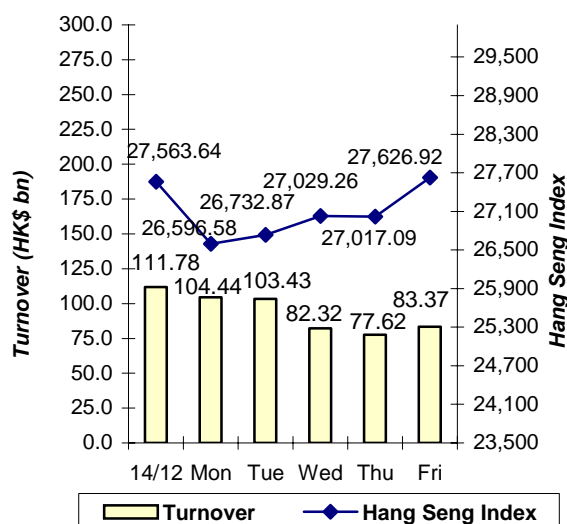


HSI Weekly Movement

Weekly Market Statistics

Week ended	21/12/07	14/12/07	Change	%
Hang Seng Index	27,627	27,564	+63	+0.2%
HS Red Chip Index	6,013	5,955	+59	+1.0%
HS China Enterprises Index	15,982	15,957	+24	+0.2%
HS Composite Index	3,887	3,881	+6	+0.2%
HS HK Composite Index	2,879	2,880	-1	-0.0%
HS Mainland Composite Index	5,144	5,129	+15	+0.3%
Growth Enterprise Index	1,311	1,324	-13	-1.0%
Avg Daily Turnover (HK\$ bn)	83.4	111.8	-28	-25.4%
Sectoral Indices				
Finance	39,660	39,899	-238	-0.6%
Utilities	40,779	39,397	+1,382	+3.5%
Properties	36,904	36,745	+160	+0.4%
Comm & Ind	16,404	16,291	+113	+0.7%

Review & Outlook of Market Performance

Led by property stocks, the local bourse started the week with a massive sell-off across the board. The sell off was triggered by plunges in the Wall Street last Friday amid the higher-than-expected US's inflation rate in November which dashed hopes for further rate cuts in US. Fortunately, Hang Seng Index found a foothold on the following day, as investors sought safe havens in utility counters and market heavyweight HSBC. After a flat range-bounded trading on Thursday, Hang Seng Index started to rebound on Friday; despite Beijing's further monetary tightening to cool economic overheating and mounting concerns over US credit markets. During the week, HSI rose slightly by 0.23% w-o-w and closed at 27,626.92, while the HSCEI was up 0.15% w-o-w and closed at 15,981.81. Average daily turnover dropped to HK\$90.2 billion, compared with HK\$111.8 billion in the previous week.

Seven debutants got diverse performance on their respective debuts over the week. Among the gainers, Uni-President, the mainland arm of Taiwan's food and beverage giant, bucked Monday's falling trend and closed 13.7% higher from its offer price of HK\$4.22. China National Materials, the world's largest cement engineering service provider climbed 21% one day after its trading debut driven by expectation of China's robust economic growth and its heavy investment in fixed assets. BYD Electronic also posted a standout result, which was up 2.4% on its first trading date and another 15% surge on the following day. However, Pacific Online, Vietnam Manufacturing and Export Processing, Pan Asia Environmental Protection Group and Eyang Holdings Group all disappointed investors.

Looking ahead, it is expected that the local market would have a good support next week due to window dressing and a shorter trading week. Investors should still remain cautious amid of shrinking trading volumes with volatile share prices even though the great selling pressure appeared to have subsided.

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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							
21st December	13,245.64*	2,640.86*	15,257.00	3,411.60	1,400.54	813.60	7,941.44
14th December	13,339.85	2,635.74	15,514.51	3,466.38	1,403.41	836.40	8,118.08
Change	-94.21	+5.12	-257.51	-54.78	-2.87	-22.80	-176.64
%	-0.7%	+0.2%	-1.7%	-1.6%	-0.2%	-2.7%	-2.2%

Remarks: (*) closing as of 20th December 2007.

Major Changes in Index Constituent Stocks (Week ended 21st December 2007)
Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @21/12/07	W-O-W Change		Remarks / Comments
			Absolute	%	
China Resources	0291	HK\$34.3	+HK\$3.55	+11.54%	Market continued to have high expectation on the counter in terms of the strong retail and brewery performance from its CR China supermarkets and CR Brewery operations.
China Unicom	0762	HK\$16.76	+HK\$1.36	+8.8%	The wireless provider said the total no of its GSM cellular service subscribers increased to 118.149 million in November from 117.054 million in October.

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @21/12/07	W-O-W Change		Remarks / Comments
			Absolute	%	
Anhui Conch	0914	HK\$68	+HK\$8.75	+14.77%	Another hot stock engaged in building materials related businesses apart from this week's stellar debutant - SINOMA. Anhui Conch's best performance was supported by China's high economic growth and heavy investment in fixed assets, which helped stimulate expansion of its cement engineering and non-metal materials industries. Its P/E is around 22x, which is the same as SINOMA lately.
R&F Properties	2777	HK\$28.4	+HK\$3.3	+13.15%	Investors purchased into the consolidation trend in China property.

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @21/12/07	W-O-W Change		Remarks / Comments
			Absolute	%	
Guangzhou Inv	0123	HK\$2.44	+HK\$0.24	+10.91%	The company announced it had acquired two sites in Jinshazhou in Guangzhou for RMB 523 million to develop a large-scale, low-density, high-end project.

Summary of US Economic News

Indicator	Change/Index	Comments
Housing Market Index – Dec 2007	Index remained at level of 19	The lowest level since records began in 1985 signalling that the falling home prices and a glut of unsold properties could extend the housing slump into 2008.
Housing Starts – Nov 07	-3.7% m-o-m	In line with expectations on Wall Street.
State Street Investor Confidence Index – Dec 07	-9.9 points m-o-m	Fell to a new low level of 65.9 from reading of 74.3 in Nov.
Gross Domestic Product (Final) – Q3 2007	+4.9% q-o-q	Same as estimation, US economy expanded 4.9% vs. 3.8% in last quarter. The narrowing trade deficit contributed 1.4% to growth, the most since 1996.
Initial jobless claims – the week ended 15 th Dec 2007	+12,000	Climbed to one-month high by 12,000 to 346,000. Fourth-week moving average rose to 343,000, the highest since the aftermath of Hurricane Katrina in 2005.
Leading Indicators – Nov 2007	-0.4% m-o-m	Dropped more than forecast, to the lowest level in more than two years, which signalled that the US economy is at greater risk of faltering next year.
Philadelphia Fed Survey – Dec 2007	-13.9 points m-o-m	Manufacturing in the Philadelphia region unexpectedly contracted in last month to the lowest level since April 2003, adding to evidence that a weakening economy has driven business executives more pessimistic.

Forthcoming Important Announcements / Events

24 th December 2007 (Monday)	HK	:	Same Time Holdings (0451) - interim results Pan Sino International Holding (0502) - interim results Gay Giano International Group (0686) - interim results Nubrand Group Holdings (0835) - interim results Xin Corporation (1141) - interim results
	US	:	No important announcement /event
25 th December 2007 (Tuesday)	HK	:	Christmas Holiday
	US	:	Christmas Holiday
26 th December 2007 (Wednesday)	HK	:	Christmas Holiday
	US	:	American Bank Inc – Q3 2007 results
27 th December 2007 (Thursday)	HK	:	Deson Development Int'l Holdings (0262) - interim results Mei Ah Entertainment Group (0391) - interim results China Elegance (Holdings) (0476) - interim results Emperor Capital Group (0717) - interim results Vision Tech Int'l Holdings (0922) - interim results Coastal Greenland (1124) - interim results Grandtop International Holdings (2309) - interim results Xingye Copper (0505) – trading debut
	US	:	Durable Goods Orders – Nov 2007 Initial Jobless Claims – the week ended 22 nd December 2007 Consumer Confidence – December 2007
28 th December 2007 (Friday)	HK	:	Mascotte Holdings Ltd (0136) – interim results Public Financial Holdings (0626) - 2 nd interim dividend Uni Bio Science Group (0690) - interim results Chun Wo Development Holdings (0711) - interim results Sino Prosper Holdings (0766) - interim results Rising Development Holdings (1004) - interim results Karrie International Holdings (1050) - interim results Trade Balance – November 2007 Imports and Exports – November 2007
	US	:	National Association of Purchasing Management (Chicago) – December 2007 New Home Sale – November 2007

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