	0.05	0.00
1-Month LIBOR	0.1730	0.00
3 Month LIBOR	0.2652	0.33
O/N SHIBOR	3.4330	11.50
1-mth SHIBOR	5.0640	(1.92)
3-mth HIBOR	0.3864	0.07
Corporate Bonds (Moody's)		
Aaa	3.73	9.00
Baa	4.58	12.00

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-mth Spot pr.
Spot Rate	1.1043	1.5237	0.7815	119.92	0.9687	6.2662	7.7561	6.3970
Chg. WTD (%)	(1.37)	(1.30)	0.09	(0.24)	(1.49)	0.05	(0.01)	0.28

Note:

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

Disclosures

Analyst Certification

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Definition of equity rating

Rating	Definition
Buy	Stock return ≥ Market return rate
Hold	Market return – 6% ≤ 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 ≤180 day volatility/180 day benchmark index volatility
High	1.5 ≤ 180 day volatility/180 day benchmark index volatility < 2.6
Medium	1.0 ≤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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