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Exhibit 1: 2013 annual economic indicators

| YoY% or otherwise specified | 2013* | 2012 |
|-----------------------------|---------|---------|
| GDP | 7.6 | 7.7 |
| CPI | 2.7 | 2.6 |
| PPI | (1.9) | (1.7) |
| Exports | 8.0 | 7.9 |
| Imports | 7.1 | 4.3 |
| Trade Balance (US\$/bn) | 268.0 | 231.1 |
| FAI (YTD%) | 20.0 | 20.6 |
| Industrial production | 9.7 | 9.9 |
| Retail Sales | 13.1 | 14.3 |
| M2 | 14.0 | 13.8 |
| New loans (RMB/bn) | 8,949.7 | 8,203.5 |

* Forecast

Source(s): Bloomberg, ABCI Securities

Exhibit 2: 4Q economic indicators

| YoY% or otherwise specified | 4Q'13* | 3Q'13 |
|-----------------------------|---------|--------|
| GDP | 7.5 | 7.7 |
| CPI | 3.1 | 2.8 |
| PPI | (1.4) | (1.7) |
| Exports | 8.0 | 3.9 |
| Imports | 6.4 | 8.4 |
| Trade Balance (US\$/bn) | 97.2 | 61.5 |
| FAI (YTD%) | 20.0 | 20.2 |
| Industrial production | 10.1 | 10.1 |
| Retail Sales | 13.6 | 13.4 |
| M2 | 14.0 | 14.2 |
| New loans (RMB/bn) | 1,680.7 | 2198.2 |

* Forecast

Source(s): Bloomberg, ABCI Securities

Exhibit 3: Dec economic indicators

| YoY% or otherwise specified | Dec'13* | Nov'13 |
|-----------------------------|---------|--------|
| CPI | 3.0 | 3.0 |
| PPI | (1.3) | (1.4) |
| Exports | 5.8 | 12.7 |
| Imports | 6.5 | 5.3 |
| Trade Balance (US\$/bn) | 32.3 | 33.8 |
| FAI (YTD%) | 20.0 | 19.9 |
| Industrial production | 9.9 | 10.0 |
| Retail Sales | 13.7 | 13.7 |
| M2 | 14.0 | 14.2 |
| New loans (RMB/bn) | 550.0 | 624.6 |

* Forecast

Source(s): Bloomberg, ABCI Securities

Economic data preview for Dec & 2013

2013 was a challenging year for China. The Fed's QE tapering and the slow recovery of global economy posed external risks to the Chinese economy. Domestically, new reform measures, liquidity squeeze in June and December, and high leverage in financial system also exerted significant impacts on the country. Nonetheless, we believe China would post a moderate GDP growth of 7.5% and 7.6% YoY for 4Q13E and 2013E. As the government continues to implement new reforms, the economic momentum would gain pace and in our view, and China's long-term outlook remains positive.

Expect external trade to show a mixed picture. We believe data on international trade would display mixed signals. Export growth, import growth, and trade balance are forecasted to be 5.8% YoY, 6.5% YoY and US\$ 32.3bn, respectively, for December (November actual: 12.7% YoY, 5.3% YoY, and US\$ 33.8bn). The weak export growth expected is largely a result of the post-holiday effects in the U.S. and Europe, while the stronger growth in import is believed to be propelled by the increasing demand from the Chinese consumers. In sum, we expect external trade for 2013 would achieve a high single-digit YoY growth.

Flat growth in FAI and industrial production. Although the government is rebalancing the economy towards a consumption-led model, more short-term projects were conducted last year to stabilize the FAI. Actual decline in PMI and expected reduction in export growth suggest industrial production might fall slightly. Therefore, we expect FAI growth for 2013 and industrial production growth for December to be 20.0% YoY and 9.9% YoY.

Stable CPI and an improving PPI. For December, we believe the food price inflation was low and prices of other non-food items prices were stable. CPI therefore would not fluctuate much for the month. Moreover, continuous improvement in global and domestic economy should accelerate improvement in PPI. For December, we expect CPI growth to be 3.0% YoY, while decline in PPI would narrow to 1.3% YoY.

Retail sales momentum to continue. As the 2014 Spring Festival approaches, consumer demand is likely to increase, giving a boost to retail sales. Since the festival will fall early in January 2014, we believe the pre-holiday purchase has already started by the end of last year. Thus, we expect that retail sales growth to be 13.7% YoY for December.

Prudent monetary stance to moderate M2 growth and new loans. The PBOC has retained its firm grip on the monetary front in China, even during liquidity squeeze in December last year. Historical pattern suggests that new loan issuance typically declines towards the end of the year. Therefore, we expect that M2 growth and new loans for December to be 14.0% YoY and RMB 550bn, lower than those in November.



China Economic Indicators

| | 2012 | 2013 | | | | | | | | | | | |
|------------------------------|-------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec* |
| Real GDP (YoY%) | 7.9 | --- | --- | 7.7 | --- | --- | 7.5 | --- | --- | 7.8 | --- | --- | 7.5 |
| 5Export Growth (YoY%) | 14.1 | 25.0 | 21.8 | 10.0 | 14.7 | 1.0 | (3.1) | 5.1 | 7.2 | (0.3) | 5.6 | 12.7 | 5.8 |
| Import Growth (YoY%) | 6 | 28.8 | (15.2) | 14.1 | 16.8 | (0.3) | (0.7) | 10.9 | 7.0 | 7.4 | 7.6 | 5.3 | 6.5 |
| Trade Balance (USD/bn) | 31.6 | 29.2 | 15.3 | (0.9) | 18.2 | 20.4 | 27.1 | 17.8 | 28.5 | 15.2 | 31.1 | 33.8 | 32.3 |
| Retail Sales Growth (YoY%) | 15.2 | | 12.3 | 12.6 | 12.8 | 12.9 | 13.3 | 13.2 | 13.4 | 13.3 | 13.3 | 13.7 | 13.7 |
| Industrial Production (YoY%) | 10.3 | | 9.9 | 8.9 | 9.3 | 9.2 | 8.9 | 9.7 | 10.4 | 10.2 | 10.3 | 10.0 | 9.9 |
| PMI - Manufacturing (%) | 50.6 | 50.4 | 50.1 | 50.9 | 50.6 | 50.8 | 50.1 | 50.3 | 51.0 | 51.1 | 51.4 | 51.4 | 51.0 |
| PMI - Non-manufacturing (%) | 56.1 | 56.2 | 54.5 | 55.6 | 54.5 | 54.3 | 53.9 | 54.1 | 53.9 | 55.4 | 56.3 | 56.0 | 54.6 |
| FAI(YTD) (YoY%) | 20.6 | | 21.2 | 20.9 | 20.6 | 20.4 | 20.1 | 20.1 | 20.3 | 20.2 | 20.1 | 19.9 | 20.0 |
| CPI (YoY%) | 2.4 | 2.0 | 3.2 | 2.1 | 2.4 | 2.1 | 2.7 | 2.7 | 2.6 | 3.1 | 3.2 | 3.0 | 3.0 |
| PPI (YoY%) | (1.9) | (1.6) | (1.6) | (1.9) | (2.6) | (2.9) | (2.7) | (2.3) | (1.6) | (1.3) | (1.5) | (1.4) | (1.3) |
| M2(YoY%) | 13.8 | 15.9 | 15.2 | 15.7 | 16.1 | 15.8 | 14.0 | 14.5 | 14.7 | 14.2 | 14.3 | 14.2 | 14.0 |
| New Lending(RMB/bn) | 454.3 | 1070.0 | 620.0 | 1060.0 | 792.9 | 667.4 | 860.5 | 699.9 | 711.3 | 787.0 | 506.1 | 624.6 | 550 |

* Forecast (excluding PMI - Manufacturing and PMI - Non-manufacturing); Real GDP is for 4Q13

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 | | |
| U.S. | | | | Energy | | | | US Fed Fund Rate | 0.25 | 0.00 | | |
| DJIA | 16,425.10 | (0.27) | 15.89 | NYMEX WTI | USD/bbl | 93.79 | (0.18) | 177,682 | US Prime Rate | 3.25 | 0.00 | |
| S&P 500 | 1,826.77 | (0.25) | 17.24 | ICE Brent Oil | USD/bbl | 107.36 | 0.44 | 153,931 | US Discount Window | 0.75 | 0.00 | |
| NASDAQ | 4,113.68 | (0.44) | 26.05 | NYMEX Natural Gas | USD/MMBtu | 4.33 | 0.49 | 103,754 | US Treasury (1 Mth) | 0.0051 | 0.00 | |
| MSCI US | 1,747.33 | (0.26) | 17.41 | Australia Newcastle Steam Coal Spot fob ² | USD/Metric Tonne | 84.25 | N/A | N/A | US Treasury (5 Yr) | 1.6856 | (4.77) | |
| Europe | | | | Basic Metals | | | | US Treasury (10 Yr) | 2.9540 | (4.08) | | |
| FTSE 100 | 6,739.62 | 0.13 | 16.61 | LME Aluminum Cash | USD/MT | 1,735.25 | 0.46 | 18,852 | Japan 10-Yr Gov. Bond | 0.6970 | (4.40) | |
| DAX | 9,442.43 | 0.08 | 16.04 | LME Aluminum 3 -mth. Rolling Fwd. | USD/MT | 1,782.50 | 0.56 | 23,731 | China 10-Yr Gov. Bond | 4.6700 | 8.00 | |
| CAC40 | 4,226.58 | (0.50) | 18.10 | CMX Copper Active | USD/lb. | 334.85 | (0.19) | 33,819 | ECB Rate (Refinancing) | 0.25 | 0.00 | |
| IBEX 35 | 9,939.10 | 1.44 | 67.58 | LME Copper 3- mth Rolling Fwd. | USD/MT | 7,325.00 | 0.14 | 31,813 | 1-Month LIBOR | 0.1625 | (0.22) | |
| FTSE MIB | 19,239.38 | 0.66 | 435.8 | TSI CFR China Iron Ore Fines Index ³ | USD | 134.80 | (0.15) | N/A | 3 Month LIBOR | 0.2394 | (0.05) | |
| Stoxx 600 | 327.43 | (0.06) | 21.62 | Precious Metals | | | | O/N SHIBOR | 2.8750 | (13.1) | | |
| MSCI UK | 1,986.20 | (0.01) | 16.53 | CMX Gold | USD/T. oz | 1,238.30 | (0.02) | 121,435 | 1-mth SHIBOR | 5.9250 | (27.6) | |
| MSCI France | 118.15 | (0.47) | 23.17 | CMX Silver | USD/T. oz | 20.07 | (0.72) | 37,226 | 3-mth HIBOR | 0.3750 | (0.14) | |
| MSCI Germany | 129.58 | (0.08) | 15.66 | NYMEX Platinum | USD/T. oz | 1,411.10 | (0.22) | 8,363 | Corporate Bonds (Moody's) | | | |
| MSCI Italy | 55.19 | 0.71 | 101.5 | Agricultural Products | | | | Aaa | 4.56 | (1.00) | | |
| Asia | | | | CBOT Corn | USD/bu | 427.00 | 0.83 | 96,129 | Baa | 5.35 | (4.00) | |
| NIKKEI 225 | 15,814.37 | (2.93) | 22.85 | CBOT Wheat | USD/bu | 605.50 | (0.04) | 35,849 | | | | |
| S&P/ASX 200 | 5,316.99 | (0.62) | 21.81 | NYB-ICE Sugar | USD/lb. | 16.15 | 0.44 | 31,201 | | | | |
| HSI | 22,712.78 | (0.46) | 10.30 | CBOT Soybeans | USD/bu. | 1,267.75 | (0.28) | 80,552 | | | | |
| HSCEI | 10,236.12 | (1.92) | 7.59 | | | | | | | | Note: | |
| CSI300 | 2,238.00 | (2.30) | 10.70 | | | | | | | | 1. Data sources: Bloomberg Finance LP, National Bureau of Statistics of China, ABCIS (updated on date of report) | |
| SSE Composite | 2,047.32 | (1.72) | 10.29 | | | | | | | | 2. Australia Newcastle Steam Coal Spot fob is the Australia Newcastle 6700 kc GAD fob Steam Coal Spot price published by McCloskey | |
| SZSE Composite | 1,044.67 | (1.97) | 28.52 | | | | | | | | 3. TSI CFR China Iron Ore Fines Index is calculated with the 62% Fe specification, spot price | |
| MSCI China | 60.97 | (1.15) | 9.63 | | | | | | | | | |
| MSCI Hong Kong | 12,043.85 | (0.36) | 10.91 | | | | | | | | | |
| MSCI Japan | 799.16 | (0.93) | 17.18 | | | | | | | | | |

Currency

| | Euro/USD | GBP/USD | AUD/USD | USD/JPY | USD/CHF | USD/CNY | USD/HKD | USD/CNY NDF 12-Mth |
|--------------|----------|---------|---------|---------|---------|---------|---------|--------------------|
| Spot Rate | 1.3627 | 1.6381 | 0.8919 | 104.36 | 0.9057 | 6.0512 | 7.7545 | 6.1135 |
| Chg. WTD (%) | 0.28 | (0.23) | (0.29) | 0.48 | (0.06) | 0.01 | (0.01) | 0.05 |



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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