

LI KA SHING WARNS HONGKONG : DON'T MESS WITH ME !

Trading on The Stock Exchange of Hongkong Ltd got off to a very shaky start, last week, as the Hang Seng Index drifted for most of last Monday's session on continued low volume.

The Index finished the day at 17,501.48, up just 61.48 points, on a Total Turnover of about \$HK9.15 billion.

To a great extent, the stock markets of Asia were waiting for last Tuesday's Open Market Committee Meeting of the US Federal Reserve (New York time, that is) because the one thing that stock markets do not like is a surprise.

While it was clear that the US economy was showing definite signs of cooling down, the statistics, published in the US and internationally about the largest economy in the world, could not be considered comprehensive; and, it was known that the Fed had much more data, available to it, allowing it to make a much more detailed analysis of the economic situation about the US economy.

News in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was of no great consequence and, especially, of little importance as far as trading on The Stock Exchange was concerned.

While gainers and losers were, nearly, equal, the number of counters that stayed pat was just about equal to the number of counters that gained a small amount of ground.

The Ten Most Active issues were the name bunch, led by Hutchison Whampoa Ltd (Code: 13) and followed closely by HSBC Holdings plc (Code: 5).

Between these 2 counters, investors spent a total of \$HK2.14 billion, equal to about 23.39 percent of the Total Turnover.

Without doubt, trading in the shares of HSBC Holdings was, in large part, responsible for a great deal of the Hang Seng Index's gains of last Monday.

Telecommunications counters, led by China Mobile (Hongkong) Ltd (Code: 941) and China Unicom Ltd (Code: 762), both came under pressure, as Asian investors appeared to reason that, if telecommunication issues could be hit in Europe and the US, then there was no reason that Asian telecommunication issues should be spared in the HKSAR.

And they were right, as far as last Monday was concerned.

The share price of China Mobile fell 0.78 percent to \$HK63.25 while the share price of China Unicom lost 0.79 percent, falling to \$HK18.95.

China Mobile was the fifth, most-active counter while China Unicom was right behind it in the Number 6 position.

After the stock market closed, it was announced that another dotcom company was sacking staff.

This time it was AcrossAsia Multimedia Ltd (Code: 8061 -- The Growth Enterprise Market).

It announced that it had laid off 20 workers, cutting monthly costs by about 19 percent.

This company was listed on The Growth Enterprise Market on July 6, 2000 so that the decision to reduce costs came just about 7 weeks after picking up a listing on speculative end of The Stock Exchange of Hongkong Ltd.

It seems that every couple of weeks, now, one company or another is biting the bullet and announcing that it has to bite the bullet in order to make ends meet.

In New York, it was announced that Living.com, a website that offers on-line shopping for household items, had filed for the protection of the court -- Chapter VII of the US Bankruptcy Code.

The company laid off 275 of its workers in Texas and North Carolina, it was announced.

An interesting aspect of Living.com is that it had very strong financial backing in that its investors include Starbucks and Amazon.com.

Starbucks had invested about \$HK160 million in the online retailer, representing about 18 percent of the Issued and Fully Paid-Up Capital of Living.com.

While the problems at Living.com may not be earth shattering, the knock-on effect would be felt, without question, somewhere down the line.

The trading pattern in the HKSAR seemed to be that of investors, looking for solid companies, shying away from speculative or Internet-related counters.

The following is a list of the double-digit gainers and losers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718	12.82		0.088
Burlingame International Company Ltd	202		10.29	0.61
CATIC International Holdings Ltd	232	24.32		0.184
China United Holdings Ltd	273		10.71	0.025
Continental Holdings Ltd	513	15.38		0.60
Dong Jian Tech.Com Holdings Ltd	649		11.29	0.275
E-LIFE International Ltd	370		11.43	0.248
Emperor Technology Venture Ltd	283	12.50		0.243
FT Holdings International Ltd	559	17.31		0.61
Huey Tai International Ltd	164	25.30		0.52
Kin Dong Holdings Ltd	208		14.41	0.101
Lai Sun Development Company Ltd	488	10.45		0.37
Lung Cheong International Holdings Ltd	348	15.85		1.06
Mansion Holdings Ltd	547		14.55	0.094
Peking Apparel International Group Ltd	761	14.71		0.78
Sinocan Holdings Ltd	1095		11.76	0.075
Star Cyberpower Holdings Ltd	1051	48.94		0.07
Technology Venture Holdings Ltd	61	10.00		3.85
Vanda Systems and Communications Holdings Ltd	757	11.24		2.475
vLink Global Ltd	563	11.79		0.237
Wong's Kong King International (Holdings) Ltd	532	12.99		0.435

On the Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar story to that of the Main Board, as The Growth Enterprise Index shed about 0.60 percent, falling to 462.84 points.

The Total Turnover on this market was about \$HK401.71 million, of which figure, Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095) represented about 30.26 percent as about 5.74 million of its shares changed owners.

Gainers were ahead of losers by the ratio of about 1.17:One as bulls and bears vied with each other for dominance of this speculative market.

The GEM, of course, was awaiting news from Wall Street on Monday, New York time, because Asia leads the world when it comes to stock-market/currency trading due to the time differential between Europe and the Americas and Asia.

Some of the listings on The GEM were substantial as the following table illustrates:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Arcontech Corporation	8097		21.96	1.99
Computech Holdings Ltd	8081	25.00		0.90
Greencool Technology Holdings Ltd	8056	21.73		2.325
iSteelAsia.com Ltd	8080	15.46		0.56

In Japan, The Tokyo Stock Exchange was not in 2 minds as to the direction of its premier exchange: Down, down, down.

The Nikkei-225 shed 240.31 points, or about 1.48 percent, dropping back to 16,040.18, pulled down by telecommunications issues, in the main.

Nippon Telegraph and Telephone (NTT) shed about 4.80 percent of its market capitalisation while its mobile unit, NTT DoCoMo, gave up 3.70 percent of its value.

NTT is, by far, the company with the largest market capitalisation, listed on The Tokyo Stock Exchange so that its loss had an immediate and noticeable effect on trading.

It was, pretty much, the same picture in other parts of Asia with the lone exception of the Thai stock market, which fell more than 2 percent.

Here is manner that other Asian stock markets fared last Monday night:

Thailand	Minus 2.06 percent
Indonesia	Plus 0.65 percent
Malaysia	Minus 1.24 percent
The Philippines	Minus 0.92 percent
South Korea	Minus 0.79 percent
Singapore	Plus 0.69 percent
Taiwan	Plus 0.59 percent
Japan	Minus 1.48 percent

Tuesday

Whereas, there was a dearth of interesting news, last Monday, on Tuesday it appeared that news of importance was flowing out of nearly every orifice in Asia.

And the Li Ka Shing mob was right up there with a seemingly constant flow of exciting corporate news.

It was announced in Malaysia that Hutchison Whampoa Ltd (Code: 13) was considering spending more than \$HK1 billion in picking up a 30-percent stake in Port Klang (formerly known as Port Kelang).

The port is halfway up the Malacca Strait, about 45 minutes outside of the Kuala Lumpur, the Capital City of Malaysia.

According to reports, Hutchison was in talks to buy up about 30 percent of the Issued and Fully Paid-Up Share Capital of Klang Multi Terminal, the owner and operator of Westport, Port Klang.

The news had not been reported in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Tuesday.

Also, from the Li Ka Shing Camp came news that Pacific Century CyberWorks Ltd (Code: 8) was to team up with the world's largest manufacturer of consumer electronics in the world, Sony Corporation, in order to establish a \$HK312-million studio in Tokyo.

The studio is to be Network of the World (NOW) and is scheduled to be completed by the middle of next year.

Then, from Singapore, it was announced that Pacific Century CyberWorks was in negotiations with Propertybuyer.com, with a view to taking a slice of the Internet company, which sells property through the Internet.

This entity is owned by the Singapore, publicly listed company, ACMA Ltd.

No figures had been released, last Tuesday, as to how much money Pacific Century CyberWorks may be spending on the proposed acquisition.

While the business world was humming with the pace of news, pouring out of the Li Ka Shing Camp, the Hang Seng Index, the '*benchmark*' of The Stock Exchange of Hongkong Ltd, was not moved.

The Hang Seng Index gained 166.80 points, or about 0.95 percent, over Monday's closing level, as the Total Turnover ran up a mite to about \$HK10.84 billion.

The HKSAR stock market was, just about, dominated by trading in HSBC Holdings plc (Code: 5), Hutchison, and Pacific Century CyberWorks, the aggregate turnovers of which amounted to about \$HK3.05 billion, or about 28.14 percent of the Total Turnover.

The share price of HSBC Holdings hit the record level of \$HK113.50, up about 3.18 percent, compared with Monday's close.

Hutchison's share price, on the other hand, rose to \$HK114, a gain of about 0.89 percent.

But '*little*' Pacific Century CyberWorks was dragged down about 1.61 percent, closing at \$HK15.30 per share for no readily apparent reason.

Investors in Asia, of course, were a little concerned as to what would come out of the Tuesday (New York time) Open Market Committee Meeting of the US Federal Reserve.

Investors, around the world, were anxiously awaiting the determination of Dr Alan Greenspan, the Fed's Chairman, in order to learn whether or not there would be a movement in US interest rates.

It was announced, last Tuesday, from London, England, that the US trade position was in deficit to the tune of about \$HK238 billion in the month of June.

The cost of imports was boosted by the increased cost of fuel oil and energy products, which hit a record of about \$HK80 billion in June.

Increased demand for computers and industrial supplies caused US exports to rise about 4.60 percent in June, compared with the May figures.

By themselves, these figures are not, probably, that significant, but UK economists were comparing the May statistics with the June ones and coming to the conclusion, and rightly so, too, that the trade gap between exports and imports had widened by one percent in a period of 30 days.

The fear, therefore: Would that statistic drag the US dollar to a lower level vis-à-vis other *'hard'* currencies?

But those kinds of considerations were not as important, to stock markets around the world, as was the immediate one: Dr Alan Greenspan and his merry men at the US Fed.

The Dow Jones Industrial Average finished the first day of trading, last week, at 11,079.81 points, a gain of just 33.33 points, or about 0.30 percent, compared with the previous Friday's Wall Street close.

The NASDAQ Composite Index managed to outdo the Dow, gaining about 0.58 percent to rise to 3,953.15.

The consensus was that the Fed would leave well-enough alone, at least for the time being, but the fear of the unknown was stronger than the economic logic of the day.

In the HKSAR, it was of some interest to investors to note that banking counters were relatively strong, led by The Bank of East Asia Ltd (Code: 23), which followed closely behind the *'king'* of the banks: HSBC Holdings plc.

The Bank of East Asia, long having been a laggard, gained about 1.07 percent to hit \$HK18.95 per share, while the HKSAR subsidiary of HSBC Holdings, Hang Seng Bank Ltd (Code: 11) followed its *'parent'* with a gain of about 2.65 percent, ending the day at \$HK87 per share, even.

Telecommunication issues, however, continued to suffer as China Mobile (Hongkong) Ltd (Code: 941), the fifth most-active counter, lost another 0.79 percent of its market capitalisation, falling to \$HK62.75.

The ratio of gainers to losers was about 1.39:One.

The following is a list of the double-digit gainers and losers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AV Concept Holdings Ltd	595		10.58	1.27
Beauforte Investors Corporation	21	15.00		16.10
Champion Technology Holdings Ltd	92	12.96		0.305
China DigiContent Company Ltd	1197	17.27		0.129
CNT Group Ltd	701	18.87		0.315
Culturecom Holdings Ltd	343	11.48		1.07
Dong Jian Tech.com Holdings Ltd	649	14.55		0.315
Dong-Jun (Holdings) Ltd	412	21.05		0.023
Emperor Technology Venture Ltd	283	13.17		0.275
FPB Bank Holding Company Ltd	717	10.61		1.98
Guangdong Brewery Holdings Ltd	124	10.61		0.365
Lung Cheong International Holdings Ltd	348	18.87		1.26
Man Sang International Ltd	938		10.34	0.26
Pam and Frank International Holdings Ltd	431	14.71		0.39
Qualipak International Holdings Ltd	1224	12.00		0.14
Rising Development Holdings Ltd	1004		16.67	0.30
Sinocan Holdings Ltd	1095	18.67		0.089
Solatech International Holdings Ltd	1166	10.00		0.033
Star Cyberpower Holdings Ltd	1051		17.14	0.058
SunCorp Technologies Ltd	1063		10.19	0.097
Veeko International Holdings Ltd	1173		10.51	1.79
vLink Global Ltd	563		10.97	0.211

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index regained a lot of lost ground, rising about 1.69 percent to 470.68.

The Total Turnover on this market was down to \$HK355.95 million.

Phoenix Satellite Television Holdings Ltd (Code: 8002) came back to popularity as its share price hit a new high of \$HK2.375 on a turnover in its scrip of about 53.63 million shares, representing nearly \$HK123 million, or, in terms of the Total Turnover, about 34.56 percent.

Needless to say, it was the most-active counter of the day, closing at \$HK2.275 per share.

Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095) and Greencool Technology Holdings Ltd (Code: 8056) continued to be among the favourites on this speculative marketplace, hugging the Number 2 and Number 3 spots, respectively.

Beijing Beida ended the session at \$HK21.55 per share, up about 0.70 percent, while Greencool Technology closed at \$HK2.20 per share, a loss of about 5.38 percent on the day.

The ratio of gainers to losers was about 1.47:One.

In Japan, The Tokyo Stock Market reversed its course of Monday, gaining nearly 2.60 percent to end the session at 16,454.74.

Electronic issues came back into favour, following an announcement from Toshiba Electronics of an upward revision of its earnings for the Financial Year, ended March 31, 2000.

On Monday, Toshiba tacked on about 2.90 percent to its market capitalisation.

On Tuesday, it added another 7.20 percent to that figure.

On the negative side of the ledger, however, Mitsubishi Motors Corporation, the fourth largest motor-car manufacturer in Japan, announced that it would recall about one million of its vehicles, internationally.

For more than 20 years, it appears, there have been complaints about the safety of some of Mitsubishi's vehicles, but the company has been sweeping those complaints under the front door mat.

This, it has openly admitted, to the consternation, no doubt, to the man in the street.

The share price of Mitsubishi dropped about 2 percent to 429 yen, bringing the total amount of the haircut of its market capitalisation to about 12 percent since July 18.

But, like the stock market of the HKSAR, banking issues in The Land of the Rising Sun were strong, led by Industrial Bank of Japan, the share price of which climbed back another 3.90 percent.

Tokyo seemed to be not in the least concerned as to what the morrow would bring when the US Fed to deliberate on interest rates.

Here is the way that other Asian bourses fared last Tuesday:

Thailand	Plus 1.22 percent
Indonesia	Plus 0.54 percent
Malaysia	Minus 0.19 percent
The Philippines	Plus 0.28 percent
South Korea	Plus 2.22 percent

Singapore	Plus 0.45 percent
Taiwan	Minus 1.69 percent
Japan	Plus 2.58 percent

Wednesday

What everybody and his cat had been expecting came to pass: The US Federal Reserve did not touch interest rates.

And so the world, once more, let out a sigh of relief.

But, as is nearly always the case, on the announcement of the news, markets went into reverse.

The Stock Exchange of Hongkong Ltd was no exception to the rule as the Hang Seng Index shed about 1.36 percent, falling to 17,427.40.

The Total Turnover was about \$HK12.03 billion with the same trio, being the most active counters: HSBC Holdings plc (Code: 5); Hutchison Whampoa Ltd (Code: 13); and, Pacific Century CyberWorks Ltd (Code: 8).

While the Hang Seng Index did not, exactly, fall out of bed, the ratio of losers to gainers was quite telling at about 3.51:One.

Just after lunch in the US, it was announced that the Fed would not touch interest rates, this time around, but warned that the watchdogs of the US economy held a watching brief on the economics of the strongest economy of the world.

After a strong start on Wall Street, profit-taking took its toll, but still the Dow Jones Industrial Average held its own, registering a gain by the end of the session of about 0.54 percent to 11,139.15.

The hi-tech and Internet-related index, the NASDAQ Composite Index, came under a little more pressure than *'old world stocks'*, but the NASDAQ still managed to eke out a 0.13-percent improvement over Monday's close, rising to 3,958.22.

Banking stocks were among those issues that benefitted most on Wall Street, and this trend filtered down to Asia.

In the Hongkong Special Administrative Region, HSBC Holdings, the most-active counter, was held between a \$HK2 trading range the entire day, ending the session at \$HK113, sliding back about 0.44 percent from Tuesday's close.

A total of about 9.96 million HSBC shares changed hands, representing about 9.39 percent of the Total Turnover.

Other widely traded banking issues included: The Bank of East Asia Ltd (Code: 23), down 0.53 percent to \$HK18.85 per share; Hang Seng Bank Ltd (Code: 11), down 0.86 percent to \$HK86.25 per share; and, FPB Banking Holdings Company Ltd (Code: 717), up 6.06 percent to \$HK2.10 per share.

The Li Ka Shing mob, by far the most important grouping of companies in the HKSAR, did not fare well, as Hutchison gave up 1.32 percent, falling to \$HK112.50 per share, and Pacific Century CyberWorks, dropped down to \$HK14.70 at one point during the session, but finished at \$HK14.85 per share, for a loss of 2.94 percent, compared with Tuesday's closing level.

Telecommunication counters continued to come under selling pressure as China Mobile (Hongkong) Ltd (Code: 941) fell another 3.91 percent, ending the session at \$HK60.75 per share on a volume of activity in the counter,

representing about 6.51 percent of the Total Turnover of about \$HK12.03 billion.

It was the fourth, most-active stock of the day.

Playboy Chairman of Cheuk Nang Technologies (Holdings) Ltd (Code: 131), Mr Cecil Chao, must have had razor blades in his throat, last Wednesday, when he had to announce that his company's attempts to become a hi-tech '*player*' had come to a speedy conclusion: Another of his many failures.

Formerly known as Cheuk Nang Properties (Holdings) Ltd, Chairman Cecil Chao Sze Tsung, in order to try to catch the hi-tech bus, formed an alliance with Dawning Computer Company, a PRC, State-controlled entity, back in April this year.

Having changed the name of the company to appear to be a hi-tech entity, there was a bit of excitement at the tie-up announcement, but then things went very quiet, and the share price slipped ... and slipped ... and slipped.

Last Wednesday, it was announced that the deal had fallen apart, with the PRC Government, refusing to register the joint venture.

Cheuk Nang got back its \$HK200,000 deposit -- and that is the end of the story.

The share price of Cheuk Nang did very nicely, all things considered, as it fell back another 7.14 percent to close at 6.50 cents.

The share price of Chairman Cecil Chao's company has fallen from a high of 36 cents, a fall of about 82 percent since January 3, 2000.

So, it will be back to Chairman Cecil Chao, selling property to his family and to himself in order to make ends meet, while he searches for another flossy to warm his bed and be the receptacle for his seed.

Other than this little tidbit, very little of any importance took place, last Wednesday, in the HKSAR.

The following is a list of the double-digit gainers and losers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Brilliance China Automotive Holdings Ltd	1114		10.38	2.375
China Sci-Tech Holdings Ltd	985	10.00		0.132
CIL Holdings Ltd	479		10.00	0.045
Fourseas.com Ltd	755		10.71	0.025
GITIC Enterprises Ltd	340		10.96	0.325
Grand Field Group Holdings Ltd	115	16.98		0.31
HiNet Holdings Ltd	155		12.35	0.355
Interform Ceramics Technologies Ltd	1060		10.53	0.153
Ming Pao Enterprises Corporation Ltd	685	20.00		2.40
Seapower Resources International Ltd	269		13.04	0.20
Sun Television Cyberworks Holdings Ltd	307		10.34	0.26

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, it was a bit of a bloodbath for some counters, but not so for tom.com Ltd (Code: 8001).

The Growth Enterprise Index fell about 1.41 percent to 464.05 points on a Total Turnover of about \$HK421.55 million, with tom.com, being responsible for about 24.83 percent of the total volume of activity.

The Li Ka Shing '*wild card*' gained 2.63 percent, rising to \$HK5.85 per share, after hitting a low of \$HK5.65 per share.

There appeared to be no reason for the gains in this counter, but, then again, with this counter, it seems to defy logic, most of the time.

The ratio of losers to gainers told the story at exactly 3:One.

There was no particular news to have affected the market, but investors on this speculative exchange have become somewhat accustomed to wild swings.

There were only 2 counters that were in the double-digit club. They were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081	11.36		0.98
Shanghai Fudan Microelectronics Company Ltd	8102		15.69	2.15

In Japan, it appeared that the most important bourse in Asia was more than a little quiet, having taken the news about the Fed's determination in its stride (it had been expected, in any event).

The Nikkei-225 flipped just 18.09 yen, about 0.10 percent, to 16,436.65.

The story, last Wednesday, was the realisation by the members of the public of the admission from Mitsubishi Motors about its 2 decades of non-action in respect of safety standards of some of its vehicles.

In statement after statement, all of which indicated potential gradations of criminal negligence on behalf of certain senior management officials, this huge motor vehicle company, the fourth largest in Japan, told of a series of cover-ups, dating back to the late 1970s.

Whether or not it will ever recover the prestige of the past remains to be seen because, for certain, the international community will, henceforth, be very wary of Japanese-manufactured vehicles.

Japanese credibility and trust have been dented, to be sure.

The share price of Mitsubishi Motors fell another 7.20 percent.

The Mitsubishi admission comes in the wake of the announcement of the killer tyres of Bridgestone/Firestone, with the company, announcing that is will be recalling 6.50 million of its tyres, flying them in from Japan to where-ever the replacements are required.

The share price of Bridgestone shed 3.20 percent, wiping out the gains, earlier in the week.

But banking issues were strong, following on from Wall Street and in other parts of Asia.

Industrial Bank of Japan watched its share price rise 6.30 percent, Fuji Bank gained 5.50 percent, and Sanwa Bank reclaimed more than 5 percent.

Not much more took place in The Land of the Rising Sun.

And this is how other Asia markets viewed the situation, last Wednesday:

Thailand	Minus 2.56 percent
Indonesia	Plus 0.66 percent
Malaysia	Minus 0.14 percent
The Philippines	Minus 0.38 percent
South Korea	Minus 2.55 percent

Singapore	Minus 0.91 percent
Taiwan	Closed
Japan	Minus 0.11 percent

Thursday

Only one major Asian bourse managed to end on a positive note, last Thursday.

All the rest went into negative territory, with the exception of Manila, where there was no change in the Philippines Stock Exchange Index.

There was no valid reason that, for the second day in a row, Asia determined that something was amiss. But that was the consensus.

In these days, it appears that the very perception of a sound of a dog, barking in fear, is sufficient-enough reason to set off a pack of dogs, all barking in terror.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), The Stock Exchange of Hongkong Ltd witnessed extremely dull trading conditions as the Hang Seng Index, after scoring a gain of just about 59 points in the 150-minute morning session, shed all but 12.30 points in the 90-minute afternoon session.

The rot started to set in at about 11:45 am when the Index was at its zenith for the day of 17,537.71, up 110.31 points, compared with Wednesday's close, but, after that, it was all down hill -- in a hurry, too.

The Index ended the day at 17,439.70 on a Total Turnover of about \$HK12.85 billion.

Hutchison Whampoa Ltd (Code: 13), HSBC Holdings plc (Code: 5), China Mobile (Hongkong) Ltd (Code: 941) and Pacific Century CyberWorks Ltd (Code: 8) were the top performers and, together, their aggregate trading volumes represented about 37.51 percent of the total volume of activity.

The results of the \$HK37.51-billion worth of trades in the leaders was that Hutchison lost 1.78 percent, falling to \$HK110.50 per share, HSBC Holdings managed to move up 1.77 percent, rising back to \$HK115 per share, China Mobile shed 0.82 percent, falling to \$HK60.25 per share, and Pacific Century CyberWorks gave up another 1.35 percent, dropping back to \$HK14.65 per share.

While the Hang Seng Index moved very little, it was of interest to many observers to note that the ratio of losers to gainers was about 1.40:One.

News from Sydney, Australia, was, no doubt, a welcome fillip for Pacific Century CyberWorks since it appeared to reaffirm a previously uttered commitment, made by Telstra Corporation, a 51-percent-owned Australian Government entity.

Telstra said that it would be going ahead with its proposed \$HK23-billion joint venture with Pacific Century CyberWorks, after all.

The joint venture, to be named IP Backbone Corporation, would allow Telstra to obtain more than just a foothold in the mobile telephone network of the HKSAR.

But, other than this little tidbit, there was little else to report about the HKSAR stock market.

Cheung Kong (Holdings) Ltd (Code: 1) announced its Interim Results, as did Hutchison, and, in both cases, they were in line with what the market had expected.

Cheung Kong announced a Net Profit Attributable to Shareholders of about \$HK17.40 billion. This compared with the Bottom Line of about \$HK4.92 billion for the comparable period in 1999, to June 30.

Hutchison, 49.90 percent owned by Cheung Kong, reported an Interim Profit, also to June 30, 2000, of about \$HK31.13 billion, which compared favorably with about \$HK7.31 billion, recorded for the like period in 1999.

Hutchison, also, announced that its Interim Profit included a \$HK50-billion surplus on disposal of its shares in Mannesmann AG in exchange for shares in Vodafone AirTouch plc.

This was no secret since it had been announced months before.

The profits of both giants were expected so that there was little excitement in the marketplace.

In both cases, neither Cheung Kong nor Hutchison opted to give anything special to shareholders by way of special dividends or a new scrip issue.

Cheung Kong declared an Interim Dividend of 38 cents per share (33 cents per share in 1999) while Hutchison declared an Interim Dividend of 51 cents per share (43.60 cents per share in 1999).

Torrential rains had hit the territory and that, no doubt, dampened the ardour of many to trade on the second, most-important stock market in Asia.

The non-action by the US Federal Reserve was being blamed for quiet trading conditions, with suggestions that the Fed's non-action left the door open for people to speculate as to what it, all, means.

In New York, the Dow Jones Industrial Average rose just 5.50 points to 11,145.65 while the NASDAQ Composite Index gained about 1.33 percent to hit 4,011.01.

But, like Asia, trading on the largest stock exchange in the world, The New York Stock Exchange, was subdued.

The following is a list of the 8 double-digit gainers and losers on The Stock Exchange of Hongkong Ltd of last Thursday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Development Corporation Ltd	487	11.78		0.38
China Sci-Tech Holdings Ltd	985	17.42		0.155
GITIC Enterprises Ltd	340	18.46		0.386
Grand Field Group Holdings Ltd	115		12.00	0.27
Kantone Holdings Ltd	1059	10.00		0.55
South East Group Ltd	726		13.73	0.044
Star Cyberpower Holdings Ltd	1051		13.79	0.05

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index lost another 1.05 percent of its value, dropping down to 459.19 on a Total Turnover of \$HK378.57 million.

The ratio of losers to gainers on this market was about 1.86:One.

Share prices drifted back and forth for most of the day, with the top 4 counters, representing nearly 70 percent of the Total Turnover.

The 4 leaders were, in order of ranking: Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095), tom.com Ltd (Code: 8001), Shanghai Fudan Microelectronics Company Ltd (Code: 8102) and Phoenix Satellite Television Holdings Ltd (Code: 8002).

There were only 2 counters that were in the double-digit club. They were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Arcontech Corporation	8097		17.37	1.38
Computech Holdings Ltd	8081	11.22		1.09

Japan was the only major Asian stock market to make any kind of a material move.

The Nikkei-225, the *'barometer'* of The Tokyo Stock Exchange, gained 234.17 yen, rising to 16,670.82.

Select electronics stocks powered the gains on this market, led by Sony Corporation, the world's leading manufacturer of consumer electronics, and Fujitsu, one of the world's leading manufacturers of computers and computing equipment.

Sony put on about 260 yen, equal to about 2.50 percent, rising to 10,800 yen per share, while Fujitsu rose an equal amount, in percentage terms, ending the session at 3,280 yen per share.

With oil prices continuing to rise, the oil sector of the market was especially strong, led by Showa Shell Sekiyu KK, the share price of which rose about 7.20 percent, followed by Japan Energy, whose share price gained 5.10 percent.

Gainers were ahead of losers at the close of trading by the ratio of 2.14:One.

This was how other Asian markets fared, last Thursday:

Thailand	Minus 0.34 percent
Indonesia	Minus 4.12 percent
Malaysia	Minus 0.77 percent
The Philippines	No Movement
South Korea	Minus 0.13 percent
Singapore	Minus 0.75 percent
Taiwan	Minus 0.24 percent
Japan	Plus 1.42 percent

Friday

The richest man in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) sent out a warning to his people, last Thursday night: Mess with me and I'll withdraw part of my investments in the territory.

Mr Li Ka Shing, the ultimate boss of Hutchison Whampoa Ltd (Code: 13), Cheung Kong (Holdings) Ltd (Code: 1) and Pacific Century CyberWorks Ltd (Code: 8), 3 of the biggest companies, in terms of market capitalisation, made his outburst following a furore over confirmation that a former, high-ranking law-maker and present Vice Chairman of an HKSAR political party had been selling HKSAR Government secrets.

And if he was not, indirectly, selling secrets, he was, certainly, passing them off to his friends, friends in high places, that is.

Former Legislative Councillor Gary Cheng Kai Nam admitted that he had failed to declare certain of his business interests to the Government when he was a member of the Legislative Council, an act which is supposed to be

mandatory, and that he had passed on secret information to certain private companies and some of his friends in publicly listed companies.

Mr Li Ka Shing, in what was clearly a stressful situation for him, since there had been suggestions that one of more of the entities under his control may have received information, sent by the disgraced former Legislative Council member, said: *'I try my best to stay free from politics, but if the media and politicians orchestrate together, I will reduce my investment in the territory.'*

He, then, added what was clearly a warning to the Press that *'fortunately'* (for the HKSAR Press Corp) the HKSAR media had been fair *'so far'*.

By innuendo, therefore, it must mean that the HKSAR had not been fair to the poor multi-billionaire in the past, or, at least, that was the way that he saw the situation.

Poor chap!

The worrying part of the outburst is that Mr Li Ka Shing is correct: If he pulls up stakes, or reduces his investments in the HKSAR, it will have a decided effect on the entire economy.

The Li Ka Shing Camp is denying all associations with the disgraced former Legislative Councillor and/or his public relations company, despite strong suggestions to the contrary.

The truth will out, no doubt.

The outburst of the richest man in the HKSAR and the revelations about the HKSAR Government leaks, orchestrated by a man who was thought to be beyond reproach, had an immediate effect on trading on The Stock Exchange of Hongkong Ltd.

The Hang Seng Index shed 202.96 points, about 1.16 percent, falling to 17,236.74, ending the week on a very sour note.

The Total Turnover dropped down to \$HK11.16 billion.

Hutchison Whampoa Ltd got hit hard by the sell-off as more than 10.94 million shares changed hands, with the price of the shares, falling to \$HK111.50.

Cheung Kong was next in line with a turnover in this counter of about 10.03 million shares, with its share price, falling 1.46 percent to \$HK101.

Between these 2 counters, a total of \$HK2.19-billion worth of shares changed hands. It represented nearly 20 percent of the Total Turnover.

Losers outpaced gainers by the ratio of 2.59:One in a market that was, clearly, running scared.

And it was running scared due, mainly, to the outbursts of one man: Mr Li Ka Shing.

Ironically, just one day earlier, both Hutchison and Cheung Kong had announced record Interim Profits.

One would have thought that that alone would have propelled the share prices of these 2 companies to bigger and better things.

But the scandal of the leaked secrets was too much for the market to bear.

In New York, the Dow Jones Industrial Average moved up just 0.34 percent to 11,182.74 points while the NASDAQ Composite Index put on about 1.05 percent to close out last Thursday's session (New York time) at 4,053.28.

The New York Stock Exchange was, clearly, not affecting trading on The Stock Exchange of Hongkong Ltd, last Friday.

Wall Street was looking at the US Commerce Department's statistics with regard to durable goods orders and trying to work out what it meant.

In Washington, last Thursday, it was announced that order for costly manufactured goods took a dive in July, the biggest on record.

The decline was 12.40 percent, it was reported.

The report tends to lend credence to the strong suggestion that the US economy is slowing down.

This was seen as being positive and meaning that the US Federal Reserve will keep its finger off the interest-increase button.

The following is a list of the double-digit gainers and losers on The Stock Exchange of Hongkong Ltd (note how few there were, last Friday):

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Apollo Holdings Ltd	512	14.42		0.119
Emperor Technology Venture Ltd	283	20.75		0.32
Hang Fung Gold Technology Ltd	870		18.75	0.13
PNF Food Holdings Ltd	702	14.58		2.75
SIS International Holdings Ltd	529		10.13	0.71
Wonson Intentional Holdings Ltd	651		10.81	0.059
Zida Computer Technologies Ltd	859	10.00		1.10

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index was up about 1.49 percent to 466.05.

The Total Turnover on this market was \$HK453.83 million.

Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095), Phoenix Satellite Television Holdings Ltd (Code: 8002) and Shanghai Fudan Microelectronics Company Ltd (Code: 8102) were the 3 leading counters, in terms of volume.

The aggregate value of the trades in these 3 counters amounted to about 55.48 percent of the Total Turnover of the day.

In spite of the Index rising more than one percent, declining issues outnumbered rising ones by the ratio of about 2.08:One.

The following are the only 2 double-digit movers, last Friday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Arcontech Corporation	8097	12.32		1.55
Grandmass Enterprise Solution Ltd	8108		11.63	0.19

In Japan, the improvement in sentiment continued, with The Tokyo Stock Exchange having another good day.

The Nikkei-225 rose 240.51 yen, ending the week on the very strong note of 16,911.33 yen.

It was the Nikkei's highest point in the previous 5 weeks.

The star performer, last Friday, was Murata Manufacturing, the share price of which rose about 14 percent, following the company announcing that its profits to September 30, 2000 are likely to be about \$HK4.07 billion.

This was an increase over previous company forecasts of about 29 percent less.

Internet-related companies did well on the back of a strong Wall Street, especially in view of the strength of counters, listed on the NASDAQ.

Softbank, with its investment in 8 NASDAQ companies had a good day as its share price rose about 16 percent in heavy trading.

Japan has always been influenced by Wall Street and the US economy because, when the US is healthy, so is Japan -- because the US is Japan's biggest single customer.

And this is the way that the markets in Asia finished, last Friday:

Thailand	Minus 0.16 percent
Indonesia	Plus 0.88 percent
Malaysia	Minus 0.45 percent
The Philippines	Plus 0.15 percent
South Korea	Plus 1.52 percent
Singapore	Minus 0.35 percent
Taiwan	Minus 0.90 percent
Japan	Plus 1.44 percent

***While TARGET makes every attempt to ensure accuracy of all data published,
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