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THE BANK OF EAST ASIA MAKES A PLAY FOR FPB BANK
AND LI KA SHING RAISES MONEY FOR TOM

It was confirmed: The Bank of East Asia Ltd (Code: 23) is trying to gobble up FPB Bank Holdings Company Ltd (Code: 717).

FPB Bank and its holding company, First Pacific Company Ltd, confirmed this on Saturday, September 2, with the public announcement, being sent out, just last Monday.

Described as just *'preliminary proposals'*, the fact that FPB Bank did not dismiss the proposals of The Bank of East Asia, the largest of all the local banks, appeared to indicate, clearly, that The Bank of East Asia's proposals were being studied in detail and very seriously.

Only about one month ago, TARGET quoted our Singapore office's information which stated that a number of Singaporean banks were, also, interested in picking up the little banking offshoot of the First Pacific Group.

Investors on The Stock Exchange of Hongkong Ltd, however, did not pay too much attention to the news about FPB Bank, since there were bigger fish to fry.

The Hang Seng Index gained about 2.27 percent, rising to 17,726.17 on a slightly improved Total Turnover (relative to the previous week's $HK8 billion-plus Total Turnovers) of about $HK11.09 billion.

HSBC Holdings plc (Code: 5) continued to be the most-active counter as more than 11.63 million HSBC Holdings's shares changed hands, with the share price, fluctuating between a low of $HK114.50 and a high of $HK116.50.

The price closed at $HK116 for a gain of about 2.20 percent, compared with the previous Friday's closing level.

The seemingly strong stock market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) could not be described as being bullish because the volume of activity was, still, very low.

During a real bull market, one may expect the Total Turnover to hit in excess of $HK36 billion on the HKSAR stock market.

The HKSAR stock market was reacting to a number of factors, last Monday, the most important of which, however, was Wall Street's close just before the 3-day weekend holiday, which came to a conclusion, last Monday.

On Friday, September 1, The New York Stock Exchange's Dow Jones Industrial Average had risen by about 23.68 points to end that week at 11,238.78.

The NASDAQ Composite Index, on the other hand, had put on nearly 28 points, rising to 4,234.33.

The 0.21-percent rise in The Dow and the 0.67-percent rise in the NASDAQ did not, in and of itself, mean too much, but there was an emerging trend for higher Indices' levels as it became more and more remote for there to be any near-term threat of higher interest rates.

With New York and most of North America at play for the holiday, known as Labour Day, Asia was on its own for last Monday, knowing not of the trend for the coming week in the largest economy of the world.

As such, and is quite normal for Asians, many investors took a punt as to the stock market's direction.

While trading in the shares of HSBC Holdings represented about 12.08 percent of the Total Turnover, it was noted that China Mobile (Hongkong) Ltd (Code: 941), the previous week's target for sellers, took the Number 2 slot in the Ten Most Active counters.

China Mobile is expected either to pitch another call for cash from shareholders or, in the alternative, issue new shares in order to pay for its proposed, multi-billion-dollar expansion move in the PRC.

China Mobile managed to gain about 3.35 percent, rising to $HK61.75 per share after about $HK793.74-million worth of its shares switched owners.

Trading in this counter represented about 7.12 percent of the Total Turnover of the day.

The Li Ka Shing mob, all 3 major counters, came next in line, led by Hutchison Whampoa Ltd (Code: 13), followed by Cheung Kong (Holdings) Ltd (Code: 1), and, bringing up the rear, was Pacific Century CyberWorks Ltd (Code: 8)

Between these 3 counters, a total of $HK1.79-billion worth of shares found new owners. Trading in Mr Li Ka Shing's most popular companies represented about 16.14 percent of the Total Turnover.

Hutchison ended the session at $HK115 per share, a 2.22-percent gain over the previous Friday's closing level, while Cheung Kong managed to put on 1.93-percent to end the session at $HK105.50 per share. Pacific Century CyberWorks managed a 1.04-percent rise, gaining 15 cents per share to finish off the day at $HK14.55 per share.

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

The following is a list of some of the largest, double-digit gainers and losers of last Monday:

Name of Company	**Code**	**Increase** (%)	**Decrease** (%)	**Closing Price** ($HK)
Arts Optical International Holdings Ltd	1120	18.64		1.40
DVB (Holdings) Ltd	500	16.94		4.00
Emperor Technology Venture Ltd	283	19.05		0.50
FT Holdings International Ltd	559	12.50		0.72
GR Investment Holdings Ltd	310	20.00		0.12
Lippo China Resources Ltd	156	16.00		0.29
Ocean Shores Group Ltd	764	18.18		0.65
Rockapetta Holdings Ltd	1003	20.00		0.405
Sino-i.com Ltd	250	10.39		0.425
Sun Television Cybernetworks Holdings Ltd	307	15.87		0.365
Tian An China Investments Company Ltd	28		19.62	0.209
Tsingtao Brewery Company Ltd	168	13.19		2.575
Tung Fung Hung (Holdings) Ltd	279	10.34		0.32
U-Cyber Technology Holdings Ltd	91	11.38		1.37

United Power Investment Ltd	674	10.00		0.55
Zida Computer Technologies Ltd	859		14.29	1.08

On another subject, a determination was made in the HKSAR in respect of the Inquiry into the suggestion that the Tung Chee Hwa Administration had been attempting to interfere in academic freedom, following the findings of a popularity poll, conducted by The University of Hongkong.

The poll found that Mr Tung Chee Hwa was no longer the favourite *'son'* of the HKSAR, and that the general public's opinion of him was continue to wane.

The Inquiry determined that it was true, after all: The Administration had tried its luck to stop the popularity polls.

The Inquiry, also, found that Mr Andrew Lo, a senior advisor to the Chief Executive, Mr Tung Chee Hwa, was an untruthful witness.

Mr Tung Chee Hwa came out in defence of his aide, stating that he was, in his opinion, reliable, honest, and entirely fit for his post.

On The Growth Enterprise Market (The GEM), the Growth Enterprise Index put on another 2.86 percent, rising to 487.59 points on a declining Total Turnover of $HK378.35 million.

hkcyber.com (Holdings) Ltd (Code: 8118) suddenly sprang to life and was the most-active counter with the price, fluctuating between a low of 68 cents per share and a high of 79 cents per share, closing at 78 cents per share.

The company was listed on July 21, 2000 at the Offer Price of 68 cents per share.

A total of 107.97 million of its scrip, changed hands, representing about 21.39 percent of the Total Turnover on this market.

The only other large mover on this market was Sunevision Holdings Ltd (Code: 8008). Its share price ran up 11.19 percent, ending the day at $HK7.45.

There was no particular trend on The GEM as the ratio of gainers to losers was about 1.33:One with the 6 most-active counters representing about 77 percent of the total volume of activity.

In Japan, The Tokyo Stock Exchange went into reverse as the Nikkei-225 lost about 0.30 percent, falling to 16,688.21 yen.

What was affecting Tokyo was a juggling of the constituent stocks that comprise the Nikkei-225 Index. This affected trading and could hardly have been considered an indication of the market's direction.

Thin trading marked this market as investors tried to outthink The Tokyo Stock Exchange's Management with regard to which company would be dropped from the Nikkei and which ones would be added.

No trend was established, with many Japanese investors, taking the opportunity to follow their American counterparts: They took the day off.

Some of the big movers included Fuji Bank, off about 5.90 percent to 734 yen, and Seven-Eleven Japan, down about 5.40 percent to 5,990 yen.

The largest mobile telephone operator in The Land of the Rising Sun, NTT DoCoMo, saw its share price jump 90,000 yen, or about 3.20 percent, to hit 2.89 million yen.

This is the way that other Asian stock markets viewed the situation, last Monday:

Thailand	Minus 0.55 percent
Indonesia	Plus 1.05 percent
Malaysia	Minus 3.06 percent
The Philippines	Plus 0.20 percent
South Korea	Minus 1.57 percent
Singapore	Plus 1.36 percent
Taiwan	Plus 1.24 percent
Japan	Minus 0.31 percent

Tuesday

Directionless trading on Asian stock markets was the mark of last Tuesday as The Stock Exchange of Hongkong Ltd watched its Hang Seng Index shed a good part of Monday's gains.

The Hang Seng Index fell 0.74 percent, or 130.95 points, coming to rest at 17,595.22 on a Total Turnover of about $HK8.70 billion.

Without a sufficient enough volume, it was clear that the market could not sustain its gains of Monday; Tuesday's market proved that point.

Losers outpaced gainers by the ratio of about 1.66:One as the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) waited the pleasure of North America where the Americans were still recovering from the 3-day weekend holiday of Labour Day.

China Mobile (Hongkong) Ltd (Code: 941) continued to be the leader of the Ten Most Active counters with the volume of trading on this counter, equal to about 11.26 percent of the Total Turnover.

The share price of this entity, the leader in the PRC in the field as a mobile telephone operator, gained 0.81 percent as more than 15.63 million of its shares changed hands.

China Mobile's archrival, China Unicom Ltd (Code: 762), came right behind China Mobile with a turnover in that counter of about $HK536.11 million, equal to about 6.20 percent of the entire volume of activity.

China Mobile ended the day at $HK62.25 per share after trading within a 50-cent bandwidth for most of the day, while China Unicom ended the session at $HK18.90 per share, an increase of about 1.07 percent over Monday's closing price.

Profit-taking hit the *'king'* of HKSAR banks as HSBC Holdings plc (Code: 5) watched as its share price was shaved down by 2.16 percent to $HK113.50 on a volume of about 3.93 million shares.

Trading in this one counter, without question, pulled down the Hang Seng Index.

There was little news from the region although, nevertheless, Asian investors sold their respective bourses in an attempt to find a shelter from what they thought might well be another US storm of sellers when Wall Street opened on Tuesday, New York time.

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

Name of Company	**Code**			

		Increase (%)	Decrease (%)	Closing Price ($HK)
Asia Tele-Net And Technology Corporation Ltd	679	16.16		0.115
Buildmore International Ltd	108		11.43	0.62
China United Holdings Ltd	273	10.53		0.021
Emperor (China Concept) Investments Ltd	296	15.09		0.061
Far East Consortium International Ltd	35	10.71		0.62
Far East Technology International Ltd	36	23.19		0.85
Kin Don Holdings Ltd	208	14.74		0.109
Luen Cheong Tai International Holdings Ltd	1190		10.58	0.465
Man Yue International Holdings Ltd	894	13.33		0.34
Ming Pao Enterprise Corporation Ltd	685		14.02	2.30
Nanjing Panda Electronic Company Ltd	553	12.50		2.025
Northern International Holdings Ltd	736	14.29		0.04
Savoy Concepts Ltd	680	10.08		0.142
TCC International Holdings Ltd	1136	16.38		2.025
Wah Tak Fung Holdings Ltd	297	15.13		0.137

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar story to the Main Board as The Growth Enterprise Index fell back 1.58 percent, coming to rest at 479.88 points.

The Total Turnover on this market fell, also, down to about $HK291.24 million.

hkcyber.com (Holdings) Ltd (Code: 8118) continued to be the most popular counter as about 93.70 million of its shares switched, with its price, coming under pressure, forcing down the price to 75 cents.

tom.com Ltd (Code: 8001), the second, most-active counter, announced that it had signed an agreement with Freenet Information Technology Ltd whereby it would acquire a 100-percent interest in a wholly owned subsidiary of Freenet:163.net.

The deal was worth about $HK373 million, satisfied by the issuance of 61,686,000 tom.com shares at the share price of $HK5.69 each and the payment of about $HK6.66 million in cash.

In addition, tom.com agreed to retire 163.net's debt of about $HK23 million.

163.net claims to be the largest provider of free e-mail services in the PRC with a daily pageview of more than 7 million.

tom.com's share price hardly moved on the news, which may mean something or nothing, down the line because it was clear that 163.net is, still, a loss-maker.

The share price of this Li Ka Shing *'wild'* card fluctuated between a low of $HK5.75 per share and a high of $HK6.05 per share, ending the session at $HK5.80 on a turnover in the counter of about 7.92 million shares.

The ratio of losers to gainers on this market was about 2.25:One.

There were no outstanding gainers or losers on this market, last Tuesday.

In Japan, it was a similar story to the HKSAR stock markets as The Tokyo Stock Exchange witnessed its Nikkei-225 Index shed another 1.41 percent.

It was the sixth day in a row for the premier Japanese stock exchange to suffer losses.

The Nikkei-225 ended the day at 16,452.27 with only Bridgestone Tire managing to bring cheer to Japanese investors as its share price rose about 11.50 percent on news that the strike at the factories of Bridgestone/Firestone Incorporated had come to an end.

Not that that means much because, according to report from Venezuela, Firestone tyres are seen as being partly responsible for 62 deaths in that country.

With the Venezuelan Government planning to launch criminal proceedings against the US subsidiary of Bridgestone, and with the US Authorities launching an investigation into the reason for the collapse of Bridgestone/Firestone's tyres at certain speeds, the worst is yet to come, no doubt.

Bridgestone has lost about 50 percent of its market capitalisation since July this year.

With little to no fresh news, this was the way that other Asian stock markets performed, last Tuesday:

Thailand	Minus 0.25 percent
Indonesia	Plus 0.64 percent
Malaysia	Plus 1.08 percent
The Philippines	Plus 0.66 percent
South Korea	Minus 0.30 percent
Singapore	Minus 0.56 percent
Taiwan	Minus 0.22 percent
Japan	Minus 1.41 percent

Wednesday

All leading Asian stock exchanges went into reverse gear, last Wednesday, following on from what took place on Wall Street on the first day of trading for the week.

The New York Stock Exchange saw its Dow Jones Industrial Average lose 21.83 points, falling to 11,260.61 points, equal to about 0.19 percent.

However, the NASDAQ Composite Index, a guide to the direction of hi-tech and Internet-related counters in New York, fell out of bed, dropping 91.15 points, equal to about 2.15 percent, ending the day at 4,143.18.

The problems in the world's largest bourse did not go unnoticed in Asia as the Hang Seng Index, the *'barometer'* of The Stock Exchange of Hongkong Ltd, lost all but 10 points of its morning's gains, that is about 84 points over Tuesday's closing level.

Some of the high flyers got a bit of a roasting, led by the recent addition to the constituent stock of the Hang Seng Index: Pacific Century CyberWorks Ltd (Code: 8).

The Total Turnover dropped, yet again, this time to about $HK8.30 billion, one of the lowest levels, seen in many a moon.

The ratio of losers to gainers was about 1.87:One

Pacific Century CyberWorks was the most active counter as about 69.63 million of its scrip changed hands, with the price fluctuating between a low of $HK13.90 per share and a high of $HK14.60 per share.

That is an intra-day movement of about 5 percent.

The share price ended the day at $HK14.10 for a loss of about 3.09 percent, compared with Tuesday's closing level.

The dollar value of the trades in this counter was equal to about 11.86 percent of the Total Turnover.

What had hurt Pacific Century CyberWorks was a report, issued in relation to its corporate *'mate'*: Pacific Century Insurance Holdings Ltd (Code: 65).

This company, also controlled by the Li Ka Shing faction, announced on Tuesday that there would be a *'substantial charge on profits'* due to promised new insurance agents' payments and its decision to bow out of the reinsurance field.

The *'substantial charge'* would lead to *a 'significant loss'* for the entire 2000 Financial Year, the company said.

In addition, the company said that it would be hiring another 400 agents in the coming year.

In the first half of the Current Financial Year, to June 30, 2000, the company logged in a Net Profit Attributable to Shareholders of about $HK52.30 million, up about 60 percent on the comparable period in 1999.

The news put the fear of God into investors in Asia, with the natural result that the share price of Pacific Century Insurance on The Stock Exchange of Hongkong Ltd fell nearly 14 percent to about $HK2.03 on Tuesday.

The share price of this company had, by last Tuesday, declined by about 49 percent since the beginning of this year.

It was the lowest level since July 6, 1999 when the company was first floated on The Stock Exchange of Hongkong Ltd

But on Wednesday, it was clear that somebody was betting, at least short term, on the share price of Pacific Century Insurance since the shares were traded up 39.53 percent on Tuesday's close, ending the day at $HK3, even.

One other matter that, most likely, was affecting the share price of Pacific Century CyberWorks was that Cable and Wireless plc, the former owner of Cable and Wireless HKT Ltd, the company that Pacific Century CyberWorks took over only a couple of months ago, announced that it would be unloading its holdings in Pacific Century CyberWorks.

How many Pacific Century CyberWorks's shares Cable and Wireless plc would be selling was unknown, but, certainly, somebody was depressing the share price of the Li Ka Shing investment company, to be sure.

Any negative news from the Li Ka Shing Camp has an immediate affect on trading in both the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and Singapore since companies, such as Pacific Century Insurance, are listed on both the HKSAR and Singapore stock markets.

A positive note, however, came from the HKSAR Government's Land Registry where it was revealed that a total 10,473 property transactions had been recorded in the month of August.

This is an increase of about 33.80 percent, compared with July, and about 52.10 percent, compared with the like period in 1999.

The value of the property transactions in dollar terms was about $HK23.70 billion, the HKSAR Government said.

But investors in Asia, and the HKSAR, especially, were not as interested in microeconomics as they were with sentiment on Wall Street.

With no certainty as to what would happen in Wednesday on The New York Stock Exchange and with every indication that there could be further selling pressure on the largest stock market in the world, dull trading conditions prevailed in Asia, with the exception, of course, in respect of special situations, such as became known in the Li Ka Shing Camp with regard to Pacific Century Insurance.

The following is a list of some of the double-digit movers, last Wednesday:

Name of Company	**Code**	**Increase** (%)	**Decrease** (%)	**Closing Price** ($HK)
City Telecom (Hongkong) Ltd	1137	14.56		1.18
Dan Form Holdings Company Ltd	271		16.88	0.32
ehealthcareasia Ltd	835		11.11	0.56
Emperor Technology Venture Ltd	283	11.34		0.54
Graneagle Holdings Ltd	147	17.65		0.04
The HSBC China Fund Ltd	504	11.59		4.575
iQuorum Cybernet Ltd	472	13.95		0.049
Kin Dong Holdings Ltd	208		12.84	0.095
Kunming Machine Tool Company Ltd	300	20.00		0.72
Luen Cheong Tai International Holdings Ltd	1190		11.83	0.41
Shun Ho Technology Holdings Ltd	219	14.71		0.39
Starlight International Holdings Ltd	485	14.29		1.52
United Power Investment Ltd	674	11.32		0.59
Victory City International Holdings Ltd	539	11.48		1.36
Wah Fu International Holdings Ltd	952	12.07		0.13
Wing Shan International Ltd	570		13.79	0.50

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index followed the NASDAQ and shed nearly one percent to end the session at 475.18 points.

The Total Turnover, as one would expect, dropped again, this time to $HK195.28 million.

For the third day in a row, hkcyber.com (Holdings) Ltd (Code: 8118) held the top slot, in terms of the number of shares that were traded on the day, as about 17.55 million of its scrip changed hands, representing a dollar value of about $HK13.06 million.

In terms of monetary value, the most active counter was reserved for Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095) with a volume of activity, equal to about $HK46.59 million, representing about 23.86 percent of the Total Turnover.

Shanghai Fudan Microelectronics Company Ltd (Code: 8102) was next in the most active list as about $HK40.47-million worth of its scrip switched, representing about 20.72 percent of the Total Turnover.

The ratio of losers to gainers on this market was about 1.69:One with 11 counters remaining unchanged from Tuesday's levels.

There were no double-digit gainers or losers, last Wednesday.

What might have affected trading on this market was a report from Los Angeles, California, that Internet portal, Pop.com, was closing shop -- even before it opened for business.

Pop.com is the much-awaited Internet entertainment site, which was said to have been financially backed by Hollywood heavyweights, including the very successful (and very wealthy) Steven Spielberg.

A total of 80 workers in the site have been given their walking papers.

From tom.com Ltd, the Li Ka Shing *'wild'* card, came news that it had Placed 60 million shares at a price of $HK5.08 per share.

The Placement represented 2.04 percent of the Issued and Fully Paid-Up Share Capital of the Company.

The Share Placement will raise about $HK400 million for tom.com, the company announced.

On The Tokyo Stock Exchange, the Nikkei-225 followed the rest of Asia, losing about 52.40 yen, or about 0.32 percent, to fall to 16,399.87 yen.

That represented the seventh day of losses, the longest time since August 1998 that there has been such an extended losing streak.

Since the beginning of the decline on The Tokyo Stock Exchange, the Nikkei-225 has given up about 4.80 percent of its value.

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

Electronics and Internet-related issues got hit the hardest, following on, also, from the NASDAQ.

In New York, the furore over killer tyres continued as Congress got ready to roast the culprits.

The deaths of not less than 88 people have been linked to the tyres, produced by Bridgestone/Firestone Corporation and Bridgestone of Japan.

The US Government's Senate Appropriations Subcommittee on Transportation met last Wednesday, New York time, to investigate the matter.

In such an international atmosphere of doom and gloom, this was the way that Asia saw things on its major stock markets:

Thailand	Minus 1.86 percent
Indonesia	Minus 0.60 percent
Malaysia	Minus 0.27 percent
The Philippines	Minus 0.97 percent
South Korea	Minus 0.38 percent
Singapore	Minus 0.67 percent
Taiwan	Minus 2.25 percent
Japan	Minus 0.32 percent

Thursday

The mystery of the dramatic increase in the share price of Pacific Century Insurance Holdings Ltd (Code: 65) was solved on Thursday when it was revealed that the Principal Shareholder of the company, Pacific Century Regional Development Ltd, another of Mr Li Ka Shing's companies, had increased its stake in Pacific Century Insurance by standing in the market to buy up about 26 million shares, during the Tuesday and Wednesday's trading sessions.

Pacific Century Regional Development announced that it had increased its stake in the insurance company from 40.80 percent to 44.70 percent by the share purchases.

No doubt, at the behest of The Stock Exchange of Hongkong Ltd, the Li Ka Shing Camp had to make the official statement since, on Wednesday, the share price of the third largest insurance company in The Hongkong Special Administrative Region (HKSAR) jumped 39.53 percent to $HK3 after falling on Tuesday by about 14 percent to $HK2.03 per share. (please see Wednesday's report for more on this subject)

Last Thursday, the share price of Pacific Century Insurance sank back 15 percent from Wednesday's closing level to end last Thursday's session at $HK2.55.

But The Stock Exchange of Hongkong Ltd got a rude awakening last Thursday when it started trading -- because, in New York, there had been a bit of a bloodbath on the NASDAQ, last Wednesday, New York time.

The NASDAQ Composite Index shed about 3.20 percent, falling to 4,013.34, while the Dow Jones Industrial Average gave up about 0.40 percent to close at 11,310.64.

The technology stocks, listed on the NASDAQ, had been given a bit of a roasting as it became only too obvious that the old concept of making profits still held some sway, after all.

The fall in the indices of The New York Stock Exchange, for the second successive day, had nothing to do with the US economy -- which is still very strong -- or inflationary fears -- inflation is known to be contained -- it was, simply put, that the profits (mostly the lack of them) from start-up companies, hi-tech companies, and Internet-related issues are not filtering down the line to be translated into recurrent earnings.

Also, the world was hit by a bit of a shock on Wednesday, New York time, when District Court Judge Jed Rakoff found that music-sharing website, MP3.com, had been more than a little naughty -- and ordered MP3.com to pay $US250 million (about $HK1.95 billion) to Universal Music Group for poaching Universal's music.

It could well spell the death sentence for MP3.com. And the world knew this.

The Hang Seng Index, the benchmark of the Main Board of The Stock Exchange of Hongkong Ltd, shed 173.28 points, just under one percent, falling to 17,431.95, while The Growth Enterprise Market (The GEM) gave up about 3.27 percent of its Growth Enterprise Index, falling to 459.66 points.

Clearly, the fear of repercussions in the hi-tech and Internet-related issues, due to the US District Court Judge's ruling, was finding a home in Asia, too.

The Total Turnover on the Main Board was about $HK11.46 billion as declining issues outpaced advancing ones by the ratio of about 3.18:One.

The Li Ka Shing Camp took a pounding, with the share price of Pacific Century CyberWorks Ltd (Code: 8), giving up about 1.77 percent of its value, falling to $HK13.85.

Once again, there were reports that the major British shareholder of the stock, brought about when Pacific Century CyberWorks bought up Cable and Wireless HKT Ltd, would be dumping part or all of their interests in the Li Ka Shing investment company, which has yet to turn a penny in real and tangible profits.

In London, it was confirmed: Cable and Wireless plc would be unloading about 5 percent of its interests in Pacific Century CyberWorks in a deal that would raise about $HK15 billion for the British giant.

'We will sell the shares (in Pacific Century CyberWorks) *when and if the market conditions are appropriate,*' a spokesman for Cable and Wireless plc stated.

Cable and Wireless plc owns about 20.20 percent of the Issued and Fully Paid-Up Share Capital of Pacific Century CyberWorks.

As at last Thursday, since the end of February, the share price of Pacific Century CyberWorks had fallen about 34 percent

There was expressed a great deal of pessimism over the market's near-term direction, generally put down to be an expected erosion of prices.

On the leader board, trading company, Li and Fung Ltd (Code: 494), took the top spot as about $HK2.46-billion worth of its scrip were traded, with the share price, gyrating between a low of $HK33.30 per share and a high of $HK34.80 per share.

The closing price was $HK34.80 per share, the highest point, but it still represented a loss of about 1.69 percent on Wednesday's close.

The volume of activity in this one counter represented about 21.47 percent of the Total Turnover.

Another normally *'cold'* counter, CLP Holdings Ltd (Code: 2), suddenly sprang to life last Thursday as about 46.97 million of its shares were traded, with the price, climbing fractionally to $HK35.90.

The volume of activity in this counter amounted to about 14.40 percent of the Total Turnover.

Members of the Li Ka Shing mob just about all took a cold *'bath'*.

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

Name of Company	**Code**	**Increase** (%)	**Decrease** (%)	**Closing Price** ($HK)
China United Holdings Ltd	273		10.00	0.018
CIL Holdings Ltd	479	25.00		0.045
Dan Form Holdings Company Ltd	271	14.06		0.365
ehealthcareasia Ltd	835		10.71	0.50

The HSBC China Fund Ltd	504	15.85		5.30
Hung Fung Group Holdings Ltd	1141		10.64	0.042
Mascotte Holdings Ltd	136		10.17	0.53
Rising Development Holdings Ltd	1004		11.76	0.30
The Sincere Company Ltd	244	11.11		0.45
Tai Sang Land Development Ltd	89	14.91		1.95

The GEM's losses were exacerbated by the falling out of bed of tom.com Ltd (Code: 8001), the share price of which shed 12.07 percent to close the session at $HK5.10.

The share-price drop of tom.com Ltd was brought about by its announcement of the previous evening which stated that it had Placed 60 million shares at $HK5.08 per share. (please see Wednesday's report on this matter)

On a Total Turnover in this market of about $HK701.47 million, trading in the shares of tom.com Ltd represented about 75.16 percent of the total volume of activity for the day.

With such a loss on one counter, The Growth Enterprise Index had to nosedive.

Nobody was quite certain as to the exact reason for the sell-off in tom.com Ltd since the share Placement may not, in the long run, turn out to be a bad thing for the company, but it was a safe bet to assume that the determination of a US District Court in respect of MP3.com was one factor.

The ratio of losers to gainers on this market was about 2.78:One.

There was only one other major mover on this market, last Thursday: Qianlong Technology International Holdings Ltd (Code: 8015).

There was no news from this company, but, nevertheless, a total of 1.59 million shares changed hands, with the share price, gaining 17.44 percent to close the day at $HK1.01

In Japan, for the eighth consecutive day, The Tokyo Stock Exchange watched its Nikkei-225 Index fall.

The Nikkei-225 shed another 0.60 percent to hit 16,300.46 yen as the technology sector of the market anguished over what was taking place in New York and the NASDAQ *'haircut'* of Wednesday.

In line with what was taking place in the US, it was the electronic sector that got hit the hardest, for no reason other than sentiment, translated from the US fears, those real and those imagined.

Bridgestone Tire fell hard when the toll of its killer tyres rose to known deaths, linked to the tyres, of about 134 people.

The Bridgestone share price dropped nearly 4 percent as the international investigation into the company, and companies, involved with it, hotted up.

All of the major Asian stock markets were in reverse gear, last Thursday, as the following demonstrates:

Thailand	Minus 1.39 percent
Indonesia	Minus 0.62 percent
Malaysia	Minus 0.79 percent

The Philippines	Minus 0.31 percent
South Korea	Minus 3.00 percent
Singapore	Minus 1.01 percent
Taiwan	Minus 2.36 percent
Japan	Minus 0.61 percent

Friday

As expected, the NASDAQ Composite Index rebounded, last Thursday, New York time, wiping out a goodly portion of last Wednesday's losses on The New York Stock Exchange and giving a bit of a leg up to the Asian markets.

But, in the main, the leg up was of a very minimal amount.

There were so many other matters of importance that took place, last Friday, in the most populous part of the world, that the antics of The New York Stock Exchange faded in comparison to the shocks to which Asia had to contend.

It was from Japan that most of the news was hitting Asia, and hitting it hard, too.

The rating agency, Moody's Investors Service, gave Japan a slap in the face by downgrading Japanese State bonds, also known as Japan's Sovereign Domestic Debt.

This is the second downgrading in the past 2 years.

The new rating, Aa2, reflects, in Moody's opinion, the ability of the Japanese Government to repay investors in State bonds.

Moody's cited the country's ever-rising, public debt, which is expected to be about 130 percent of the Gross Domestic Product by March 2001.

This is the highest level for any industrial nation.

Moody's said that a further downgrading might follow in short order.

Japan's Finance Minister, Mr Kiichi Miyazawa, dismissed the downgrading as *'nonsense'*.

Also, from Japan came news that a criminal complaint has been lodged against Japan's fourth largest motor vehicle manufacturer, Mitsubishi Motor Incorporated.

Mitsubishi has been covering up motor vehicle complaints over the past 2 decades.

Mitsubishi's President, Mr Katsuhiko Kawasoe, resigned immediately after the announcement.

Japan's Transport Ministry filed, last Friday with the Tokyo Metropolitan Police, charges against Mitsubishi, alleging the uttering of false declarations by Mitsubishi to the Transport Ministry.

This is the first such case of its kind and, no doubt, it will set a precedent in Japan.

Since July this year, Mitsubishi has recalled 620,000 vehicles in order to rectify such matters as failing brakes, fuel leaks and malfunctioning clutches.

With such news, hitting Asia, all within a period of hours, it was hardly any wonder that investors became more than a little concerned throughout the area.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Hang Seng Index, the benchmark of The Stock Exchange of Hongkong Ltd, lost about 0.90 percent, falling to 17,275.45.

The Total Turnover dropped to its lowest level of the year, at about $HK7.88 billion.

Trading in Pacific Century CyberWorks Ltd (Code: 8) represented about 13.58 percent of the total volume of activity as about $HK1.07-billion worth of Pacific Century CyberWorks's stock, changed hands.

The share price of this Li Ka Shing company fell to a low of $HK13.15, at one stage of the session, before ending the session at $HK13.20 for a 4.69-percent *'haircut'* compared with Thursday's closing level.

Pacific Century CyberWorks, of course, was still reeling from the shock news (to Mr Li Ka Shing, no doubt) that Cable and Wireless plc would not be holding on to its 20.20- percent interest in the company, and that plans were afoot to dump part, or all, of the holdings at the first opportunity. (please see Wednesday and Thursday's report on this topic)

But there was another reason for the sell-off in this Li Ka Shing investment company: A major *'player'* in the Internet investment world had determined that it did not, after all, want to invest in Pacific Century CyberWorks.

CMGI Incorporated, a company, listed on The New York Stock Exchange, appeared to have opted out of a proposed investment in the HKSAR company, an investment which would have seen another $HK12 billion pumped into Pacific Century CyberWorks via Hicks, Muse, Tate and Furst Incorporated, a Texas-based investment company which had forged links with the Li Ka Shing entity, forming a venture fund.

And, then, another shock hit the HKSAR stock market when it was announced that Denway Motors Ltd (Code: 203) had Placed 500 million of its shares with unrelated parties in order to raise an additional $HK437 million.

The money, from this cash-raising exercise, is to be used for expansion, the company stated.

The 500-million-share tranche represented about 19.26 percent of the Issued and Fully Paid-Up Share Capital of this company

Denway Motors, when all is said and done, is not exactly the world's finest manufacturer of vehicles; and, the company has managed to be unimpressive in the profit stakes, managing to lose money, year after year after year.

Denway Motor, the second, most-active counter, last Friday, was hit hard as investors dumped the stock, pulling down the share price by 10.37 percent on a volume in the counter of about 598 million shares.

It closed at $HK1.21 per share to the dismay of many investors who, unluckily for them, had been holdings on to the stock.

The dollar value of the trades in this counter represented about 9.64 percent of the Total Turnover.

With international concern about this and that, even the share price of the mighty HSBC Holdings plc (Code: 5) came under fire as its share price declined 0.87 percent to end the week on the dull note of $HK 113.50 per share.

And, with the ratio of losers to gainers at about 2.85:One, and with the volume of activity, being the lowest for the year, many investors stayed at home rather than waste their time in what was considered a *'dead'* market.

The following is a list of most of the double-digit losers and gainers of the day (note the plethora of losers -- (9:2):

Name of Company	**Code**			

		Increase (%)	Decrease (%)	Closing Price ($HK)
Capital Automation Holdings Ltd	493	11.67		0.67
China Development Corporation Ltd	487		10.28	0.305
China Elegance International Fashion Ltd	476		31.82	0.015
China United Holdings Ltd	273		10.53	0.016
Emperor Technology Venture Ltd	283		11.32	0.47
Graneagle Holdings Ltd	147		10.53	0.034
Kunming Machine Tool Company Ltd	300		12.12	0.58
Nanjing Panda Electronic Company Ltd	553	11.26		2.125
Pacific Challenge Holdings Ltd	166		10.00	0.72

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, while the Total Turnover rose to $HK820.39 million, the Growth Enterprise Index hardly moved, registering a gain, equal to about 0.004 percent.

Even so, losers were ahead of gainers by the ratio of about 1.54:One.

Newcomer, Systek Information Technology (Holdings) Ltd (Code: 8103), made its debut and was responsible for about $HK451.55-million worth of the trades, equal to about 55.04 percent of the Total Turnover.

The share price of this Internet technology provider (please see this coming Friday's TARGET Intelligence Report, Volume II, Number 176) ranged from between a high of $HK1.28 and a low of 89 cents.

The shares were Placed, all 242.50 million of them, at 56 cents per share.

tom.com Ltd (Code: 8001) got beaten up as its share price slumped to $HK4.95 per share after touching a high of $HK5.25 per share in early trading.

It ended the session at $HK4.975, just a tad above its low for the day, on a volume of activity in this counter of 35.02 million shares.

Its closing level was equal to a loss for the day of about 2.45 percent.

tom.com Ltd, of course, was still reeling from public reaction to its 60-million Placement of shares at $HK5.08 per share of last Wednesday.

In Japan, the story was a little different in spite of the fact that Moody's had slapped the country down.

The Nikkei-225, the benchmark of The Tokyo Stock Exchange, closed the week, up about 1.20 percent to 16,501.55, breaking an 8-day losing streak.

Consumer electronic issues were strong with Sony Corporation, gaining about 3 percent, NEC, a chipmaker as well as a manufacturer of consumer electronics, putting on 2.10 percent to its value. Toshiba was right up there with the best of them, tacking on about 1.50 percent to its market capitalisation.

Strangely, Mitsubishi Motors, after the world was told of its nefarious activities of the past 2 decades and the fact that *'Japan Incorporated'* would be taking legal action against the company, actually gained ground, moving up about 5.20 percent in spite, also, of the fact that DaimlerChrysler said that it demanded to pay less, now, for its agreed stake of 34 percent of Mitsubishi.

Bridgestone Tire's stock tumbled back another 12.30 percent, an 8-year low for the stock.

Day after day, it appears that more and more worms are crawling out of the woodwork of this company.

In an atmosphere of grave apprehension and consternation, Asian investors closed their doors for the week, ended September 8, 2000. This is the way that other major Asian stock markets fared, last Friday:

Thailand	Minus 0.42 percent
Indonesia	Minus 0.35 percent
Malaysia	Minus 0.52 percent
The Philippines	Plus 0.04 percent
South Korea	Minus 0.41 percent
Singapore	Minus 0.30 percent
Taiwan	Minus 0.85 percent
Japan	Plus 1.23 percent

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