

2013 . 11 . 01

王卫 (Steve Wang)

+ (852) 39886925

steve.wang@bocigroup.com

吴琼 (Qiong Wu), CFA

+ (852) 39886926

qiong.wu@bocigroup.com

彭羽曼 (Cathy Peng)

+ (852) 39886945

cathym.peng@bocigroup.com

近来离岸人民币债市的放缓仅是短暂的低潮期 The recent slowdown of dim sum bond market a temporary low tide

- 经历夏天一波调整后全球债券市场出现的向好似乎并没有延伸到离岸人民币债市场。该市场 6 月以来新债发行仍旧低迷，年初至今发行同比下降了 16%，尽管美元债市场自 9 月以来已出现强势反弹/ The overall improved sentiment in the global bond market after the summer correction apparently has not extended to the offshore RMB bond market, as new issuance in this space has remained low since June and the YTD volume has seen a 16% YoY decline, while the USD market saw a strong comeback since September
- 今年离岸人民币债发行放缓的主因之一是来自内地的中资企业直接在境外发行的例子急剧减少，这有别于其它香港/中国背景和非香港/中国背景的发行体继续活跃于这个市场/ One of the main causes for the issuance slowdown of the offshore RMB bonds was the sharp decline of direct issuance from mainland Chinese corporates, despite some continued activities from other HK/China and non-HK/China issuers
- 以往的数据显示美元债对全球风险情绪的转变更敏感。我们期待在近期美元债发行量反弹后人民币债将重新启航。最近人民币债的良好表现、持续的人民币强劲以及资金成本优势的重现均将有助于离岸人民币债发行/ History shows that the USD bond market tends to lead the offshore RMB bond market in reacting to global risk sentiment shifts, and we expect RMB issuance to pick up pace after the recent resurgence of USD issuance. The recent strong bond performance, continued RMB strength and some resurfaced funding cost advantages may all help to boost the offshore RMB bond issuance
- 尽管投资级离岸人民币债融资成本优势好坏参半，在高收益债板块以及相对于境内人民币债市场，离岸人民币债有着显见的、且不小的融资成本优势/ Although the cost advantage of offshore RMB bonds is a mixed bag in the IG space, such advantage seems apparent and significant in the HY space and versus the domestic RMB bond market
- 离岸人民币市场受益于中国大陆以及香港政府阶段性推出的政策支持，政府近期的一些新举措有利于离岸人民币市场的长期发展/ The offshore RMB market has seen boosts periodically from the roll-out of supporting policies by both mainland and HK authorities, and the recent policy moves from the governments are new efforts to promote the offshore RMB market's long-term growth

The recent slowdown of offshore RMB bond issuance is in a sharp contrast to the recent resurgence of USD bond issuance. The overall improved sentiment in the global bond market after the summer correction apparently has not extended to the offshore RMB bond market. For market participants, this unanticipated under-performance raises concerns on the growth momentum of the offshore RMB bond market. Encouragingly, our analysis here, amid such concerns, tells us the conditions for a continued growth of this market remain solid and the recent slowdown is likely just another low tide period before the next rising tide.

Latest market review

Year-to-date, a total of RMB 93.2bn offshore RMB bonds have been priced (excluding CDs), representing a 16% decline from the same period a year earlier. The new issuance market this year has shown a tale of two halves so far, as the first half of the year saw a fairly busy calendar printing a total of RMB 76.1bn bonds and the total volume fell dramatically to less than RMB 15bn over the July-October period (see Fig.1).

In contrast, offshore RMB CD issuance has remained strong throughout the year. The total volume has reached RMB 211.7bn YTD, as compared to the total of RMB 154bn for the entire 2012. The monthly average volume during the last 4 months was over RMB 17bn. The strong offshore RMB CD market marks the continued RMB liquidity growth offshore.

After a quiet summer, the USD bond market has

近期离岸人民币新债发行的放缓与美元债的强势回暖形成鲜明对比。经历夏天一波调整后，全球债券市场整体向好的气氛并没有延伸至离岸人民币债市场。对市场参与者而言，此低迷不振的表现事出意外，难免会引起对离岸人民币债市场发展势头的忧虑。介于这样的背景，我们在下面的分析仍乐观的发现，该市场保持持续发展的有利条件仍在，而近期发行放缓只是下一个浪潮来临前的低谷而已。

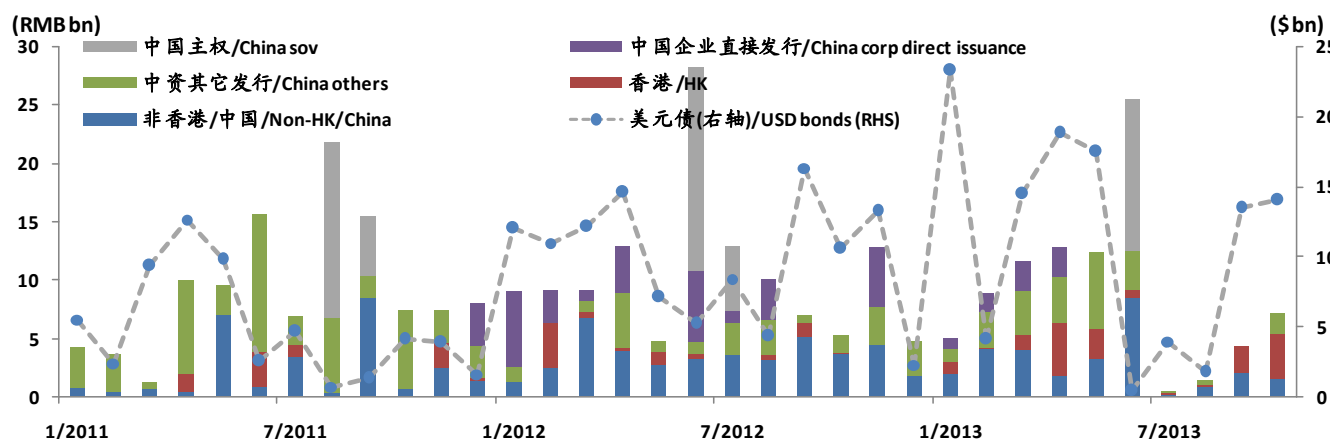
近期市场回顾

年初至今，已共有 932 亿离岸人民币债券发行（不包括存款证），比去年同期下降 16%。今年至今新债发行市场显现两段走势，上半年发行相对较繁忙，共有 761 亿人民币债发行，然而 7 月到 10 月间发行量大幅下滑至不到 150 亿（见图 1）。

相比之下，离岸人民币存款证发行年内一直保持强劲。年初至今发行总量已达到 2117 亿人民币，超过 2012 年 1540 亿人民币的全年总量。近四个月以来月均量超过 170 亿人民币。如此强劲的离岸人民币存款证市场意味着离岸人民币流动性持续增长。

在低迷了一个夏天之后，美元债市场自 9 月以来也表现了强势反弹的势头。在过去两个月，亚洲除日本以外市场共发行了 274 亿美元债，而 6 月至 8 月仅有 60 亿美元。美元新债发行的反弹主要得益于

图 1: 离岸人民币债及亚洲除日本外美元债月度发行 / Fig. 1: Monthly new issuance: offshore RMB vs. Asia ex-Japan USD bonds



数据来源: 彭博、中银国际/Sources: Bloomberg, BOCI

also seen a strong comeback since September. For the past two months, a total of \$27.4bn USD bonds were issued in Asia ex-Japan space, as compared to the \$6bn total for the June-August period. The USD new issuance resurgence benefited from the UST rally on eased concerns over Fed QE tapering, as pent-up demands during the dry summer returned to the market.

Some issuance details

There are some interesting details on the latest issuance data. One of the main reasons for the issuance slowdown of the offshore RMB bonds was the sharp decline of direct issuance from mainland Chinese corporates (see Fig. 1). These include both Chinese banks and government approved SOEs. The reality is that regulators have not released any new approved quota of direct issuance for mainland companies this year. As a result, only a total of RMB 7.5bn direct issuance was done in the first 10 months, down substantially from the approximately RMB 29.9bn total in 2012. Issuance from HK, non-HK/China and other Chinese issuers have dominated the new issuance (excluding China sovereign).

However, we have seen some latest indications of a market warming-up. The recent priced or announced deals are on the rise. Ping An Insurance, one of the largest Chinese insurers, has priced a sizable RMB 1.8bn 5-year at 4.75%. Province of British Columbia of Canada sold RMB 2.5bn of 1-year notes at 2.25%. Ananda, a

市场对美联储退出量化宽松政策忧虑的舒缓，美国债收益率下降，夏季被积压的发债需求重返市场。

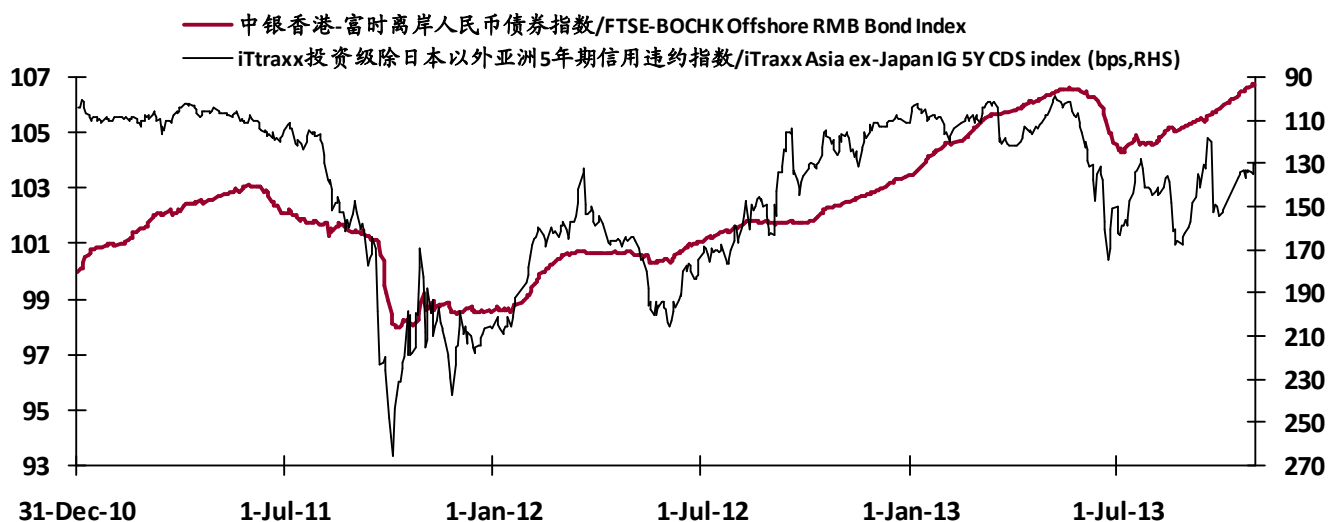
一些发行细节介绍

最新的发行数据有不少有趣的细节。今年离岸人民币债发行量放缓的主因之一为中国境内企业直接境外发行的数量急速下降(见图1)。这包括中国的银行以及政府批准的国有企业。事实上，监管机构今年没有公布任何新的境内企业直接境外发债额度，因此前十个月仅有75亿人民币的直接发行，较2012年约299亿人民币的总量有大幅下跌。新发行主要包括香港、非香港/中国以及中资其它发行(不包括中国主权发行)。

然而，我们看到一些市场近来回暖的迹象。最近已发以及公告将发的数目正在逐步上升。中国最大保险公司之一的平安保险发行了多达18亿人民币的5年期债，定价4.75%。加拿大不列颠哥伦比亚省发行了25亿人民币的1年期债，定价2.25%。泰国房地产开发商Ananda计划发行首支无先例的人民币永久债。

过去的经验也显示了离岸人民币债发行正在回暖。以往的数据显示美元债对全球风险情绪的转变较离岸人民币债更敏感。以今年为例，在夏季的调整中，美元债发行从6月份开始急剧减慢。然而与此

图2: Itraxx 投资级除日本以外亚洲信用违约指数与中银香港离岸人民币债指数比较/ Fig. 2: Itraxx Asia ex-Japan IG CDS Index vs. BOC HK Offshore RMB Bond Index



数据来源: 公司报告、中银国际/Sources: Company data, BOCI

Thailand home builder, is even planning a first-ever perpetual RMB bond.

Past experience also suggests to us that the offshore RMB bond issuance is coming back. Historical data show that the USD bond market tends to lead the offshore RMB bond market in reacting to global risk sentiment shifts. Take this year as an example, USD bond issuance started to slow down drastically in June during the summer correction. Yet at the same time, many issuers including China sovereign, took the advantage of a relatively resilient offshore RMB bond market to raise funds. On the flip side, USD new issuance started to recover strongly in September from the summer lull, while the offshore RMB bond market just started to show signs of life in October, lagging behind by one month. Similar situation also occurred in January when the USD market recovered ahead of the offshore RMB bond market from the Q4 market slowdown of 2012.

We think the strong performance of offshore RMB bonds recently should also support the issuance expansion. As the FTSE-BOCHK offshore RMB bond index shows, the market has rebounded from the May lows and is now back to the historical high (see Fig. 2). The market has registered a YTD total return of 3.29%, which has outperformed JPM Asia USD IG and non IG bond indices (with -1.57% and 1.12% realized returns, respectively). In a more specific comparison, China Resources Power's offshore RMB bond due 2015 posted a YTD return of 3.01%, which is about 129bps higher than its 2015 USD bond's return of 1.73%. This has not even included the 2.2% FX gain of RMB YTD.

Supply/demand dynamics

For bond investors, the supply/demand dynamics is an important consideration besides credit risks. In fact, when credit risks are presumed similar, the supply/demand consideration might become a key factor in an investor's decision-making.

There are cases of illustration from both the USD and the offshore RMB bond markets. In the early days of the offshore RMB market, the initial high enthusiasm on RMB and on the new type of asset class created a very strong demand, thus causing a large supply/demand imbalance. The result was an excessively depressed yield level of offshore RMB bonds as

同时, 包括中国主权在内的许多发行人利用离岸人民币债券市场表现相对韧性的优势进入该市场融资。另外, 美元新债发行在夏季的低迷期过后于9月强势反弹。但离岸人民币债市场在10月才开始显示出一些活力, 整整滞后了一个月。相似的情况同样发生在1月美元债比香港离岸人民币债提前从2012年第4季度市场放缓后回暖。

我们认为, 离岸人民币债近来良好的表现也支持债券发行的扩大。如中银香港-富时离岸人民币债券指数显示, 市场从5月的低点已反弹升回历史高点(见图2)。年初至今市场录得了3.29%的回报率, 表现优于摩根大通亚洲美元投资级和非投资级债券指数的表现(回报率分别为-1.57%和1.12%)。作为一个更具体的比较, 华润电力2015年到期离岸人民币债回报率为3.01%, 比2015年到期美元债1.73%的收益率高129个基点。这尚未包括人民币年内已有的2.2%的汇率升值。

供需关系因素

对于债券投资者, 供需关系情况是除了债券信用风险外另一个需要重点考虑的因素。事实上, 当债券的信用风险相似时, 供需状况可能会成为影响一个投资者进行决策的关键因素。

美元债和离岸人民币债市场均颇有一些例子。在离岸人民币市场早期, 投资者对人民币和这一新型投资种类的热捧带来了对于离岸人民币债的强劲需求, 从而造成了市场供需严重的不平衡。与类似美元债相比, 离岸人民币债收益率被过度压低。在图2中的历史图早期部分中出现的两指数背道而驰及早期离岸人民币债较境内债收益率低得多均反映了这种情况。之后随人民币债市场供需回归平衡, 收益率水平也逐渐升高。

更近的例子则是发生在今年的第2季度。香港/中国名字的美元债尤其是高收益债发行量飙升, 造成了美元债市场的消化不良。美元债市场需求的缩小迫使一些债券发行人转移到离岸人民币债市场进行融资。离岸人民币债发行随之上扬, 包括不少该市场中高收益级的首次发行, 这既减轻了美元债市

compared to similar USD bonds. The diverging index performance in the early part of Fig. 2 and the much lower offshore RMB bond yield as compared to the onshore yield in the early days were all indications of this phenomenon. The gradual return of the supply/demand balance is accompanied by the gradual rise of the RMB bond yield.

The more recent example occurred during the second quarter this year. The surging supply of USD bond issuance in the HK/China space, particularly from HY issuers, created some indigestion among bond investors. A waning appetite in the USD space forced some bond issuers to look into the offshore RMB bond market for alternative. Offshore RMB bond issuance then increased, including many first-time HY issuers in this market, which relieved some supply pressure in the USD bond market and at the same time offered some new high-yielding choices for bond investors in the RMB space.

Funding cost factor

Ultimately for bond issuers, funding cost is the paramount factor in choosing between USD and offshore RMB market for fund raising. The reality is that the cost advantage between the two markets shifts with time. If during the early days RMB's cost advantage was large and obvious across the board, things have changed since then.

In today's market, the cost advantage is dif-

ferent. The supply pressure, while also providing new high-yield investment choices for bond investors in the RMB market.

资金成本因素

Bond issuers choose between USD bonds and offshore RMB bonds for financing, with cost being the primary consideration. The reality is that the cost advantage between the two markets changes over time. If in the early development stage, the RMB financing cost advantage was large and obvious, then now it has passed its peak.

Nowadays, the RMB financing cost advantage for investment-grade and high-yield bonds is not uniform (see Fig. 3). In the investment-grade bond market, the cost advantage looks like a coin toss, depending on the specific situation of individual bonds. For example, CNPC, ICBC Asia, CDB and China Resources Power's offshore RMB bond yields are higher than their USD bond yields, while HKCGAS's offshore RMB bond yield is just the opposite.

However, we see that in the high-yield bond market, offshore RMB bonds have a significant cost advantage. As shown in Fig. 3, the RMB high-yield bond yields are lower than USD bonds, with the cost saving from RMB financing ranging from 2.10% to 2.86%.

Additionally, the recent rise in the cost advantage of offshore RMB bonds relative to onshore RMB bonds is also a factor for improving the market conditions for offshore RMB bonds. As shown in Fig. 4, the 5-year yield differential between onshore and offshore government bonds has narrowed to near zero, the latest

图 3: 离岸人民币债和相应美元债的收益率比较 / Fig. 3: Selected yield comparisons between offshore RMB bonds and their USD peers

发行人 Issuer	离岸人民币债 Offshore RMB Bond	评级 Ratings	美元等值买入收益率 USD-equivalent Bid-yield (%)	美元债 USD Bond	评级 Ratings	买入收益率 Bid-Yield (%)
投资级债/IG						
中石油/CNPC	CNPCCH 2.95 14	A1/A+/A+	1.88	CNPCCH 3.125 16	A1/A+/A+	1.63
工银亚洲/ICBC ASIA	ICBCAS 6 21	--/--/BBB+	4.12	ICBCAS 5.125 20	A3/--/A-	3.93
国开行/CDB	SDBC 3.1 15	--/AA/--	2.56	SDBC 5 15	Aa3/AA-/A+	1.30
中华煤气/Hong Kong and China Gas	HKCGAS 1.4 16	A1/A+/--	2.12	HKCGAS 6.25 18	A1/A+/--	2.54
华润电力/China Resources Power	RESOPW 3.75 15	--/BBB/--	2.35	RESOPW 3.75 15	Baa3/BBB/--	2.08
高收益债/HY						
花样年/Fantasia	FTHDGR 7.875 16	B2/B+/--	7.39	FTHDGR 13.75 17	B2/B+/--	10.25
新城控股/Future Land	FUTLAN 9.75 16	--/B+/B+	8.33	FUTLAN 10.25 18	/B+/B+	10.43
佳兆业/Kaisa	KAISAG 6.875 16	--/B+u/--	5.78	KAISA 12.875 17	B1/B+/--	8.19

数据来源: 彭博、中银国际/Sources: Bloomberg, BOCI

ferent between IG and HY markets (see Fig. 3). In the IG space, it seems that the cost advantage is a mixed bag, depending on individual cases. For example, the offshore RMB bonds of CNPC, ICBC Asia, CDB, and China Resources Power all seems to trade at higher yields than their USD counterparts, while Hong Kong and China Gas' offshore RMB bonds show an opposite situation.

However, we continue to see a significant cost advantage of offshore RMB bonds in the HY space. As Fig. 3 shows, the HY examples all have much lower yields in the RMB space as compared to USD, with cost savings ranging from 2.10% to 2.86%.

Even the improved cost advantage of offshore RMB bond market versus the onshore RMB bond market is a reason to expect improved issuance condition offshore. As shown in Fig. 4, the yield difference between onshore and offshore 5-year China sovereign RMB bonds is on the rise and has widened out again to about 100bps recently after seeing nearly no difference in June.

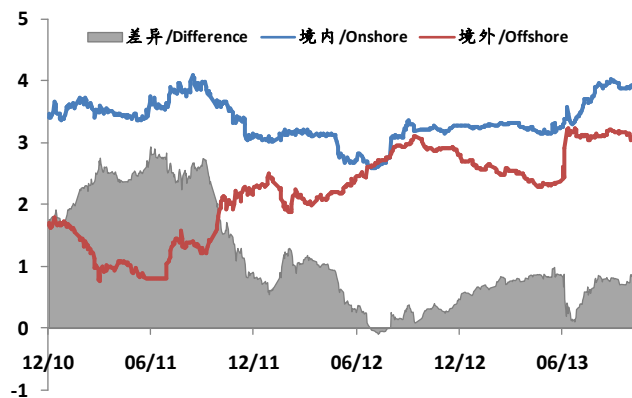
Global backdrop

RMB's internationalization has remained a policy focus of the Chinese government and on track of continued progress. The offshore RMB market has seen boosts periodically from the roll-out of supporting policies by both mainland and HK authorities. To further enhance the cross-border RMB flows, the mainland authority has greatly expanded the QFII/RQFII program and accelerated the approval pace. Year-to-date, a total of \$11.27bn new QFII quota and a total of RMB 69.6bn RQFII have been approved. Moreover, the RQFII program has expanded to U.K. and Singapore (see Fig. 5 for RQFII quotas). Also, the Chinese central bank PBoC has signed up cross-currency swap agreements with several new foreign central banks, including the important BOE, ECB and Brazil's central bank. The launch of RMB clearing services in Taiwan and Singapore markets boosted offshore RMB business in these markets.

From HK, regulators have launched RMB HIBOR fixing for offshore RMB, based on submissions from 16 contributing banks, to facilitate market benchmarking and transparency. The HK gov-

再次回升扩大到了约 100 个基点左右。

图 4: 境内和境外 5 年期中国国债收益率比较(%) / Fig. 4: YTM comparison of onshore and offshore 5 year China sovereign RMB bonds (%)



数据来源: 彭博、中银国际/Sources: Bloomberg, BOCI

全球大环境

人民币国际化仍然是中国的一个国策重点, 并且正在有序推进。离岸人民币市场受益于中国大陆以及香港政府阶段性推出的政策支持。中国政府为了进一步增强人民币的跨境流通, 大力度扩展 QFII/RQFII 计划和批准额度。年初至今共有 QFII 新增额度 112.7 亿美元以及 RQFII 新增额度 696 亿人民币。RQFII 计划也已扩展到英国及新加坡 (RQFII 额度见图 5)。中国人民银行还与多个外国央行新签署了货币互换协议, 包括颇具重要性的英国央行、欧洲央行以及巴西央行。台湾及新加坡新推出的人民币清算服务推动了这些市场的离岸人民币业务。

从香港方面, 监管机构已推出人民币香港银行同业拆息定价来促进市场的标准化和透明化。16 个银行提供有关利率报价。香港政府也建议中央取消香港居民每日港币兑换人民币的限额, 进一步拓展离岸人民币资金池和交易。我们认为这些政策行为均将有助于离岸人民币债券市场的发展。

从货币角度来看, 人民币相对于其它主要货币保持了稳定和强劲的势头。中国经济增长再次加速, 第 3 季度 GDP 增长 7.8% (第 2 季度 GDP 增长 7.5%), 美国量化宽松政策推迟退出导致新的美元弱势, 都将会为人民币走强继续提供基本面的支持。最近数据表明第 3 季度外汇储备上升 1633 亿元, 是自 2011

ernment has also proposed to mainland authority to uncap the daily RMB exchange limit for HK residents to further expand the offshore RMB pool and activities. All these latest policy moves, in our view, would extend more supports to the growth of the offshore RMB bond market going forward.

From the currency perspective, RMB has remained stable and strong versus other major currencies. The reacceleration of China's economic growth, as shown by the 7.8% GDP growth in Q3 (7.5% in Q2), and a renewed weakness of USD from delayed QE tapering would continue to provide fundamental support to the RMB's strength. Latest foreign exchange reserves data (rose \$163.3bn in 3Q as the largest increase since 2011) and a trade surplus of \$169.4bn from the first three quarters all indicate strong USD inflows that also underpins the continuing appreciation pressure of RMB.

年以来最大的增长，今年前三季度实现 1694 亿美元的贸易顺差，均显示了美元流入强劲的迹象，也将继续支持人民币的升值势头。

图 5: RQFII 额度 / Fig. 5: RQFII quotas

国家地区/Country or region	额度(十亿人民币)/Quota (RMB bn)
香港/Hong Kong	270
台湾/Taiwan	100
伦敦/London	80
新加坡/Singapore	50

数据来源: 彭博、中银国际/Sources: Bloomberg, BOCI

DISCLOSURE

The views expressed in this report accurately reflect the personal views of the analysts. Each analyst declares that neither he/she nor his/her associate serves as an officer of nor has any financial interests in relation to the listed corporation reviewed by the analyst. None of the listed corporations reviewed or any third party has provided or agreed to provide any compensation or other benefits in connection with this report to any of the analysts, BOCI Research Limited and BOCI Group. Member companies of BOCI Group confirm that they, whether individually or as a group (i) do not own 1% or more financial interests in any of the listed corporations reviewed; (ii) are involved in making a market in the securities of PetroChina Co. Ltd, Hong Kong & China Gas and Ping An Insurance (Group) Company of China Limited.; (iii) do not have any individual employed by or associated with any member companies of BOCI Group serving as an officer of any of the listed corporation reviewed; and (iv) have investment banking relationship with Industrial and Commercial Bank of China (Asia) Limited and Future Land Development Holdings Limited within the preceding 12 months.

This disclosure statement is made pursuant to paragraph 16 of the “Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission” and is updated as of 31 October 2013. Waiver has been obtained by BOC International Holdings Limited from the Securities and Futures Commission of Hong Kong to disclose any interest the Bank of China Group may have in this research report.

DISCLAIMER

This report was originally prepared and issued by BOCI Research Limited for distribution to their professional, accredited and institutional investor customers. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject BOCI Research Limited, BOC International Holdings Limited and its subsidiaries and affiliates (collectively "BOCI Group") to any registration or licensing requirement within such jurisdictions. None of the material, nor its contents, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of BOCI Group. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of BOCI Group.

The information, tools and material presented in this report are provided to you for information purposes only and shall not be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. BOCI Group may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. The contents of this report do not constitute investment advice to any person and such person shall not be treated as a customer of BOCI Group by virtue of receiving this report.

Information and opinions presented in this report have been obtained or derived from sources believed by BOCI Group to be reliable, but BOCI Group makes no representation as to their accuracy or completeness and BOCI Group accepts no liability for loss arising from the use of the material presented in this report unless such liability arises under specific statutes or regulations. This report is not to be relied upon in substitution for the exercise of independent judgment. BOCI Group may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. The reports reflect the different assumptions, views and analytical methods of the analysts who prepared them. For the avoidance of doubt, views expressed in this report do not necessarily represent those of BOCI Group.

This report may provide the addresses of, or contain hyperlinks to, various websites. To the extent that this report refers to material outside BOCI Group's own website, BOCI Group has not reviewed the linked sites and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to BOCI Group's own website material) is provided solely for your convenience and information and the content of the linked sites does not in any way form part of this report. Accessing such websites shall be at your own risk.

BOCI Group may, to the extent permitted by law, participate or invest in financing transactions with the issuer(s) of the securities referred to in this report, perform services for or solicit business from such issuers, and/or have a position or effect transactions in the securities or other financial instruments thereon. BOCI Group may, to the extent permitted by law, act upon or use the information or opinions presented herein, or the research or analysis on which they are based, before the material is published. BOCI Group and the analysts preparing this report (each an "analyst" and collectively the "analysts") may have relationships with, financial interests in or business relationships with any or all of the companies mentioned in this report (each a "listed corporation" and collectively the "listed corporations"). See "Disclosure".

Information, opinions and estimates are provided on an "as in" basis without warranty of any kind and may be changed at any time without prior notice. Nothing in this report constitutes investment, legal, accounting or tax advice nor a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Nothing in this report constitutes a personal recommendation to you.

This report has been prepared and issued by BOCI Research Limited. This information is confidential and is intended solely for the use of its recipient. This report is distributed in Hong Kong by BOCI Research Limited and BOCI Securities Limited; in Singapore by BOC International (Singapore) Pte. Ltd. This report and any information, material and contents herein are intended for general circulation only and do not take into account the specific investment objectives, financial situation or particular needs or any particular person. This report and any information, material and contents herein are intended for general circulation only and do not take into account the specific investment objectives, financial situation or particular needs or any particular person. The investment(s) mentioned in this report may not be suitable for all investors and a person receiving or reading this report should seek advice from a financial adviser regarding the suitability of such investment(s), taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to purchase any of such investment(s). The suitability of any particular investment or strategy whether opined on, described in or referred to in this report or otherwise will depend on a person's individual circumstances and objectives and should be confirmed by such person with his advisers independently before adoption or implementation thereof (either as is or is varied).

Without prejudice to any of the foregoing disclaimers, to the extent that the reader is an accredited or expert investor as defined in Regulation 2 of the Financial Advisers Regulations ("FAR") of the Financial Advisers Act (Cap. 110) of Singapore ("FAA"), BOC International (Singapore) Pte Ltd is in any event exempted (i) by Regulation 34 of the FAR from the requirement to have a reasonable basis for making any recommendation as mandated under Section 27 of the FAA, and (ii) by Regulation 35 of the FAR from the requirements in Section 36 of the FAA mandating disclosure of any interests in securities mentioned in this report, or in their acquisition or disposal, that it or its associated or connected persons may have. The recipient of the analysis or report should contact BOCI in Singapore if they have any queries as to the report/analysis. Copyright 2013 BOCI Research Limited, BOC International Holdings Limited and its subsidiaries and affiliates. All rights reserved.



20/F, Bank of China Tower
1 Garden Road
Hong Kong
Tel: (852) 2867 6333
Fax: (852) 2147 9513

Toll free numbers to Hong Kong:

China North: 10800 8521065

China South: 10800 1521065

Singapore: 800 852 3392

BOCI Securities Limited

20/F, Bank of China Tower
1 Garden Road
Hong Kong
Tel: (852) 2867 6333
Fax: (852) 2147 9513

BOC International (Singapore) Pte. Ltd. Reg. No. 199303046Z

4 Battery Road
4/F Bank of China Building
Singapore 049908
Tel: (65) 6412 8856 / 6412 8630
Fax: (65) 6534 3996 / 6532 3371