

China Resources Power (836 HK)

Neutral

| | |
|----------------------|-------|
| Target price (HKD) | 22.40 |
| Share price (HKD) | 19.70 |
| Potential return (%) | 13.7 |

Note: Potential return equals the percentage difference between the current share price and the target price

| Dec | 2014 a | 2015 e | 2016 e |
|---------------------------|--------|--------|--------|
| HSBC EPS | 2.73 | 2.42 | 2.37 |
| HSBC PE | 7.2 | 8.1 | 8.3 |
| Performance | 1M | 3M | 12M |
| Absolute (%) | -2.0 | -2.2 | 1.7 |
| Relative ^A (%) | -2.4 | -8.1 | -21.5 |

20 March 2015

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Issuer of report: The Hongkong and Shanghai Banking Corporation Limited

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N: Lack of growth, high exposure to tariff cuts and weak utilisation

- **FY14 normalised attributable net profit grew 25.9% to HKD13bn, stripping out HKD4.4bn in total impairments, 18.7% and 7.8% above HSBCe and consensus, respectively**
- **Upcoming tariffs cut and ongoing weak utilisation to fully offset benefits from low coal price**
- **Reiterate Neutral, with TP of HKD22.40 (was HKD23.70) based on average of DCF and RoE implied PB valuations**

Investment thesis: Upcoming tariffs cut and ongoing weak utilisation are particularly impacting eastern coastal markets. For CR Power, which has the highest exposure among IPPs to these markets (c37-39% of total generation), we expect this will fully offset the benefit of lower coal prices and lower interest rates. While wind utilisation should improve in FY15, wind accounts for only 10% of CR Power's installed capacity. As a result, **we revise down our FY15e/16e earnings forecasts by 1.4%/12.6%**, bringing them 6.8%/13.1% below consensus.

FY14 results: CR Power reported normalised attributable net profit of HKD13,018m after stripping out a total of HKD4,366 in impairments on its coal mines and certain obsolete power assets (HKD3,273m related to subsidiaries Shanxi Liangsheng and CR Shanxi coal mines, and HKD1,293m related to the associate CR Taiyuan coal mines) and one-off gains of HKD913m; up 25.9% y-o-y, 18.7%/7.8% above HSBCe/consensus.

Key takeaways from results briefing: the company expects **FY15 unit fuel cost** to decline by 1% y-o-y; targets **FY15 utilisation hours of 5,050** (down 3.5% y-o-y from 5,235 hours in 2014) for coal power; targets flat coal production in FY15 at 11mt; does not expect further **coal mine impairment** in FY15 given that coal mines account for a small proportion of its total net assets.

Reiterate Neutral with TP of HKD22.40 (from HKD23.70) based on a 10% discount (to reflect long-term carbon cost) to the average of our DCF and RoE implied PB valuation. We revise down our DCF valuation to HKD20.12 (from HKD21.59) based on an unchanged WACC of 6.0%. Our revised RoE implied PB valuation of HKD29.72 (was HKD31.15) is based on a 2015e PB of 1.8x. **Downside/upside risks:** include lower/higher-than-expected generation; and coal prices rising/falling faster than expected.

| | |
|--------------------|---------|
| Index ^A | HSCEI |
| Index level | 12,122 |
| RIC | 0836.HK |
| Bloomberg | 836 HK |

Source: HSBC

| | |
|-------------------------|---------|
| Enterprise value (HKDm) | 184,733 |
| Free float (%) | 35 |
| Market cap (USDm) | 12,181 |
| Market cap (HKDm) | 94,515 |

Source: HSBC

Financials & valuation

Financial statements

| Year to | 12/2014a | 12/2015e | 12/2016e | 12/2017e |
|---|----------|----------|----------|----------|
| Profit & loss summary (HKDm) | | | | |
| Revenue | 70,681 | 69,710 | 72,544 | 80,931 |
| EBITDA | 20,849 | 26,483 | 26,790 | 28,763 |
| Depreciation & amortisation | -8,600 | -9,486 | -10,396 | -11,163 |
| Operating profit/EBIT | 12,249 | 16,997 | 16,394 | 17,601 |
| Net interest | -1,268 | -1,661 | -1,512 | -1,218 |
| PBT | 11,184 | 16,663 | 16,279 | 17,937 |
| HSBC PBT | 11,184 | 16,663 | 16,279 | 17,937 |
| Taxation | -4,291 | -3,499 | -3,419 | -3,767 |
| Net profit | 9,215 | 11,601 | 11,343 | 12,546 |
| HSBC net profit | 13,018 | 11,601 | 11,343 | 12,546 |

Cash flow summary (HKDm)

| | | | | |
|---------------------------|---------|---------|---------|---------|
| Cash flow from operations | 26,500 | 18,728 | 24,528 | 25,870 |
| Capex | -23,894 | -21,442 | -17,698 | -15,322 |
| Cash flow from investment | -22,018 | -18,970 | -14,845 | -12,049 |
| Dividends | -5,537 | -3,737 | -4,671 | -4,567 |
| Change in net debt | 10,429 | 7,877 | -919 | -5,113 |
| FCF equity | -10,626 | -8,444 | 1,327 | 4,988 |

Balance sheet summary (HKDm)

| | | | | |
|-------------------------|---------|---------|---------|---------|
| Intangible fixed assets | 21,434 | 21,135 | 20,832 | 20,524 |
| Tangible fixed assets | 146,908 | 158,664 | 165,767 | 169,726 |
| Current assets | 32,835 | 31,220 | 37,406 | 42,419 |
| Cash & others | 8,290 | 7,567 | 12,854 | 16,435 |
| Total assets | 225,648 | 236,084 | 249,698 | 259,071 |
| Operating liabilities | 35,858 | 30,141 | 31,624 | 33,354 |
| Gross debt | 100,433 | 107,587 | 111,955 | 110,423 |
| Net debt | 92,143 | 100,019 | 99,101 | 93,988 |
| Shareholders funds | 70,794 | 79,101 | 86,325 | 94,828 |
| Invested capital | 157,029 | 173,312 | 179,527 | 182,880 |

Ratio, growth and per share analysis

| Year to | 12/2014a | 12/2015e | 12/2016e | 12/2017e |
|-----------------------|----------|----------|----------|----------|
| Y-o-y % change | | | | |
| Revenue | 1.6 | -1.4 | 4.1 | 11.6 |
| EBITDA | -5.9 | 27.0 | 1.2 | 7.4 |
| Operating profit | -17.2 | 38.8 | -3.6 | 7.4 |
| PBT | -30.7 | 49.0 | -2.3 | 10.2 |
| HSBC EPS | 25.7 | -11.3 | -2.2 | 10.6 |

Ratios (%)

| | | | | |
|-----------------------------|-------|-------|-------|------|
| Revenue/IC (x) | 0.5 | 0.4 | 0.4 | 0.4 |
| ROIC | 5.0 | 8.1 | 7.3 | 7.7 |
| ROE | 19.2 | 15.5 | 13.7 | 13.9 |
| ROA | 4.1 | 6.9 | 6.5 | 6.7 |
| EBITDA margin | 29.5 | 38.0 | 36.9 | 35.5 |
| Operating profit margin | 17.3 | 24.4 | 22.6 | 21.7 |
| EBITDA/net interest (x) | 16.4 | 15.9 | 17.7 | 23.6 |
| Net debt/equity | 130.2 | 126.4 | 114.8 | 99.1 |
| Net debt/EBITDA (x) | 4.4 | 3.8 | 3.7 | 3.3 |
| CF from operations/net debt | 28.8 | 18.7 | 24.8 | 27.5 |

Per share data (HKD)

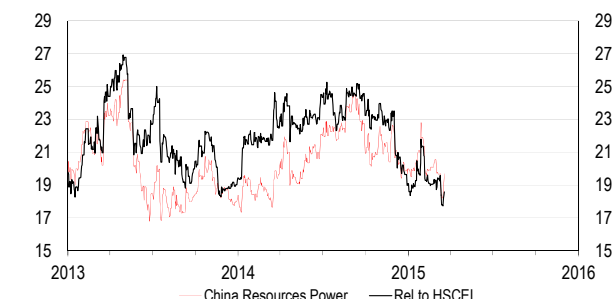
| | | | | |
|------------------------------|-------|-------|-------|-------|
| EPS reported (fully diluted) | 1.93 | 2.42 | 2.37 | 2.62 |
| HSBC EPS (fully diluted) | 2.73 | 2.42 | 2.37 | 2.62 |
| DPS | 0.78 | 0.97 | 0.95 | 1.05 |
| Book value | 14.78 | 16.51 | 18.02 | 19.79 |

Valuation data

| Year to | 12/2014a | 12/2015e | 12/2016e | 12/2017e |
|--------------------|----------|----------|----------|----------|
| EV/sales | 2.5 | 2.7 | 2.5 | 2.2 |
| EV/EBITDA | 8.5 | 7.0 | 6.9 | 6.2 |
| EV/IC | 1.1 | 1.1 | 1.0 | 1.0 |
| PE* | 7.2 | 8.1 | 8.3 | 7.5 |
| P/Book value | 1.3 | 1.2 | 1.1 | 1.0 |
| FCF yield (%) | -12.5 | -10.0 | 1.6 | 5.9 |
| Dividend yield (%) | 4.0 | 4.9 | 4.8 | 5.4 |

Note: * = Based on HSBC EPS (fully diluted)

Price relative



Source: HSBC

Note: price at close of 19 Mar 2015

China Resources Power

- ▶ The company expects FY15e unit fuel costs to fall 1% and FY15e utilisation hours of 5,050; it does not expect further impairments on coal mines
- ▶ We revised down FY15e/16e earnings by 1.4%/12.6%, as upcoming tariffs cut and ongoing weak utilisation are set to fully offset benefit from low coal prices and lower interest rates
- ▶ Remain Neutral, with TP of HKD22.40 (was HKD23.70) based on the average of our DCF and RoE implied PB valuations

FY14 results

CR Power reported normalised attributable net profit of HKD13,018m – after stripping out a total of HKD4,366 in impairments on its coal mines and certain obsolete power assets (HKD3,273m related to subsidiaries Shanxi Liangsheng and CR Shanxi coal mines, and HKD1,293m related to the associate CR Taiyuan coal mines) and one-off gains of HKD913m – up 25.9% y-o-y, 18.7%/7.8% above HSBCe/consensus.

CRP - Summary of FY14 results vs our estimates

| HKDm | 2014 | 2013 | YoY | HSBC 2014e | vs HSBC | 2H 2014 | HSBC 2H 2014e | vs HSBC |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating revenues, net | 70,681 | 69,582 | 1.6% | 66,467 | 6.3% | 34,855 | 30,641 | 13.8% |
| Fuel | (31,044) | (33,067) | -6.1% | (30,784) | 0.8% | (14,637) | (14,377) | 1.8% |
| Repairs and maintenance | (1,762) | (1,580) | 11.5% | (1,726) | 2.1% | (932) | (896) | 4.0% |
| Depreciation and amortisation | (8,600) | (7,371) | 16.7% | (8,164) | 5.3% | (4,520) | (4,085) | 10.7% |
| Others | (17,025) | (12,768) | 33.3% | (8,955) | 90.1% | (10,161) | (2,091) | 385.9% |
| Operating expenses | (58,431) | (54,787) | 6.7% | (49,629) | 17.7% | (30,251) | (21,449) | 41.0% |
| Profit from operations | 12,249 | 14,795 | -17.2% | 16,838 | -27.2% | 4,604 | 9,192 | -49.9% |
| Operating margin | 17.3% | 21.3% | -3.9%-pt | 25.3% | -8.0%-pt | 13.2% | 30.0% | -16.8%-pt |
| Non operating income (expenses) | | | | | | | | |
| Other income | 2,058 | 1,849 | 11.3% | 1,699 | 21.1% | 1,387 | 1,028 | 34.9% |
| Other gains and losses | 913 | 861 | 6.0% | (1) | | 313 | (601) | -152.0% |
| Finance costs | (3,325) | (3,328) | -0.1% | (4,038) | -17.6% | (1,777) | (2,489) | -28.6% |
| Share of results of associates/JVs | (710) | 1,961 | -136.2% | 1,340 | -153.0% | (1,295) | 755 | -271.4% |
| Pretax profit | 11,184 | 16,137 | -30.7% | 14,413 | -22.4% | 3,231 | 7,884 | -59.0% |
| Income tax | (4,291) | (3,552) | 20.8% | (3,027) | 41.8% | (2,269) | (1,005) | 125.8% |
| Tax rate | 38.4% | 22.0% | 16.4%-pt | 21.0% | 17.4%-pt | 70.2% | 12.7% | 57.5%-pt |
| Net Profit before minority interest | 6,894 | 12,585 | -45.2% | 11,386 | -39.5% | 962 | 6,879 | -86.0% |
| Minority interest/perpetual | 2,321 | (1,570) | -247.9% | (1,117) | -307.8% | 2,189 | (1,249) | -275.2% |
| Net Profit | 9,215 | 11,016 | -16.3% | 9,842 | -6.4% | 3,151 | 5,630 | -44.0% |
| NPM | 13.0% | 15.8% | -2.8%-pt | 14.8% | -1.8%-pt | 9.0% | 18.4% | -9.3%-pt |
| Normalised attributable Profit | 13,018 | 10,344 | 25.9% | 10,968 | 18.7% | 5,891 | 3,841 | 53.4% |
| Basic EPS | 1.94 | 2.32 | -16.4% | 2.05 | -5.4% | 0.66 | 0.77 | -14.3% |
| Diluted EPS | 1.93 | 2.31 | -16.5% | 2.05 | -5.9% | 0.66 | 0.78 | -15.4% |
| Proposed DPS | 0.78 | 0.75 | 4.0% | 0.66 | 18.8% | 0.70 | 0.58 | 21.5% |

Source: Company data, HSBC estimates

Key takeaways from briefing

The company expects **FY15e unit fuel cost** to decline by 1% y-o-y.

The company targets **FY15e utilisation hours of 5,050** (down 3.5% y-o-y from 5,235 hours in FY14) for coal power; target flat growth for coal production in FY15 at 11mt.

The company does not expect any further **coal mine related impairments** in FY15, as coal mines account for only a small proportion of its total net assets.

The company guides FY15e **capex** at HKD22.4bn, with the majority being spent on thermal power projects.

Around 4.7% of FY14 power generation participates in **direct power purchases** and the company expects this figure to increase to 5.8% in FY15e. CR Power accounted for 70% of direct power purchase generation in Henan province in 2014.

The company targets to add total attributable capacity of 3.4GW/1.3GW/2.46GW new coal power capacity in FY15e/16e/17e and 800-1,000MW new wind capacity pa.

Earnings revisions

We revised down our FY15e/16e earnings by 1.4%/12.6%. This is mainly due to: 1) the updating of our model to reflect actual 2014 numbers; and 2) upcoming tariffs cut and weak utilisation, which should completely offset the benefit of low coal prices and lower interest rates. The full-year impact of tariff cuts will be felt in from 2016.

Our FY15/16 earnings estimates are 6.8%/13.1% below consensus.

CRP - Summary of changes in our earnings forecasts (HKDm)

| Revenues | 2015e | 2016e | 2017e |
|------------|--------|--------|--------|
| Old | 72,751 | 77,099 | |
| New | 69,710 | 72,544 | 77,060 |
| % Change | -4.2% | -5.9% | |
| EBIT | | | |
| Old | 17,977 | 19,064 | |
| New | 16,997 | 16,394 | 19,584 |
| % Change | -5.4% | -14.0% | |
| Net Profit | | | |
| Old | 11,769 | 12,980 | |
| New | 11,601 | 11,343 | 12,546 |
| % Change | -1.4% | -12.6% | |
| EPS (HKD) | | | |
| Old | 2.46 | 2.71 | |
| New | 2.42 | 2.37 | 2.62 |
| % Change | -1.4% | -12.6% | |

Source: HSBC estimates

Key assumptions

Our key assumptions are shown in the table below.

CRP - Key assumptions in our forecasts

| | New | | | Old | | % change | |
|----------------------------------|--------|--------|--------|--------|--------|----------|-------|
| | 2015e | 2016e | 2017e | 2015e | 2016e | 2015e | 2016e |
| Power business | | | | | | | |
| Total attributable capacity (MW) | 35,812 | 37,632 | 40,592 | 36,727 | 36,727 | -2.5% | 2.5% |
| % change | 13.1% | 5.1% | 7.9% | 14.2% | 0.0% | | |
| Average tariff (HKD/MWh) | 625 | 612 | 612 | 647 | 665 | -3.4% | -8.0% |
| % change | -3.7% | -3.3% | -2.1% | -2.8% | -1.6% | | |
| Unit Fuel cost (HKD/MWh) | 217 | 217 | 217 | 227 | 227 | -5.0% | -5.0% |
| % change | -5.0% | 0.0% | 0.0% | 0.0% | 0.0% | | |
| Average utilisation hours | 5,235 | 5,235 | 5,235 | 5,392 | 5,554 | -3.0% | -6.1% |
| % change | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | |
| Coal mines business | | | | | | | |
| Production (mt) | 8.65 | 8.65 | 8.65 | 8.65 | 8.65 | 0.0% | 0.0% |
| % change | -25.8% | 0.0% | 0.0% | -25.8% | 0.0% | | |
| Others | | | | | | | |
| Effective Interest rate | 3.3% | 3.3% | 3.3% | 4.3% | 4.3% | 1.0% | 1.0% |
| % change | -0.5% | 0% | 0% | 0% | 0% | | |

Source: HSBC estimates

Tariffs cuts: We assume RMB0.025/KWh (or 5.8%) tariff cuts at the coal power plants from June 2015. Our assumptions for tariffs also take into account a change in the HSBC 2015e forecast of the HKD/RMB exchange rate (from HKD/RMB1.26 to HKD/RMB 1.23).

This cut would follow previous cuts, which averaged RMB0.015 (or 3.5%) per KWh in September 2013 and RMB0.093 (or 2.2%) per KWh in September 2014. The purpose of the proposed tariff cut would differ from the 2013/2014 cuts, which were mainly to supplement the renewables energy fund. Instead, this time the main purpose would be to: 1) lower commercial tariffs to the same level as industrial tariffs; 2) supplement the subsidy for gas power; and 3) supplement the subsidy for de-NOx and de-SOx. Lowering commercial tariffs reflects the government's mandate to stimulate domestic economy growth.

Unit fuel cost: HSBC's commodities team expects the China thermal coal price (5,500 kcal) to fall 12%/6.4% in FY14e/FY15e to RMB518/RMB485 per ton. For more details, see [China Coal Sector: Searching for the bottom](#), 18 March 2015.

We assume CR Power's unit fuel costs will fall 5% in FY15e, based on the company's coal purchase pattern.

Utilisation hours: We assume flat utilisation hours in FY15e/16e in line with company guidance. Structural changes – reduced energy intensity and new supply through UHV/hydro/nuclear – are particularly impacting eastern coastal markets (Jiangsu, Zhejiang) in which CR Power has the highest exposure among IPPs. CR Power derives 39%/37% of total power generation from these region in FY14a/15e.

Interest rate cut: We assume a 50bp interest rate cut in FY15.

Sensitivity analysis

CRP - Sensitivity analysis against FY15/16 earnings

| | 2015e | | 2016e | |
|-------------------|---------------|---------------|---------------|---------------|
| | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Coal prices | -2.2% | 2.2% | -2.2% | 2.2% |
| On-grid tariffs | -3.8% | 3.8% | -4.1% | 4.1% |
| Utilization Rates | 1.7% | -1.7% | 1.9% | -1.9% |
| | 25bp increase | 25bp decrease | 25bp increase | 25bp decrease |
| Interest rates | -1.7% | 1.7% | -1.9% | 1.9% |

Source: HSBC estimates

The table above summarises our sensitivity analysis against FY15/16 earnings.

Valuation and risks

Our TP of HKD22.40 (from 23.70) is based on a 10% discount (to reflect long-term carbon cost) to the average of our DCF and RoE implied PB valuations.

Our revised DCF valuation is HKD20.12 (was HKD21.59) based on an unchanged WACC of 6.0%. The decline in DCF valuation is due to the downward revision in our forecasts as a result of the upcoming tariff cut and weak utilisation, which we expect to completely offset the benefit of low coal prices and lower interest rates.

Our RoE-implied PB valuation of HKD29.72 (from HKD31.15), based on a 2015e PB of 1.8x (from 1.9x). The decline in PB multiples is due to lower RoE (average FY15-17e). Our PB multiples are based on an RoE of 14.3% (was 15.1%), divided by an unchanged cost of equity of 8.2%.

Under our research model, for stocks without a volatility indicator, the Neutral band is 5ppt above and below the hurdle rate for Hong Kong stocks of 8.5%. Our target price of HKD22.50 implies a potential return of 13.7%, within the Neutral band of our model; therefore, we are reiterating our Neutral rating. Potential return equals the percentage difference between the current share price and the target price, including the forecast dividend yield when indicated

CRP - Valuation summary

| | Old | New | % change |
|--|--------------|--------------|--------------|
| DCF | | | |
| Equity value | 103,433 | 96,405 | -6.8% |
| WACC | 6.26% | 6.26% | 0.0% |
| DCF per share | 21.59 | 20.12 | -6.8% |
| RoE implied PB | | | |
| FY15 Book Value | 80,688 | 79,101 | -2.0% |
| FY15 BVPS | 16.84 | 16.51 | -2.0% |
| RoE (average FY15-17e) | 15.1% | 14.3% | -5.0% |
| Cost of Equity | 8.2% | 8.2% | -0.3% |
| RoE/Cost of Equity | 1.9x | 1.8x | -2.7% |
| RoE implied PB per share | 31.15 | 29.72 | -4.6% |
| Average of DCF and RoE implied PB per share | 26.37 | 24.92 | -5.5% |
| Carbon discount | 10% | 10% | |
| Target price | 23.70 | 22.40 | -5.5% |

Source: HSBC estimates

Disclosure appendix

Analyst Certification

The following analyst(s), economist(s), and/or strategist(s) who is(are) primarily responsible for this report, certifies(y) that the opinion(s) on the subject security(ies) or issuer(s) and/or any other views or forecasts expressed herein accurately reflect their personal view(s) and that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report: Summer Huang and Jenny Cosgrove

Important disclosures

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HSBC believes that investors utilise various disciplines and investment horizons when making investment decisions, which depend largely on individual circumstances such as the investor's existing holdings, risk tolerance and other considerations. Given these differences, HSBC has two principal aims in its equity research: 1) to identify long-term investment opportunities based on particular themes or ideas that may affect the future earnings or cash flows of companies on a 12 month time horizon; and 2) from time to time to identify short-term investment opportunities that are derived from fundamental, quantitative, technical or event-driven techniques on a 0-3 month time horizon and which may differ from our long-term investment rating. HSBC has assigned ratings for its long-term investment opportunities as described below.

This report addresses only the long-term investment opportunities of the companies referred to in the report. As and when HSBC publishes a short-term trading idea the stocks to which these relate are identified on the website at www.hsbcnet.com/research. Details of these short-term investment opportunities can be found under the Reports section of this website.

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Rating definitions for long-term investment opportunities

Stock ratings

HSBC assigns ratings to its stocks in this sector on the following basis:

For each stock we set a required rate of return calculated from the cost of equity for that stock's domestic or, as appropriate, regional market established by our strategy team. The price target for a stock represents the value the analyst expects the stock to reach over our performance horizon. The performance horizon is 12 months. For a stock to be classified as Overweight, the potential return, which equals the percentage difference between the current share price and the target price, including the forecast dividend yield when indicated, must exceed the required return by at least 5 percentage points over the next 12 months (or 10 percentage points for a stock classified as Volatile*). For a stock to be classified as Underweight, the stock must be expected to underperform its required return by at least 5 percentage points over the next 12 months (or 10 percentage points for a stock classified as Volatile*). Stocks between these bands are classified as Neutral.

Our ratings are re-calibrated against these bands at the time of any 'material change' (initiation of coverage, change of volatility status or change in price target). Notwithstanding this, and although ratings are subject to ongoing management review, expected returns will be permitted to move outside the bands as a result of normal share price fluctuations without necessarily triggering a rating change.

*A stock will be classified as volatile if its historical volatility has exceeded 40%, if the stock has been listed for less than 12 months (unless it is in an industry or sector where volatility is low) or if the analyst expects significant volatility. However, stocks which we do not consider volatile may in fact also behave in such a way. Historical volatility is defined as the past month's average of the daily 365-day moving average volatilities. In order to avoid misleadingly frequent changes in rating, however, volatility has to move 2.5 percentage points past the 40% benchmark in either direction for a stock's status to change.

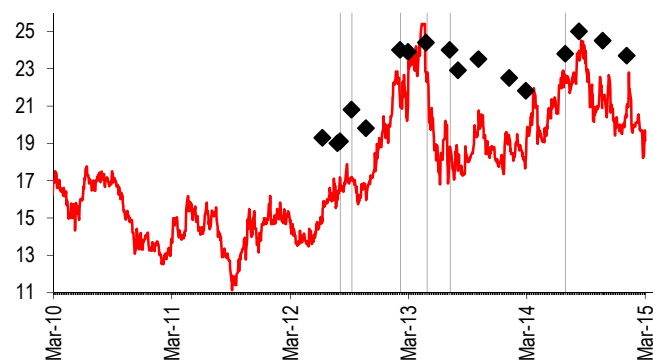
Rating distribution for long-term investment opportunities

As of 20 March 2015, the distribution of all ratings published is as follows:

| | | |
|--------------------|-----|--|
| Overweight (Buy) | 41% | (30% of these provided with Investment Banking Services) |
| Neutral (Hold) | 39% | (28% of these provided with Investment Banking Services) |
| Underweight (Sell) | 20% | (20% of these provided with Investment Banking Services) |

Share price and rating changes for long-term investment opportunities

China Resources Power (0836.HK) Share Price performance HKD Vs HSBC rating history



Source: HSBC

Recommendation & price target history

| From | To | Date |
|--------------|------------|-------------------|
| Overweight | Neutral | 20 August 2012 |
| Neutral | Overweight | 25 September 2012 |
| Overweight | Neutral | 22 February 2013 |
| Neutral | Restricted | 15 May 2013 |
| Restricted | Overweight | 25 July 2013 |
| Overweight | Neutral | 16 July 2014 |
| Target Price | Value | Date |
| Price 1 | 19.30 | 27 June 2012 |
| Price 2 | 19.00 | 12 August 2012 |
| Price 3 | 19.10 | 20 August 2012 |
| Price 4 | 20.80 | 25 September 2012 |
| Price 5 | 19.80 | 08 November 2012 |
| Price 6 | 24.00 | 22 February 2013 |
| Price 7 | 23.90 | 18 March 2013 |
| Price 8 | 24.40 | 13 May 2013 |
| Price 9 | Restricted | 15 May 2013 |
| Price 10 | 24.00 | 25 July 2013 |
| Price 11 | 22.90 | 19 August 2013 |
| Price 12 | 23.50 | 22 October 2013 |
| Price 13 | 22.50 | 24 January 2014 |
| Price 14 | 21.80 | 17 March 2014 |
| Price 15 | 23.80 | 16 July 2014 |
| Price 16 | 25.00 | 28 August 2014 |
| Price 17 | 24.50 | 09 November 2014 |
| Price 18 | 23.70 | 22 January 2015 |

Source: HSBC

HSBC & Analyst disclosures

Disclosure checklist

| Company | Ticker | Recent price | Price Date | Disclosure |
|-----------------------|---------|--------------|-------------|------------|
| CHINA RESOURCES POWER | 0836.HK | 19.14 | 20-Mar-2015 | 2, 6, 7 |

Source: HSBC

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