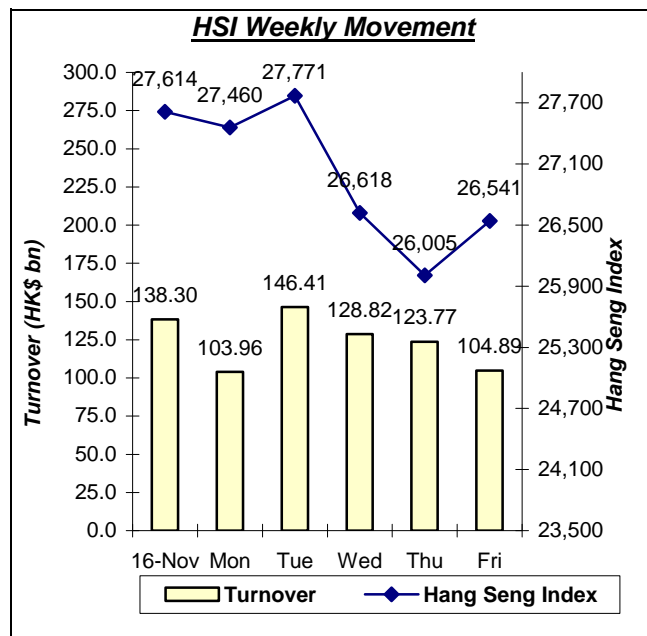


Stock indices hit by a sharp correction



Weekly Market Statistics				
Week ended	23/11/07	16/11/07	Change	%
Hang Seng Index	26,541	27,614	-1,073	-3.9%
HS Red Chip Index	5,699	5,870	-170	-2.9%
HS China Enterprises Index	15,692	16,738	-1,046	-6.2%
HS Composite Index	3,742	3,928	-185	-4.7%
HS HK Composite Index	2,724	2,848	-125	-4.4%
HS Mainland Composite Index	5,004	5,263	-259	-4.9%
Growth Enterprise Index	1,356	1,442	-85	-5.9%
Avg Daily Turnover (HK\$ bn)	121.6	140.3	-19	-13.3%
Sectoral Indices				
Finance	39,065	41,423	-2,358	-5.7%
Utilities	36,868	38,171	-1,303	-3.4%
Properties	33,851	35,204	-1,354	-3.8%
Comm & Ind	15,633	15,935	-302	-1.9%

Review & Outlook of Market Performance

Hang Seng Index started off the week with a 154-point correction as investors remained anxious about a possible slowdown in market activity after mainland authorities cracked down on illegal fund flows from China. Hang Seng Index even suffered its second biggest points drop this year on Wednesday, due to worries over the US economy and a spike in crude oil prices. The yen rose to a two-year high against the dollar, triggering hedge funds to reverse their positions on carry trade. The subsequent massive sell off across the regions further undermined investors' sentiment, sending HSI to its 2-month low. Towards the end of the week, some buying activities were seen as tycoon Lee Shau-kee gave supportive speech on the local market. Without any positive news as concrete support, Hang Seng Index dropped 3.9% w-o-w at 26,541, down 1,073 points. Average turnover was at HK\$121.6billion, down from last week's HK\$140.3billion.

Over the week, mainland property plays were the top losers, as investors sold their positions on concerns over possible coming tightening measures, after the National Bureau of Statistics reported that the urban fixed asset investment soared by more than 30% from a year ago. Big names like R&F Properties and China Resources Land plunged more than 15% w-o-w. Amid overall sharp broad sell-off, fix-line operators, China Telecom and China Netcom, are the rare gainers, backed by the high likelihood of getting the long-awaited licenses for mobile telecom services.

There were 3 new listings this week but none of them gave satisfactory results on their market debuts. Value Partners closed flat while Rainbow Brothers rose only 3.3% above its offering price. Sinotrans Shipping even dropped 13% in its trading debut on Friday despite attracting 251 times oversubscription.

Looking ahead, the market will be pressured by tight liquidity next week due to China Railway Group's upcoming IPO, which is likely to see massive subscription. Market will continue to be volatile and any negative news will further damage the market sentiment, triggering another widespread selling. Investors should remain cautious and adopt a wait-and-see approach.

This report has been prepared solely for information purposes and we are not soliciting any action based upon it. Neither this document nor its contents shall be construed as an offer, invitation, advertisement, inducement or representation of any kind or form whatsoever. The information is based upon information which we consider reliable, but accuracy or completeness is not guaranteed. Opinions expressed herein are subject to change without notice. At time of this report, East Asia Securities Company Limited has no position in securities of the company or companies mentioned herein, while its group companies may from time to time have interests in securities of the company or companies mentioned herein.



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							
23rd November	12,799.04*	2,562.15*	14,888.77	3,325.89	1,353.55	824.25	8,342.20
16th November	13,176.79	2,637.24	15,154.61	3,440.96	1,386.64	849.07	8,764.82
Change	-377.75	-75.09	-265.84	-115.07	-33.09	-24.82	-422.62
%	-2.9%	-2.8%	-1.8%	-3.3%	-2.4%	-2.9%	-4.8%

Remarks: (*) closing as of 21st November 2007.

Major Changes in Index Constituent Stocks (Week ended 23rd November 2007)

Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @23/11/07	W-O-W Change		Remarks / Comments
			Absolute	%	
Bank of East Asia	0023	HK\$46.40	+ HK\$0	-	BOC Hong Kong (2388) bought a 4.94% stake of Bank of East Asia from an independent third party for HK\$3.95B.
China Resources Enterprise	0291	HK\$27.80	+ HK\$0.40	+ 1.46%	It posted strong-than-expected quarterly result, a 21% rise in net profit for 3 months ended September, thanks to robust sales in its booming retail and beverage businesses.
CNOOC	0883	HK\$13.30	+ HK\$0.90	+ 7.26%	CNOOC is expected to benefit more than its rivals from the surge in oil prices as it is an upstream player with no interests in the loss-making refining or marketing businesses.

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @23/11/07	W-O-W Change		Remarks / Comments
			Absolute	%	
R&F Properties	2777	HK\$28.05	- HK\$7.05	- 20.09%	Investors expect government will soon tighten policies further as official data continues to show soaring investment levels and higher prices.

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @23/11/07	W-O-W Change		Remarks / Comments
			Absolute	%	
China Netcom	0906	HK\$21.40	+ HK\$1.35	+ 6.73%	China's Ministry of Information Industry said it would grant fixed-line telecom operators licences for mobile telecom services.
China Power	2380	HK\$3.80	- HK\$0.06	- 1.55%	China Power plans to acquire Liaoning Qinghe Electric Power Generating Co., Ltd, a 600-megawatt coal-fired generation unit, from its parent company. Deutsche Bank upgraded the stock to buy afterward, as the transaction showed positive support by its parent company and further prospective deals may result in the future.

Summary of US Economic News

Indicator	Change/Index	Comments
Industrial Production – October 2007 Production: Capacity Utilization Rate:	-0.5% m-o-m 81.7%	Industrial production came in much weaker than the consensus forecast of 0.1% rise while capacity utilization rate also fell below the consensus forecast of 82%. The report suggested weakness was primarily in consumer goods, construction supplies and business supplies.
Housing Starts – October 2007	+38,000	Housing starts in October rose 3%, following a revised 11.4% drop in September. Yet, the report viewed housing still quite weak as the strength in October was attributable to the extraordinarily weak in September.
FOMC Minutes – October 30, 2007	-	The minutes indicated that the Fed's decision to cut the interest rate in October was a "close call", lowering the chances of another interest rate cut in the next FOMC meeting in December.
Initial Jobless Claims – the week ended 17 th November 2007	-11,000	In line with expectation.

Forthcoming Important Announcements / Events

26 th November 2007 (Monday)	HK	:	Vitasoy International (0345) – interim results Northern International (0736) – Interim results QJY Media (2366) – final results
	US	:	No important announcement/event
27 th November 2007 (Tuesday)	HK	:	Fairwood Holdings Ltd (0052) – interim results Chen Hsong Holdings Ltd (0057) – interim results Magician Industries Ltd (0526) – interim results BEP International (2326) – interim results
	US	:	Consumer Confidence – November 2007 Analog Devices Inc. – Q4 2007 results Staples, Inc. – Q3 results
28 th November 2007 (Wednesday)	HK	:	SinoTruk (3808) – Trading debut Wheelock (0020) – interim results Miramar Hotel (0071) – interim results IDT International (0167) – interim results Easyknit Enterprises (0616) – interim results Sam Woo (2322) – interim results
	US	:	Durable Goods Order – October 2007 Existing Home Sales – October 2007
29 th November 2007 (Thursday)	HK	:	Sa Sa Int'l (0178) – interim results Huabao (0336) – interim results Fujikon (0927) – interim results
	US	:	GDP (Prelim) – 3Q2007 New Home Sales – October 2007 Initial jobless claims – the week ended 24 th Nov 2007 Brown-Forman Corp. – Q2 2008 results Dell, Inc. – Q3 2008 results Sears Holdings Corp. – Q3 2007 results H.J. Heinz Co. – Q2 2008 results
30 th November 2007 (Friday)	HK	:	Pan Sino International (0502) – interim results Eagle Nice (2368) – interim results
	US	:	Personal Income and Outlays – October 2007 Chicago PMI – November 2007 Tiffany & Co. – Q3 2007 results Big Lots, Inc. – Q3 2007 results

Important Disclosure / Analyst Certification / Disclaimer

This document is published by East Asia Securities Company Limited, a wholly-owned subsidiary of The Bank of East Asia, Limited (BEA).

The research analyst primarily responsible for the content of this report, in part or in whole certifies that the views on the companies and their securities mentioned in this report accurately reflect his/her personal views. The analyst also certifies that no part of his/her compensation was, is, or will be, directly, or indirectly, related to specific recommendations or views expressed in this report.

This report has been prepared solely for information purposes and has no intention whatsoever to solicit any action based upon it. Neither this report nor its contents shall be construed as an offer, invitation, advertisement, inducement or representation of any kind or form whatsoever. The information is based upon information, which East Asia Securities Company Limited considers reliable, but accuracy or completeness is not guaranteed. Information and opinions expressed herein reflect a judgment as of the date of this document and are subject to change without notice. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This report is not to be taken in substitution for the exercise of judgment by respective readers of this report, who should obtain separate legal or financial advice. East Asia Securities Company Limited and / or The BEA Group accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or further communication given in relation to this report.

At time of this report, East Asia Securities Company Limited has no position in securities of the company or companies mentioned herein the report, while BEA along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this report. BEA and its associates, its directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

BEA and/or any of its affiliates may beneficially own a total of 1% or more of any class of common equity securities of the subject company or companies mentioned in this report and may, within the past 12 months, have received compensation and/or within the next 3 months seek to obtain compensation for investment banking services from the subject company or companies mentioned in the report.

This document 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, publication, availability or use would be contrary to law and regulation.