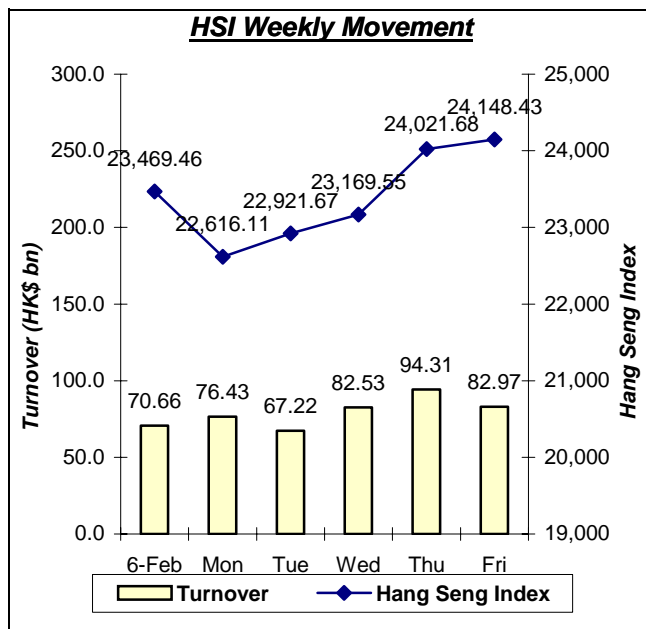


A bumpy but good start for the Year of the Rat



Weekly Market Statistics				
Week ended	15/2/2008	6/2/2008	Change	%
Hang Seng Index	24,148	23,469	+679	+2.9%
HS Red Chip Index	5,488	5,260	+228	+4.3%
HS China Enterprises Index	13,844	13,067	+776	+5.9%
HS Composite Index	3,440	3,330	+110	+3.3%
HS HK Composite Index	2,550	2,514	+36	+1.4%
HS Mainland Composite Index	4,549	4,353	+195	+4.5%
Growth Enterprise Index	1,026	1,016	+10	+1.0%
Avg Daily Turnover (HK\$ bn)	80.7	109.3	-29	-26.2%
Sectoral Indices				
Finance	33,259	32,626	+633	+1.9%
Utilities	42,207	42,165	+42	+0.1%
Properties	32,887	31,676	+1,211	+3.8%
Comm & Ind	14,591	14,052	+539	+3.8%

Review & Outlook of Market Performance

Hong Kong equities experienced a volatile trading week after the Lunar New Year, mainly driven by overseas market movements. The blue-chip index opened the week sharply lower, tracking losses in the US market during the long holiday break. Nonetheless, bargain hunting ahead of the earnings season soothed some of the selling pressure and supported share prices. Over the week, the Hang Seng Index gained 679 points or 2.9% to 24,148.43, while the HSCEI jumped 5.9% to 13,843.52. The average daily turnover was HK\$80.7 billion, much lower than that of HK\$109.3 billion in the previous week.

Trading volume was thin, but the stock market gathered pace gradually towards the end of the week as investors hunt for bargains. Shipping plays were among the winners amid reviving dry bulk freights rates. PICC, a non-life insurer, was the biggest loser in the H-share index, down 3.4% w-o-w, while Ping An and China Life rose 3.9% and 4.6%, respectively. Local banking counters also drew some attentions amid concerns over loss on subprime-related investments and other structured products. The sector was sluggish, despite Bank of East Asia reported a 21% y-o-y earnings growth in 2007. All in all, China plays outperformed, after a People's Bank of China policy committee member signaled that Beijing may soften its tightening stance given a hit from the snowstorm as well as the weakening US economy.

After the market close, it was announced there will be no change to the constituents of the Hang Seng Index. But effective 10th March, China Railway (#390) and CNBM (3323) will join the H-shares Index whilst Sinotrans (#598), ZTE (#763) and Weiqiao Textile (#2698) will be removed from the H-shares Index.

The market would keep close eyes on the Mainland's January CPI due next Tuesday (19th Feb). The headline inflation figure is expected to hit an 11-year high at 7.1%, surpassing the previous high at 6.9% in Nov 07. However, most economists expect the inflationary pressure, largely distorted from the snowstorm, would be short-lived, and the central bank would not impose stricter austerity measures on this occasion. Looking ahead, the HK stock market should remain volatile, driven by news flow in both the Mainland and the US, while the HSI would see a cap at 25,000 in the short run.

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							
15th February	12,377.15*	2,332.54*	13,622.56	3,088.68	1,427.19	826.65	7,876.37
8th February	12,182.13	2,304.85	13,017.24	2,931.97^	1,415.94^	806.44	7,673.99**
Change	+195.02	+27.69	+605.32	+156.71	+11.25	+20.21	+202.38
%	+1.6%	+1.2%	+4.7%	+5.3%	+0.8%	+2.5%	+2.6%

Remarks: (*) closing as of 14th February 2008, (^) closing as of 6th February 2008, (**) closing as of 1st February 2008

Major Changes in Index Constituent Stocks (Week ended 15th February 2008)
Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @15/2/08	W-O-W Change		Remarks / Comments
			Absolute	%	
Cathay Pacific Airways	0293	HK\$16.90	-HK\$0.32	-1.86%	Cathay Pacific and its parent Swire Pacific fell over the week after Goldman Sachs cut Cathay's investment rating to "Sell", citing economic uncertainty and rising competition from low-cost long-haul carriers.
Swire Pacific	0019	HK\$96.75	-HK\$1.65	-1.68%	

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @15/2/08	W-O-W Change		Remarks / Comments
			Absolute	%	
China COSCO	1919	HK\$23.95	+HK\$4.35	+22.19%	Shipping related counters were among the winners, after a rebound in the Baltic Dry index, which tracks global freight rates for dry bulk transportation. The Baltic Dry index settled at 7,212 on Thursday, up more than 13% from last Friday.
China Shipping Development	1138	HK\$24.25	+HK\$4.85	+25.00%	
China Shipping Container Lines	2866	HK\$3.71	+HK\$0.75	+25.34%	

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @15/2/08	W-O-W Change		Remarks / Comments
			Absolute	%	
COSCO Pacific	1199	HK\$17.76	+HK\$2.42	+15.78%	Share price of port operators was supported by bargain hunting, after a serious sell-off before the Lunar New Year holiday break on deepening concerns over the US economy and international trade. Strong performance in shipping counters also lent a support to their share prices.
China Merchants	0144	HK\$41.30	+HK\$3.10	+8.12%	

Summary of US Economic News

Indicator	Change/Index	Comments
Retail sales – January 2008	+0.3%	Retail sales grew 0.3% m-o-m in January, reversing a 0.4% drop in December and bucking consensus forecast of a 0.3% fall. Nonetheless, economists remained cautious of the better-than-expected sales, as the figure would nearly stay flat if we strip out both auto and gas sales.
Business inventory – December 2007	+0.6%	Business inventory rose 0.6% m-o-m in Dec 2007, beating market expectation of a 0.5% rise.
Initial jobless claims – the week ended 9 th February 2008	-9,000	Initial jobless claims fell 9,000 to 348,000 last week, slightly better than an expected drop of 6,000.
Trade balance – December 2007	-US\$58.8 billion	The US reported a trade deficit of US\$58.8 billion in Dec 2007, down from a US\$63.1 billion deficit in Nov and lower than consensus forecast of US\$61.5 billion. For the full year of 2007, the US trade gap stood at US\$711.6 billion, down 6.2% from 2006 – the first drop since 2001, thanks to the weak US dollar.

Forthcoming Important Announcements / Events

18 th February 2008 (Monday)	HK US	: : Sichuan Expressway (0107) – final results Presidents Day holiday
19 th February 2008 (Tuesday)	HK US	: : Unemployment statistics – January 2008 Samling Global (3938) – interim results Hewlett-Packard – Q1 FY07/08 results Wal-Mart Stores Inc. – Q4 FY07/08 results
20 th February 2008 (Wednesday)	HK US	: : Hang Lung Group (0010) – interim results Hang Lung Properties (0101) – interim results E2-Capital (0378) – final results Sino Gold Mining (1862) – final results Consumer price index – January 2008 Housing starts – January 2008 FOMC minutes – the 30 th January 2008 meeting
21 st February 2008 (Thursday)	HK US	: : EganaGoldpfeil (0048) – interim results Initial Jobless Claims - the week ended 16 th February 2008 Leading economic indicators – January 2008 Newmont Mining Corporation – Q4 2007 results
22 nd February 2008 (Friday)	HK US	: : Consumer price index – January 2008 Top Form International (0333) – interim results Sunlight REIT (0435) – interim results Parkson Group (3368) – final results No important announcement/event

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.