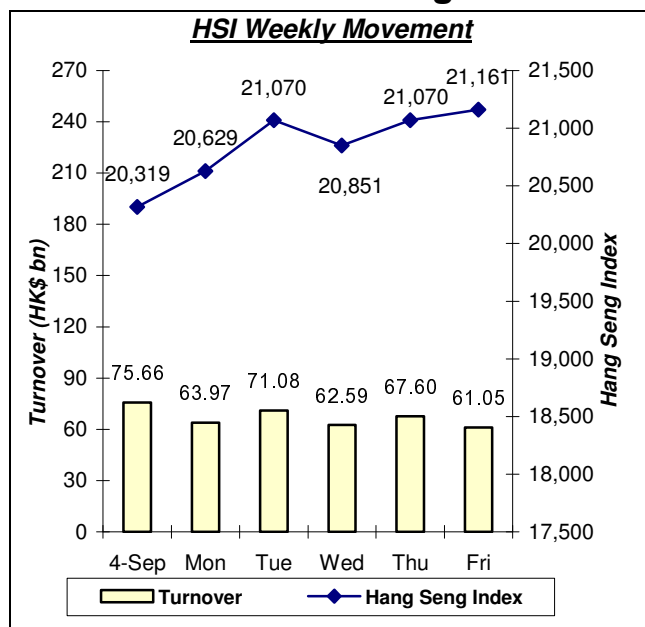


HSI ended higher on a raft of Chinese economic data



Weekly Market Statistics				
Week ended	9/11/2009	9/4/2009	Change	%
Hang Seng Index	21,161	20,319	+843	+4.1%
HS Red Chip Index	4,113	3,966	+147	+3.7%
HS China Enterprises Index	12,268	11,761	+508	+4.3%
HS Composite Index	2,922	2,816	+106	+3.8%
HS HK Composite Index	2,101	2,026	+74	+3.7%
HS Mainland Composite Index	3,910	3,767	+144	+3.8%
Growth Enterprise Index	643	624	+19	+3.1%
Avg Daily Turnover (HK\$ bn)	65.3	61.8	+3	+5.6%
Sectoral Indices				
Finance	32,745	31,434	+1,311	+4.2%
Utilities	38,189	38,050	+139	+0.4%
Properties	27,550	26,006	+1,543	+5.9%
Comm & Ind	11,124	10,679	+444	+4.2%

Review & Outlook of Market Performance

Tracking gains in the US stock markets and driven by hopes that the Chinese government would continue to support its stock market after the Beijing government had announced to raise the upper limit for stock investments by foreign funds on last Friday, Hong Kong shares staged a rebound early in the week. Market sentiment was also underpinned by the news of the PRC sovereign bonds debut in Hong Kong and several Hong Kong initial public offerings. Following a brief profit-taking on Wednesday, the rally in HSI extended further on a raft of Chinese economic data which was mostly in-line with expectations. Over the week, the HSI jumped 843 points or 4.1% to 21,161.42, while the HSCEI increased 4.3% to 12,268. The daily average of market turnover edged up slightly to HK\$65.3 billion, from HK\$61.8 billion in the previous week.

On IPO front, Sinopharm Group (#01099), Metallurgical Corporation of China (MCC) (#01618) and China Lilang (#01234) started their respective initial public offerings in Hong Kong over the week, raising some HK\$28 billion in total. Renewed frenzy in Hong Kong IPO was seen. Even Modern Media, a relatively smaller IPO deal, which could register some 10% rally in stock prices from its IPO price of HK\$1.29, and ended the week at HK\$1.43. Property counters outperformed this week on continued improvement in market sentiment. Shanghai-focused developer SPG Land surged further 38% week on week to HK\$4.25 after it said on last Friday that its first-half net profit in 2009 rose more than doubled. Share prices in Sino Land also increased by 7.8% week on week to HK\$14.98 after reporting a 6.8% rise in its underlying net profits to HK\$3.4 billion in FY2009.

Following the raft of economic data from China, including inflation, retail sales and industrial production which was largely in-line with expectations, as well as a better than expected new renminbi loans data in August, investors should be consented that the Chinese economy has stayed on track of recovery. The improved market sentiment is anticipated to be sustained in the coming weeks, given the upcoming debuts in the hot IPO like Sinopharm and MCC alongside with the busy IPO pipeline in Hong Kong.

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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
11th September	9,627.48*	2,084.02*	10,444.33	2,681.03	1,205.77	707.81	7,337.14
4th September	9,441.27	2,018.78	10,187.11	2,622.69	1,178.74	668.41	7,153.13
Change	+186.21	+65.24	+257.22	+58.34	+27.03	+39.40	+184.01
%	+2.0%	+3.2%	+2.5%	+2.2%	+2.3%	+5.9%	+2.6%

Remarks: (*) closing as of 10th September 2009

Major Changes in Index Constituent Stocks (Week ended 11th September 2009)

Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @11/09/09	W-O-W Change		Remarks / Comments
			Absolute	%	
Sino Land	00083	HK\$14.98	+HK\$1.08	+7.77%	The counter registered a 6.8% increase in its underlying net profit from operations to HK\$3.60 billion in FY2009 (FY2008: HK\$3.37 billion), driven by higher development income and rental earnings. The result was in line with market expectation.

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @11/09/09	W-O-W Change		Remarks / Comments
			Absolute	%	
BYD Company	01211	HK\$58.90	+HK\$4.70	+8.67%	In addition to the inclusion of BYD in the HSCEI this week, the counter was boosted by news that vehicle sales in China rose 29.2% year on year to 8.33 million units between January and August and the country's August passenger car sales shot up by 90.18% year on year. However, other automobile plays like Denway and Geely Auto underperformed the HSCEI over the week.

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @11/09/09	W-O-W Change		Remarks / Comments
			Absolute	%	
China Unicom	00762	HK\$11.48	+HK\$0.74	+6.89%	The counter said it will swap USD1 billion worth of shares with Telefonica to deepen their strategic partnership. Upon the completion of the deal, Telefonica's stake in Unicom will rise to 8.06% from 5.38%.



Summary of US Economic News

Indicator	Change/Index	Comments
Initial jobless claims – week ended 5 th September 2009	550,000	Initial jobless claims dropped to a lower-than-expected level of 550,000 from a revised level of 570,000 in the previous week. Four-week average edged down slightly to 570,000 from 572,750 in the previous week.
International Trade – July 2009	US\$32.0 billion Deficit	The overall U.S. trade gap worsened to US\$32.0 billion in July from a revised US\$27.5 billion gap in June, on an increase in import, led by autos and consumer goods.

Forthcoming Important Announcements / Events

14 th September 2009 (Monday)	HK	:	Shun Tak Holdings (00242) – interim results Guangdong Investment (00270) – interim results China Travel (00308) – interim results SCMP Group (00583) – interim results Nine Dragons Paper (02689) – final results Industrial production – 2Q 2009 Produce price – 2Q 2009
	US	:	No important news or announcements
15 th September 2009 (Tuesday)	HK	:	Midland IC&I (00459) – interim results SJM Holdings (00880) – interim results BaWang International (01338) – interim results Times (01832) – interim results Huiyuan Juice (01886) – interim results China National Materials (01893) – interim results Sunshine Paper (02002) – interim results
	US	:	Business inventories – July 2009 Producer price index – August 2009 Retail sales – August 2009 Best Buy – 2Q FY2010
16 th September 2009 (Wednesday)	HK	:	Beijing Enterprises (00392) – interim results SinoMedia (00623) – interim results Shui On Construction and Materials (00983) – interim results Midland Holdings (01200) – interim results Greentown China (03900) – interim results
	US	:	Consumer price index – August 2009 Industrial production – August 2009
17 th September 2009 (Thursday)	HK	:	K. Wah International (00173) – interim results Global Sweeteners (03889) – interim results Unemployment rate – August 2009
	US	:	Housing starts – August 2009 Initial jobless claims – week ended 12 th September 2009
18 th September 2009 (Friday)	HK	:	No important news or announcements
	US	:	No important news or announcements



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