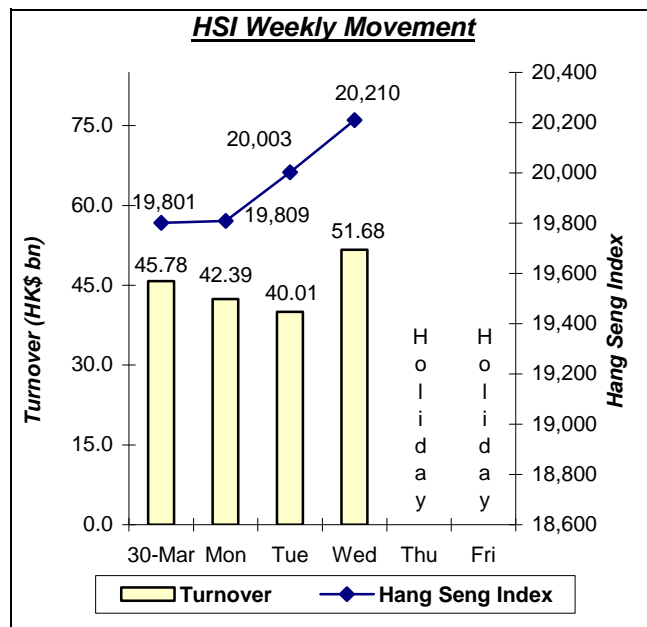


A strong run ahead of the holiday break



Weekly Market Statistics				
Week ended	04/04/07	30/03/07	Change	%
Hang Seng Index	20,210	19,801	+409	+2.1%
HS Red Chip Index	3,492	3,436	+56	+1.6%
HS China Enterprises Index	9,860	9,616	+243	+2.5%
HS Composite Index	2,832	2,772	+59	+2.1%
HS HK Composite Index	2,502	2,446	+56	+2.3%
HS Mainland Composite Index	3,285	3,221	+64	+2.0%
Growth Enterprise Index	1,366	1,350	+16	+1.2%
Avg Daily Turnover (HK\$ bn)	44.7	46.4	-2	-3.7%
Sectoral Indices				
Finance	31,329	30,948	+381	+1.2%
Utilities	36,859	36,128	+731	+2.0%
Properties	24,794	23,727	+1,067	+4.5%
Comm & Ind	11,029	10,791	+239	+2.2%

Review & Outlook of Market Performance

The local bourse continued to perform strongly in the shortened trading week, with the Hang Seng Index registering gains on all three trading days. Strong local retail sales figure, which jumped 11.4% y-o-y in value for the first two months of this year, as well as gains in Wall Street also buoyed market sentiment. Property counters posted a show this week following last weekend's strong flat sales in the primary market. The HS Properties Sub-index jumped 4.5% over the three-day span, with Cheung Kong (HK\$104.80, +6.0%), Sino Land (HK\$18.02, +7.1%) and Hang Lung Properties (HK\$23.05, +5.5%) being the big winners. With only three out of the 38 constituents finished lower for the week, the HSI jumped 408.78 points or 2.1% to close at a fresh five-week high of 20,209.71. Average daily turnover amounted to HK\$44.7 billion for the shortened week.

Despite fears of further austerity measures by the central government following a slew of still-strong economic figures, H shares remained buoyant this week and the HSCEI ended this week's trades at 9,859.50, up 2.5%. Focus of the week was on ICBC, which released its first report card after its listing in October last year. The mainland banking giant posted a 31.2% jump in 2006 net profit to RMB49.3 billion, which beat its profit forecast of RMB47.2 billion set at time of its IPO, but was only at the low end of market expectations. Undermined by the somewhat disappointing earnings figure, shares of ICBC fell 1.6% to end the week at HK\$4.31.

Meanwhile, CITIC Pacific's telecom services arm CITIC 1616 Holdings, whose IPO drew massive investor demand, had a strong trading debut on Tuesday when its share price saw a 67.1% gain from its issue price of HK\$2.58. The shares of the newcomer finished at HK\$4.39 on Wednesday. On the other hand, its parent CITIC Pacific leapt 3.1% to close the week at HK\$29.80.

Looking forward, market spotlight will be on the earnings results announcements of H-share companies, including Angang Steel, Ping An Insurance and China Construction Bank. The generally supportive earnings results so far have been the main driving force for the current three-week rally. While near-term profit taking may exert volatility after the long Easter holiday break, the HSI is expected to see good support at 20,000.

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US & Regional Markets Weekly Update

Date	US Dow Jones	US NASDAQ	JAPAN Nikkei Avg	SINGAPORE STI	MALAYSIA KLSE Index	BANGKOK SET Index	TAIPEI Weighted Index
Week to							
4th April	12,510.30*	2,450.33*	17,544.09	3,332.92	1,271.31	693.54	8,004.61
30th March	12,354.35	2,421.64	17,287.65	3,231.24	1,246.87	673.71	7,884.41
Change	+155.95	+28.69	+256.44	+101.68	+24.44	+19.83	+120.20
%	+1.3%	+1.2%	+1.5%	+3.1%	+2.0%	+2.9%	+1.5%

Remark (*): closing as of 3rd April 2007

Major Changes in Index Constituent Stocks (Week ended 4th April 2007)
Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @04/04/07	W-O-W Change		Remarks / Comments
			Absolute	%	
Cheung Kong	0001	HK\$104.80	+HK\$5.90	+5.97%	Strong weekend flat sales and news on the stake increase by its chairman Mr. Li Ka-shing drove the property developer's share price higher.
Esprit	0330	HK\$96.75	+HK\$5.10	+5.56%	The global retailer continued its strengths after its president said it is confident of achieving its goal of doubling turnover by 2011.

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @04/04/07	W-O-W Change		Remarks / Comments
			Absolute	%	
Huaneng Power	0902	HK\$7.56	+HK\$0.76	+11.18%	Both power producers reported better-than-expected 2006 earnings while solid capacity growth and expectation of further power asset injections from their parents drove their shares higher.
Datang Power	0991	HK\$8.65	+HK\$1.25	+16.89%	
China Shipping Development	1138	HK\$13.78	+HK\$1.86	+15.60%	The shipping firm's 2006 net profit came in at RMB2,759 million, up 2.4%, which was in line with expectations.
Weiqiao Textile	2698	HK\$13.30	+HK\$2.00	+17.70%	The cotton textile maker reported a strong 36% jump in 2006 net profit to RMB1,685 million, which beat market expectations.

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @04/04/07	W-O-W Change		Remarks / Comments
			Absolute	%	
China Merchants Holdings (International)	0144	HK\$37.45	+HK\$4.55	+13.83%	The ports operator said it would make a container terminal investment in Vietnam, its first outside China.
China Resources Enterprise	0291	HK\$29.15	+HK\$3.05	+11.69%	The beverage-to-retail conglomerate recorded a 25% rise in 2006 net profit HK\$2.78 billion, which beat market consensus.

Summary of US Economic News

Indicator	Change/Index	Comments
ISM manufacturing index – March 2007	50.9	The ISM manufacturing index eased to 50.9 in March from 52.3 in February, indicating a slower growth rate in US factory activity.

Forthcoming Important Announcements / Events

9 th April 2007 (Monday)	HK US	: : Easter holiday Easter holiday
10 th April 2007 (Tuesday)	HK US	: : Hainan Meilan International Airport (0357) – FY2006 final results Angang Steel (0347) – FY2006 final results Shenzhen Investment (0604) – FY2006 final results GZI Transport (1052) – FY2006 final results China Communications Construction (1800) – FY2006 final results AAC Acoustic (2018) – FY2006 final results Shanghai Forte Land (2337) – FY2006 final results China Shipping Container Lines (2866) – FY2006 final results Xiamen International Port (3378) – FY2006 final results ALCOA Inc – Q1 2007 results
11 th April 2007 (Wednesday)	HK US	: : Great Eagle Holdings (0041) – FY2006 final results Sun Hung Kai & Co. (0086) – FY2006 final results CNPC (Hong Kong) (0135) – FY2006 final results First Pacific (0142) – FY2006 final results Geely Automobile (0175) – FY2006 final results COSCO International (0517) – FY2006 final results Singamas Container Holdings (0716) – FY2006 final results TPV Technology (0903) – FY2006 final results China Pharmaceutical Group (1093) – FY2006 final results Minmetals Resources (1208) – FY2006 final results Foxconn International Holdings (2038) – FY2006 final results Ping An Insurance (2318) – FY2006 final results Genentech Inc – Q1 2007 results
12 th April 2007 (Thursday)	HK US	: : China Merchants Holdings (0144) – FY2006 final results Sinofert Holdings (0297) – FY2006 final results China Travel (0308) – FY2006 final results Asia Zirconium (0395) – FY2006 final results GZI Real Estate Investment Trust (0405) – FY2006 final results Anhui Conch Cement (0914) – FY2006 final results Shui On Construction & Materials (0983) – FY2006 final results China Yurun Food Group (1068) – FY2006 final results China Mengniu Dairy (2319) – FY2006 final results Initial jobless claims – the week ended 7 th April 2007 Advanced Micro Devices Inc – Q1 2007 results MGIC Investment Corp – Q1 2007 results Progressive Corp – Q1 2007 results
13 th April 2007 (Friday)	HK US	: : Guangdong Investment (0270) – FY2006 final results Lai Sun Development (0488) – FY2006/07 interim results China Construction Bank (0939) – FY2006 final results Shanghai Electric Group (2727) – FY2006 final results Dalian Port (2880) – FY2006 final results Trade balance – February 2007 Producer price index – March 2007 General Electric – Q1 2007 results

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