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Exhibit 1: Characteristics of FTZ

Shanghai	
Features	First Free-trade zone in China
Size	120.72 Km ²
Guangdong	
Features	Focus on developing economic cooperation among Guangdong, Hong Kong, and Macau
Size	116.2 Km ²
Fujian	
Features	Focus on developing economic ties with Taiwan
Size	118.04 Km ²
Tianjin	
Features	Develop Bohai Economic Rim through economic and regulatory innovation for the tertiary industry
Size	119.9 Km ²

Source(s): Economic Daily, ABCI Securities

Easing capital control in FTZ

Having been operating for 15 months, the Shanghai free trade zone (FTZ) unveiled a substantial move in liberalizing capital account by allowing enterprises to raise offshore RMB or foreign currencies outside China. Enterprises within the FTZ can borrow funds equivalent to two times their registered capital without regulatory approval. A milestone in the development of the Shanghai FTZ, the move also marks the acceleration of financial reforms in China. The Shanghai FTZ will bring about a tighter integration of reform innovations and greater freedom to conduct overseas investment. Easing regulations on the Chinese cross-border capital flows will expand economic cooperation between domestic and foreign economic zones, thereby speeding up the development of the Yangtze Economic Belt, ushering in a new wave of economic development and heightening hopes of free conversion between RMB and foreign currencies in the near future.

Unprecedented flexibility for enterprises to raise offshore funds.

Since the launch of the Shanghai FTZ, various institutional innovations have been introduced to facilitate the development of high-end manufacturing industries and services industries. The current move to open up China's capital account for companies and banks in the Shanghai FTZ that allows more freedom in offshore fundraising indicates China's determination to facilitate cross-border capital flows. The policy will enable companies to obtain cheaper offshore funds directly instead of issuing bonds or obtaining loans through their units overseas. The innovation of financial openness will be replicated across the Yangtze Economic Belt and other proposed new FTZs, enhancing the long-term sustainable development of China.

More FTZs to open in 2015, benefiting offshore RMB centers.

Targeting to liberalize the capital account while supporting trade and boosting growth in the country, China will create three new free trade zones modeled on the one in Shanghai. The new zones will be established in the southern and eastern provinces of Guangdong and Fujian and the northern port city of Tianjin. We expect liberalization of capital account will accelerate within the FTZs and enterprises will be able to obtain more liquidity from offshore RMB centers to support their business activities.

FTZ to accelerate development of the "21st Century Silk Road Economic Belt and Maritime Silk Road" initiative.

The ultimate aim of the proposed Silk Road economic belt is to develop infrastructure and trading points along the route from China to Europe. The economic belt will concentrate on free trade, cross-border capital flows, and currency circulation primarily dominated by RMB. The economic belt will be a new pillar of China's economic development and is expected to drive future growth. With specific initiatives in services trade and financial openness, FTZ will play a significant role in boosting cooperation between China and Eurasian countries as well as the economic development of regions along the road.



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China Economic Indicators

	2013		2014												2015
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Real GDP (YoY%)	---	7.7	---	---	7.4	---	---	7.5	---	---	7.3	---	---	7.3	---
Export Growth (YoY%)	12.7	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)
Import Growth (YoY%)	5.3	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)
Trade Balance (USD/bn)	33.8	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
Retail Sales Growth (YoY%)	13.7	13.6		11.8	12.2	11.9	12.5	12.4	12.2	11.9	11.6	11.5	11.7	11.9	N/A
Industrial Production (YoY%)	10.0	9.7		8.6	8.8	8.7	8.8	9.2	9.0	6.9	8.0	7.7	7.2	7.9	N/A
PMI - Manufacturing (%)	51.4	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
PMI - Non-manufacturing (%)	56.0	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
FAI(YTD) (YoY%)	19.9	19.6		17.9	17.6	17.3	17.2	17.3	17.0	16.5	16.1	15.9	15.8	15.7	N/A
CPI (YoY%)	3.0	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
PPI (YoY%)	(1.4)	(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)
M2(YoY%)	14.2	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
New Lending (RMB/bn)	624.6	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
Aggregate Financing (RMB bn)	1,226.9	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

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	18,019.35	0.00	16.26	NYMEX WTI	USD/bbl	52.31	(0.89)	504,775		0.25	0.00
S&P 500	2,096.99	0.00	18.51	ICE Brent Oil	USD/bbl	61.02	(0.81)	170,502	US Prime Rate	3.25	0.00
NASDAQ	4,893.84	0.00	31.45	NYMEX Natural Gas	USD/MMBtu	2.85	1.60	181,192	US Discount Window	0.75	0.00
MSCI US	2,006.27	0.00	18.93	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	N/A	US Treasury (1 Yr)	0.2183	0.00
Europe				Basic Metals				US Treasury (5Yr)			
FTSE 100	6,871.28	(0.03)	22.78	LME Aluminum Cash	USD/MT	1,822.50	0.00	17,743	US Treasury (10 Yr)	2.0504	0.00
DAX	10,949.29	(0.13)	18.66	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,836.50	0.00	31,822	Japan 10-Yr Gov. Bond	0.4410	1.70
CAC40	4,765.57	0.13	30.41	CMX Copper Active	USD/lb.	5,754.25	0.00	11,905	China 10-Yr Gov. Bond	3.3800	(8.00)
IBEX 35	10,772.00	0.30	21.64	LME Copper 3- mth Rolling Fwd.	USD/MT	5,735.00	0.00	41,555	ECB Rate (Refinancing)	0.05	0.00
FTSE MIB	21,211.35	0.03	45.50	Precious Metals				1-Month LIBOR			
Stoxx 600	377.10	0.01	24.00	CMX Gold	USD/T. oz	1,234.00	0.56	101,147	3 Month LIBOR	0.2571	0.15
MSCI UK	2,019.47	0.00	22.58	CMX Silver	USD/T. oz	17.36	0.35	41,291	O/N SHIBOR	3.1820	9.10
MSCI France	134.29	0.00	31.60	NYMEX Platinum	USD/T. oz	1,213.10	0.46	9,330	1-mth SHIBOR	5.0770	1.30
Asia				Agricultural Products				3-mth HIBOR			
NIKKEI 225	18,004.77	0.51	20.56	CBOT Corn	USD/bu	395.25	0.00	110,499	Corporate Bonds (Moody's)		
S&P/ASX 200	5,888.66	0.19	19.94	CBOT Wheat	USD/bu	529.25	0.00	64,586	Aaa	3.64	12.00
HSI	24,726.53	0.18	10.47	NYB-ICE Sugar	USD/lb.	14.84	0.00	91,600	Baa	4.53	3.00
HSCEI	11,934.57	0.10	8.42	CBOT Soybeans	USD/bu.	994.75	0.00	88,288			
CSI300	3,499.48	0.85	15.43								
SSE Composite	3,222.36	0.58	15.49								
SZSE Composite	1,600.05	1.94	38.79								
MSCI China	68.79	0.00	10.37								
MSCI Hong Kong	13,073.68	0.00	10.76								
MSCI Japan	893.21	0.00	16.34								

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-mth Spot pr.
Spot Rate	1.1415	1.5411	0.7778	118.59	0.9303	6.2493	7.7588	6.3855
Chg. WTD (%)	0.18	0.10	0.21	0.13	0.20	(0.14)	(0.04)	(0.24)

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



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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