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Exhibit 1: China's benchmark interest rates

Lending rate (%)	Previous	Revised
1 year	5.35	5.10
1 year to 5 years	5.75	5.50
Over 5 years	5.90	5.65

Savings rate (%)	Previous	Revised
Demand	0.35	0.35
3 months	2.10	1.85
6 months	2.30	2.05
1 year	2.50	2.25
2 years	3.10	2.85
3 years	3.75	3.50

Source(s): PBOC, ABCI Securities

China cut rates again

PBOC announced the third interest rate cut in six months over the weekend (first rate cut of 40 bps in November 2014 and second rate cut of 25 bps in March 2015) by further slashing the 1-year lending rate and deposit rate by 25bps to 5.10% and 2.25%, effective May 11, 2015. To further liberalize interest rate, PBOC also introduced the guidelines for financial institutions to lift the ceiling for deposit rates at a maximum of 1.5 times versus the 1.3 times currently in place. The latest rate cut announced before the release of April's key economic indicators reflects that economic momentum in China remains stagnant. The lowered interest rate would help strengthen loan demand and stimulate economic activities. In general, the three rate cuts of 90 bps, two RRR cuts of 150 bps, and various lending facilities deployed in the past 6 months have shown that China is combating faltering growth by lowering cost of capital and injecting liquidity into the economy.

Keeping real interest rates at lower level to boost investment and consumption. The focus of the interest rate cut is to keep real interest rate levels low enough to revive growth. As 4M15 inflation stood mildly at 1.3%, real interest rate remains high. As economic indicators show slackening growth in manufacturing and investment, further rate cut is called for. The reduction of real interest rates would reduce the cost of capital and lowering financial costs of enterprises, thus stimulating economic growth.

Rate cut before the release of April's key economic indicators to stabilize economy. The interest rate cut that came before the release of April's key economic indicators aims to provide a degree of support to the slowing economy. The Chinese government may roll out more pro-growth policies this year. We expect monetary and fiscal stimulus measures will be launched in line with the growth target of 7% for 2015.

Full interest rate liberalization in 2H15. PBOC's move to lift the ceiling for the floating range of the saving rate to 1.5 times the benchmark rate conveys that China is stepping up to liberalize interest rate, aligning deposit rates with market conditions. Banks can now offer 1-year deposit rate at a maximum of 3.375%, versus 3.25% previously, indicating more flexibilities are given to banks to attract deposits. On May 1, 2015, PBOC also launched the deposit insurance, which we believe will be another major driver of interest rate liberalization. Though full liberalization of deposit rates is yet to be achieved, we believe PBOC will fully liberalize interest rate in 2H15.

More rate and RRR cuts in sight. Weak domestic demand and subdued manufacturing activities are aggravating the downside risks in the economy. The slowing economic momentum calls for a lower interest rate to lessen financial burden and stimulate economic activities. Given the moderating trend in inflation and the mounting pressure to expand liquidity, we expect PBOC to assume an accommodative approach to pursue more stimulus measures and inject more liquidity through different monetary tools in 2H15. More specifically, we believe PBOC will launch two rate cuts and two RRR cuts in 2H15.



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)	(6.4)
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)	(16.2)
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	34.1
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	1.5
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)	(4.6)
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	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

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	18,191.11	0.00	15.78	NYMEX WTI	USD/bbl	59.28	(0.19)	370,478		0.25	0.00
S&P 500	2,116.10	0.00	18.69	ICE Brent Oil	USD/bbl	65.39	0.00	242,815	US Prime Rate	3.25	0.00
NASDAQ	5,003.55	0.00	29.02	NYMEX Natural Gas	USD/MMBtu	2.90	0.73	123,096	US Discount Window	0.75	0.00
MSCI US	2,025.66	0.00	19.20	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	N/A	US Treasury (1 Yr)	0.0000	0.00
Europe				Basic Metals				US Treasury (5Yr)			
FTSE 100	7,046.82	0.00	23.98	LME Aluminum Cash	USD/MT	1,859.50	0.00	15,793	US Treasury (10 Yr)	2.1406	(0.72)
DAX	11,709.73	0.00	18.53	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,889.00	0.00	51,928	Japan 10-Yr Gov. Bond	0.4060	(1.50)
CAC40	5,090.39	0.00	26.10	CMX Copper Active	USD/lb.	6,388.50	0.00	14,884	China 10-Yr Gov. Bond	3.4500	1.00
IBEX 35	11,424.70	0.00	20.69	LME Copper 3- mth Rolling Fwd.	USD/MT	6,387.50	0.00	45,284	ECB Rate (Refinancing)	0.05	0.00
FTSE MIB	23,312.43	0.00	97.08	Precious Metals				1-Month LIBOR			
Stoxx 600	400.16	0.00	23.86	CMX Gold	USD/T. oz	1,187.50	(0.12)	118,498	3 Month LIBOR	0.2799	0.01
MSCI UK	2,068.66	0.00	24.42	CMX Silver	USD/T. oz	16.42	(0.27)	36,004	O/N SHIBOR	1.3450	(9.80)
MSCI France	143.25	0.00	27.24	NYMEX Platinum	USD/T. oz	1,139.30	(0.37)	8,252	1-mth SHIBOR	3.1200	(9.10)
Asia				Agricultural Products				3-mth HIBOR			
NIKKEI 225	19,605.63	1.17	21.62	CBOT Corn	USD/bu	362.25	(0.21)	145,477	Corporate Bonds (Moody's)		
S&P/ASX 200	5,639.70	0.09	20.35	CBOT Wheat	USD/bu	479.75	(0.36)	52,805	Aaa	3.92	10.00
HSI	27,714.63	0.50	11.75	NYB-ICE Sugar	USD/lb.	13.42	0.00	62,152	Baa	4.82	9.00
HSCEI	14,094.58	0.32	10.16	CBOT Soybeans	USD/bu.	979.50	0.33	97,204			
CSI300	4,607.96	1.09	19.35								
SSE Composite	4,255.54	1.18	21.12								
SZSE Composite	2,342.47	3.09	57.55								
MSCI China	81.03	0.00	12.53								
MSCI Hong Kong	14,221.99	0.00	10.70								
MSCI Japan	978.18	0.00	17.24								

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	1.1144	1.5414	0.7886	119.86	0.9344	6.2091	7.7535	6.2648
Chg. WTD (%)	(0.49)	(0.27)	(0.58)	(0.08)	(0.44)	0.00	(0.00)	0.10



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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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