

LI KA SHING'S SON 'ROASTED'

There was more than a little bit of a furore, last Monday in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), as workers' representatives of one of the largest private employers of HKSAR came away from talks with Management – in somewhat of a huff.

Talks between representatives of the workers of Pacific Century CyberWorks Ltd (Code: 8, Main Board, The Stock Exchange of Hongkong Ltd) ended late last Monday with no guarantee from Chairman Richard Li Tzar Kai, the Number Two son of mogul Li Ka Shing, that Pacific Century CyberWorks would not consider sacking some hundreds (maybe thousands) of his staff when certain divisions of his company move to the PRC, proper.

Pacific Century CyberWorks was one of the few losers in its class on the Main Board of The Stock Exchange of Hongkong Ltd as its share price drifted lower, ending the first day of the week at \$HK2.675, a loss of about 2.73 percent, compared with the previous close on Friday, May 18.

Pacific Century CyberWorks has lost in excess of 90 percent of its market capitalisation in less than one year – and for good reason, too.

While this Li Ka Shing company was hit with selling pressure as more than 31 million of its shares were traded, other large capitalised companies fared much better as the Main Board's Hang Seng Index rose about 1.95 percent to 13,721.27 points.

The Total Turnover, however, stayed low at about \$HK8.61 billion, with HSBC Holdings plc (Code: 5), leading the Ten Most Actives on a volume of activity of about 6.65 million shares.

HSBC Holdings's share price ended the session at \$HK99.25, a gain of 1.79 percent over the previous close after about 6.65 million of this giant banking conglomerate's scrip found new buyers.

China Mobile (Hongkong) Ltd (Code 941) was in second place on the Ten Most Active counters with its volume of trades, equal to about \$HK493.34 million, or about 5.69 percent of the Total Turnover.

China Mobile finished the day at \$HK39.80 per share for a 3.65-percent gain over its previous close.

Gainers and losers on this market were separated by a ratio of about 1.96:One, with about 47 percent of all counters, either seeing no action in their share prices or staying firm at their previous closing levels.

Aside from the fracas at the offices of Pacific Century CyberWorks, it was announced that Bass, the UK-based hotels and pub group, had bought the luxury Regent Hongkong Hotel for about \$HK2.70 billion.

The price equates to about \$HK5.25 million per hotel room.

The seller was New World Development Company Ltd (Code: 17, Main Board).

It was speculated that the sale of the hotel was due to a requirement to reduce New World's debt load.

New World's share price rose just under one percent to \$HK10.20 on the strength of the news.

Asia appeared to be generally positive, following the mood of New York, the previous week when it was announced on Tuesday, May 15, by the US Federal Reserve that interest rates would be cut by one half of one percent.

There were a total of 34, double-digit movers, last Monday, with just 8 counters, losing ground:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Can Do Holdings Ltd	172	17.13		0.212
Cedar Base Electronic (Group) Ltd	855	21.15		0.315
Century Legend (Holdings) Ltd	79		15.85	0.069
Chengdu PTIC Telecommunications Cable Company Ltd	1202	13.55		1.76
China Cyberworld Ltd	298	30.43		0.30
China Foods Holdings Ltd	506	10.17		1.95
China Logistics Group Ltd	217	14.43		0.222
Deson Development International Holdings Ltd	262	23.33		0.037
Easyknit International Holdings Ltd	1218		11.94	0.295
Emperor (China Concept) Investments Ltd	296	10.00		0.044
Fountain Set Holdings Ltd	420	12.20		0.92
Fourseas.com Ltd	755		15.00	0.017
Fulbond Holdings Ltd	1041		11.59	0.061
Goldwiz Holdings Ltd	586	15.63		0.74
Good Fellow Group Ltd	910	10.00		0.66
HiNet Holdings Ltd	155	10.87		0.051
Hua Lien International (Holding) Company Ltd	969		10.13	0.213
Interform Ceramics Technologies Ltd	1060	22.73		0.027
Jusco Stores (Hongkong) Company Ltd	984	10.07		1.64
Man Sang International Ltd	938	11.90		11.90
Mascotte Holdings Ltd	136		12.50	0.28
Northeastern Electrical T&T Machinery Manufacturing Company Ltd	42	10.26		0.86
Pacific Concord Holdings Ltd	438	17.31		0.61
Pearl River Tyre (Holdings) Ltd	1187		11.11	0.80
Proview International Holdings Ltd	334	14.29		0.52
Quality Food International Ltd	735	10.71		0.093
Star East Holdings Ltd	198	21.21		0.20
Tak Sing Alliance Holdings Ltd	126	18.00		0.236
Tomorrow International Holdings Ltd	760	13.82		0.28
Top Form International Ltd	333	12.88		0.149
Victory Group Ltd	1139	12.50		0.027
Wah Tak Fung Holdings Ltd	297	17.22		0.177
Wai Kee Holdings Ltd	610	10.77		0.36
Wonson International Holdings Ltd	651		11.11	0.024

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index lost about 0.12 percent of its value, falling to 260.80 points on a Total Turnover of about \$HK338.32 million.

In spite of the falling index, gainers were ahead of losers by the ratio of about 1.58:One.

There were 6, double-digit movers on this market, all of which were in positive territory all the trading day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036	23.08		0.032
Convenience Retail Asia Ltd	8052	17.19		2.25
Grandmass Enterprise Solution Ltd	8108	12.82		0.088
M21 Technology Ltd	8153	10.00		0.88
Neolink Cyber Technology (Holdings) Ltd	8116	13.00		1.13
Techwayson Holdings Ltd	8098	23.53		0.84

EVI Education Asia Ltd (Code: 8090) announced its results for the quarter, ended March 31, 2001.

The company announced a loss of about \$HK4.91 million, which was an *improvement*, in absolute terms, over the loss of about \$HK324,000 for the comparable period in 2000 -- \$HK4.91 million is, of course, a greater figure than \$HK324,000.

EVI Education was listed on The GEM on March 6, 2001 at 39 cents per share.

It was last traded, on Monday, at \$HK1.01 per share.

The volume of activity on the Ten Most Active counters represented about 81 percent of the Total Turnover for the day.

Trading on Japan's premier stock market, The Tokyo Stock Exchange, saw buyers push aside sellers in a booming session.

The Nikkei-225 Average gained 299.06 yen, ending the day at 14,176.83 yen on continued bullishness due to the interest-rate cut in the US, announced the previous Tuesday.

There was, however, one piece of very negative news as Daikokuya Department Store, a department store with a century of history, closed its doors for good.

The departmental store is located in Iwaki, Japan, and its closure means that about 185 workers are on the streets, looking for work.

The closure of the departmental store was expected since Management had informed shareholders and creditors of its financial problems.

The ratio of gainers to losers on The Tokyo Stock Exchange was about 1.61:One, an indication that there was a wide gap between the Japanese bulls and the bears.

Telecommunications counters were, by and large, neglected, but the second largest telecommunications company in Japan, KDDI, saw its share price rise 8.67 percent to hit 589,000 yen by the close.

The bust-up between The Ford Motor Company and Firestone Tire took a turn for the worst as Firestone severed all relations with Ford, claiming that Ford had refused to accept some of the blame in respect of defects in some of its vehicles, fitted with Firestone tyres.

On The Tokyo Stock Exchange, Bridgestone Corporation, the parent company of Firestone Tire, saw its share price fall another 2.51 percent to hit 1,399 yen by the close, last Monday.

More losses on this counter were expected, later in the week.

Nikon Corporation, a leading manufacturer of cameras and precision instruments, announced that its Net Profit Attributable to Shareholders for the 2000 Financial Year had hit 20.91 billion yen, an increase of about 169 percent, Year-on-Year.

Nikon's share price rose 2.33 percent to 1,540 yen.

Most electronic stocks, especially the old favourites, hardly moved, but there were a few bright spots:

Advantest	Up 4.63 percent to 14,700 yen per share
Fujitsu	Up 1.94 percent to 1,732 yen per share
Kyocera	Up 4.47 percent to 12,400 yen per share
Sony	Up 2.10 percent to 10,170 yen per share

There were 4 counters in the motor section of the market that shone out:

Daihatsu Motor	Up 1.98 percent to 719 yen per share
Hino Motor	Up 2.13 percent to 538 yen per share
Isuzu Motors	Up 5.12 percent to 287 yen per share
Mabuchi Motor	Up 2.46 percent to 12,900 yen per share

For the rest of Asia, last Monday, most investors were awaiting the opening on The New York Stock Exchange, the following day: That, it was thought, would set the pace for the week.

This was how the rest of Asia viewed trading on the most important bourses in the most populous area of the world:

Indonesia	Plus 0.95 percent
Japan	Plus 2.15 percent
Malaysia	Minus 0.59 percent
The Philippines	Plus 0.22 percent
Singapore	Plus 0.24 percent
South Korea	Plus 3.07 percent
Taiwan	Minus 2.99 percent
Thailand	Minus 0.81 percent

Tuesday

The Wharf (Holdings) Ltd (Code: 4, Main Board, The Stock Exchange of Hongkong Ltd) took centre stage in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Tuesday, as Management attempted to assure its shareholders that there would be no fall-out from a \$HK1.45-billion, US Court determination – which went against the company.

The news had been known on Monday, of course, but there were other corporate matters in this regard that took precedence, last Tuesday.

Last Tuesday, questions were being raised as to the reason that The Wharf (Holdings) had breached the 1993 agreement with UnitedGlobalCom, a US cable company, in respect of a verbal contract whereby The Wharf (Holdings) granted an option to UnitedGlobalCom for it to acquire a 10-percent stake in what is, today, i-CABLE Communications Ltd (Code: 1097, Main Board).

The US Court's determination will cost The Wharf (Holdings) more than \$US200 million (about \$HK1.56 billion), when all matters are considered: Interest; lawyers' costs; and, etc.

The Wharf (Holdings)'s share price held firm for most of the day and, actually, gained about 0.29 percent just at the close of trading, ending the day at \$HK19.35 per share.

While this was going on, in other sectors of The Stock Exchange of Hongkong Ltd, things were continuing to pop as the Main Board's Hang Seng Index gained another 1.14 percent, rising to 13,877.95 points.

The Total Turnover rose to about \$HK10.71 billion, while the ratio of gainers to losers advanced to about 2.08:One.

With the volume of activity, continuing to be relatively low, it was expected that the second-largest bourse in Asia would lose steam in a hurry.

China Mobile (Hongkong) Ltd (Code: 941) continued to be the most active counter as investors spent about \$HK689.72 million in trading about 16.87 million of this telecommunications company's shares.

By the close of trading, the share price of China Mobile was \$HK41, even, up about 3.02 percent compared with Monday's close.

While the premier stock market of the HKSAR was bubbling over, the Li Ka Shing Camp did not fare well, at all, as Cheung Kong (Holding) Ltd (Code: 1), the flagship company of Mr Li Ka Shing, lost a little more than one quarter of one percent of its value, falling to \$HK92.75 per share.

Pacific Century CyberWorks Ltd (Code: 8) stayed firm at \$HK2.675 per share. (Please see Monday's report)

News wise, there was little to report from companies, listed on The Stock Exchange of Hongkong Ltd, other than the scandal of a broken promise by The Wharf (Holdings).

On Wall Street, the first day of trading on The New York Stock Exchange saw the Dow Jones Industrial Average gain about 0.32 percent to rise to 11,338.37 points.

On the NASDAQ, its Composite Index rose 4.85 percent to hit 2,305.54 points on what was seen as a continuation from the previous week's gains, following the cutting of US, short-term interest rates, the fifth such reduction since the beginning of the year.

Asia was watching Wall Street for a lead – and it got it, last Tuesday.

But there were ominous signs that Wall Street would be unable to hold onto its gains: It was looking very fragile.

There were a total of 41, double-digit movers of the day on The Stock Exchange of Hongkong Ltd, last Tuesday, with just 3 of them, suffering double-digit losses:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Logistics Technology Ltd	862	24.47		0.234
Asia Resources Transportation Holdings Ltd	899	12.50		0.045
Beijing Development (Hongkong) Ltd	154	12.50		1.17
Can Do Holdings Ltd	172	12.26		0.238
CASIL Telecommunications Holdings Ltd	1185	16.36		0.64
Chengdu PTIC Telecommunications Cable Company Ltd	1202	10.80		1.95
China Cyberworld Ltd	298	23.33		0.37
China Logistics Group Ltd	217	23.87		0.275
China Rich Holdings Ltd	1191	12.69		0.151
City Telecom (Hongkong) Ltd	1137	12.07		0.65
Dah Hwa International (Holdings) Ltd	600	57.14		0.165
Ecopro Hi-Tech Holdings Ltd	397	25.00		0.015
Egana Jewellery and Pearls Ltd	926	10.47		0.19
Fortuna International Holdings Ltd	530	13.64		0.05
Fourseas.com Ltd	755	17.65		0.02
Fullbond Holdings Ltd	1041	11.48		0.068
Gay Giano International Group Ltd	686	32.20		0.39
Global Bio-Chem Technology Group Company Ltd	809	11.64		1.63
Goldlion Holdings Ltd	533	10.13		0.435
INNOMAXX Biotechnology Group Ltd	340		13.45	0.238
Innovative International (Holdings) Ltd	729		11.48	0.054
Karl Thomson Holdings Ltd	7	10.61		3.65
Kwong Chung Bus Holdings Ltd	306	11.11		1.10
Online Credit International Ltd	185	12.99		0.087

Pacific Ports Company Ltd	659	11.69		0.43
Prestige Properties Holdings Ltd	75		10.00	0.36
renren Media Ltd	59	16.67		0.021
Sega.com Asia Ltd	1196	21.88		0.39
Simsen International Corporation Ltd	993	14.29		0.048
Sino Golf Holdings Ltd	361	11.25		0.89
Sino InfoTech Holdings Ltd	205	17.14		0.205
Solartech International Holdings Ltd	1166	23.53		0.021
Start Technology Company Ltd	706	15.28		0.83
Swank International Manufacturing Company Ltd	663	10.45		0.074
Tak Sing Alliance Holdings Ltd	126	18.64		0.28
Texwinca Holdings Ltd	321	16.96		3.275
VTech Holdings Ltd	303	14.46		4.75
Wah Fu International Holdings Ltd	952	27.45		0.065
Wai Kee Holdings Ltd	610	16.67		0.42
Zhu Kuan Development Company Ltd	908	12.96		0.61

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, share prices edged up, with gainers ahead of losers by the ratio of 1.78:One.

The Growth Enterprise Index was up about 1.62 percent to 265.02 points on a Total Turnover of about \$HK282.81 million.

There were 5, double-digit movers on this speculative market:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
DigiTel Group Ltd	8030		10.00	0.63
Grandmass Enterprise Solution Ltd	8108		13.64	0.076
M21 Technology Ltd	8153	45.45		1.28
Systek Information Technology (Holdings) Ltd	8103	19.00		0.238
Techwayson Holdings Ltd	8098	25.00		1.05

DigiTel Group Ltd (Code: 8030) announced its first quarter results, showing a loss of \$HK13.23 million. This contrasted with a Net Profit Attributable to Shareholders of \$HK4.91 million for the like period in 2000.

The Turnover of the company was more than halved in the period, from the 2000 quarter of about \$HK32.20 million to the 2001 quarter of about \$HK15.17 million.

DigiTel Group was listed on The GEM in July 2000 at \$HK1.10 per share.

China Agrotech Holdings Ltd (Code: 8011), also, brought out its third quarter results, showing that this company had earned a Net Profit Attributable to Shareholders of about \$HK12.29 million.

This compared, favourably, to the comparable period in 2000 when the company recorded a Net Profit of about \$HK7.44 million.

China Agrotech was listed on The GEM in the middle of November 1999 when its shares were offered at \$HK1.20 each.

The share price of this company ended last Tuesday's trading at \$HK1.41.

In Japan, The Tokyo Stock Exchange saw investors take profits and run: The Nikkei-225 Average lost 85.64 yen, falling to 14,091.19 yen.

What hurt this market was a report from the country's leading manufacturer of optics, Furukawa Electric Company Ltd.

Furukawa Electric announced that its Net Profits for the Financial Year, ended March 31, 2001, had fallen about 81 percent to about 32 billion yen, Year-on-Year.

The share price of Furukawa Electric lost about 1.33 percent, falling to 1,405 yen.

This tipped the scales, as far as many investors were concerned, but, even so, gainers were ahead of losers by the ratio of about 1.21:One.

Bridgestone Corporation was hit hard due to its widening rift with The Ford Motor Company of Detroit, Michigan, as both the chairman of Firestone Tire, the US unit of Bridgestone, and the chairman of The Ford Motor Company made damaging statements about the other. (Please see Monday's report)

Billions of US dollars will be lost due to this fight, to be sure.

Bridgestone shed about 9.36 percent of its market capitalisation, with the final share price, being 1,268 yen.

Ishikawajima-Harima Heavy Industries Company (IHI) announced that, for the first time since 1999, the company was profitable.

Management said that it had logged in a 2000 Net Profit Attributable to Shareholders of about 7.09 billion yen. That compared with a loss of about 60.83 billion yen for the 1999 Financial Year.

IHI's share price ended the day at 181 yen, unchanged.

Real estate company, Mitsui Fudosan Company, told the world, last Tuesday, that it had recorded its first Net Profit in the previous 5 Financial Years.

Management reported that it had earned about 26.11 billion yen for its Financial Year, ended March 31, 2001. That compared with a net loss of about 58.42 billion yen for the 2000 Year.

Mitsui Fudosan's share price lost 6 yen on the news, falling to 1,177 yen.

With the exception of Thailand, whose Bangkok Stock Market chalked up a 2.12-percent gain, most other Asian stock markets recorded fractional movements, as the following TARGET lists illustrates:

Indonesia	Minus 0.19 percent
Japan	Minus 0.60 percent
Malaysia	Plus 0.39 percent
The Philippines	Minus 0.04 percent
Singapore	Plus 0.94 percent
South Korea	Minus 0.16 percent
Taiwan	Plus 0.66 percent
Thailand	Plus 2.12 percent

Wednesday

On cue, and as TARGET had suspected, share prices started to retreat on the second largest bourse in Asia, last Wednesday, for no apparent and visible reason.

In truth, there had been little reason for share prices to have taken off in the first place.

The US Federal Reserve's determination to cut short-term interest rates, the previous Tuesday, is unlikely to kick in for a number of months, in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) or anywhere else, for that matter, and even the other 4, interest-rate cuts, announced earlier in the year, will not hit home until the second half of the year, at the very earliest.

The HKSAR's Main Board Hang Seng Index lost 0.28 percent, falling to 13,839.10 on a Total Turnover of about \$HK11.42 billion.

In the morning session of The Stock Exchange of Hongkong Ltd, the Hang Seng Index moved just 20.14 points, indicating that most investors were unconvinced as to the market's direction.

The 90-minute afternoon session saw the Hang Seng Index shed about 59 points – and it became only too painfully aware to investors that the market was headed south.

Gainers were ahead of losers by the ratio of about 1.17:One.

There were a total of 54, double-digit movers, of which figure, just 3 counters lost ground.

The 3 losers were: Asia Logistics Technologies Ltd (Code: 862); China Cyberworld Ltd (Code: 298); and, Honko International Holdings Ltd (Code: 673).

Asia, as TARGET has mentioned many times in the past, watches the antics of The New York Stock Exchange, very closely, so that the slightest hint of a reversal of sentiment has an almost immediate impact on Asian stock markets.

On Tuesday on The New York Stock Exchange, the Dow Jones Industrial Average fell 80.68 points, about 0.71 percent, ending the day at 11,257.24 points.

The NASDAQ Composite Index, however, moved up 7.91 points to 2,313.50, a gain of 0.34 percent.

A market that cannot rise must fall, as the saying goes.

There had been no follow-through from Monday's gains on the NASDAQ – and that appeared to indicate that there would be further falls on the largest stock markets in the world in short order.

The promised, second-half rally on Wall Street appeared to be unlikely to take place as more and more of the stock-market '*darlings*' were disappointing Wall Street's stock-market gurus.

While the number of double-digit movers on The Stock Exchange of Hongkong Ltd was impressive, in terms of their sheer numbers (there were too many for TARGET to reproduce), it was considered by most market watchers that this was the result of speculative buying, which could peter out in due course.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index rose about 0.19 percent to 265.52 points on a Total Turnover of about \$HK272.23 million.

The ratio of gainers to losers on this market was 1.65:One, with just 4, double-digit movers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Prosten Technology Holdings Ltd	8026	12.70		0.71
techpacific.com Ltd	8088		10.26	0.14
Techwayson Holdings Ltd	8089	16.19		1.22
hk.com corporation	8006	10.26		0.43

hk.com Corporation (Code: 8006) brought out its quarterly report to March 31, 2001, showing that the company had recorded a Net Profit Attributable to Shareholders of about \$HK12.42 million.

This compared with a loss for the like 2000 period of about \$HK11.33 million.

Then, SmarTech Digital Manufacturing Holdings Ltd (Code: 8068) announced its quarterly results for the 2001 Financial Year, indicating that its Net Profits Attributable to Shareholders had just about halved, compared with the like 2000 quarter.

The company announced a Net Profit of about \$HK1 million against the 2000 figure of about \$HK2.05 million.

SmarTech Digital gained 8.82 percent on the announcement, rising to 3.70 cents by the close of trading.

It had been fully expected that the company would suffer a loss so that the announcement allayed some fears.

In Japan, share prices fell marginally on The Tokyo Stock Exchange, following the world's largest bank, Mizuho Holdings, shedding about 2.46 percent of its market capitalisation, falling to 675,000 yen per share.

Tokyo's Nikkei-225 Average gave up 23.49 yen, falling to 14,067.70 yen.

It was the second day of losses on Asia's largest and most important bourse.

The losses on this market were due to real concerns that, with the Japanese bank- reporting season just around the corner, bank results would, mostly, be of a negative nature.

Investors were bailing out while they could.

Tokyo Telecommunication Network Company (TTNet) posted its results for its Financial Year, ended March 31, 2001, showing a Net Profit Attributable to Shareholders of about 287 million yen.

This compared with a 1.85-billion yen loss for the previous Year.

Advertising agency, Dentsu Incorporated, reported a gain of nearly 100 percent, Year-on-Year, in its Net Profit for the 2000 Financial Year, to 41.30 billion yen.

Central Japan Railway Company (JR Tokai), also, announced its results for its 2000 Financial Year, results which were a 40.60-percent improvement over the 1999 Year, at 52.96 billion yen.

Gainers and losers on this market were, just about, even.

This was the way that other Asian markets saw the situation, last Wednesday:

Indonesia	Plus 0.22 percent
Japan	Minus 0.17 percent
Malaysia	Plus 0.77 percent
The Philippines	Minus 0.34 percent
Singapore	Plus 0.28 percent
South Korea	Plus 0.75 percent
Taiwan	Plus 4.38 percent
Thailand	Plus 2.18 percent

Thursday

In direct response to rapidly falling share prices on the world's largest stock market, last Wednesday in New York, sellers lined up to sell their scrip on The Stock Exchange of Hongkong Ltd, last Thursday.

As a result, the Hang Seng Index, the Main Board's guide to the direction of trading, lost about 0.21 percent, falling to 13,810.60 points.

The Total Turnover fell back to about \$HK8.84 billion as many investors decided to sit on their hands until the Wall Street dust had settled and cleared.

The ratio of gainers to losers was 1.26:One, with the Ten Most Actives, accounting for just shy of 39 percent of the total volume of activity.

There were a total of 57, double-digit movers – something of a record – or which only 7 counters lost substantial ground.

The biggest losers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cedar Base Electronic (Group) Ltd	855		20.00	0.26
Dailywin Group Ltd	897		10.00	0.45
Fortuna International Holdings Ltd	530		11.48	0.054
Pricerite Group Ltd	996		10.26	0.35
UDL Holdings Ltd	620		13.33	0.052
Victory Group Ltd	1139		10.34	0.026
Wai Kee Holdings Ltd	610		10.94	0.57

While, on the surface, it may have appeared that HKSAR investors were chasing prices, one has to relate that suggestion to the known fact that share prices of many counters have dropped, in past months, to quite low levels, at least in the eyes of some investors.

The world's largest and most powerful economy had been confirmed to have hit on hard times, with the Chairman of the US Federal Reserve, Dr Alan Greenspan, confirming this fact by virtue of his emergency measures, using interest rates as his weapon of choice.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average lost 151.73 points, falling to 11,105.51 points.

The Dow's 1.35-percent loss was upstaged by the losses on the tech-laden NASDAQ, however, where its Composite Index gave up 3.04 percent of its value, falling back to 2,243.50 points.

Profit taking, no doubt, had been one reason for the sell-off on Wall Street, but there were other matters that prompted US investors to pull up stakes, too.

Last Thursday, Washington time, the US Government was expected to release a fistful of economic data: Investors wanted to see that data before making any further commitments.

Dow component stocks, such as DuPont, to mention but one such company, were announcing very disappointing results, or warning of disappointing results for the remainder of the year.

Stock markets are ruled by earnings' reports and/or forecasts of earnings' reports, regardless of whether or not a company is within the band of what is, today, called new technology/economy companies or old economy companies.

Investors in the US are worried, regardless as to what pundits are claiming.

And those worries are spilling over into Asia where they are translated into falling prices.

There was no news of any importance to stimulate trading on The Stock Exchange of Hongkong and Mr Li Ka Shing, the wealthiest man who ever lived (according to some people, that is) denied that he was considering a restructuring of Hutchison Whampoa Ltd (Code: 13) or his little '*baby*', Cheung Kong (Holdings) Ltd (Code: 1).

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was even more quiet, with The Growth Enterprise Index, losing 0.02 percent to 265.47 points.

Q9 Technology Holdings Ltd (Code: 8129) made its debut and this would-be, technology company saw its share price rise from the Offer Price of 45 cents to hit 57 cents and, then, come to rest at the end of the day at 56 cents per share.

It was the most-active counter of the day.

Totally, about 109.95 million, Q9 shares changed hands, representing a dollar value of about \$HK58.16 million, or just about 19 percent of the Total Turnover of about \$HK306.77 million.

(Please see [TARGET Intelligence Report, Volume III, Number 87, published on Monday, May 14](#), for a full analysis of this company)

Another newcomer, which made its debut last Thursday, was Jilin Province Huinan Changlong Bio-pharmacy Company Ltd (Code: 8049). It was the second, most active stock.

Jilin Province Huinan, a Chinese medicine company, which Offered its shares at 50 cents, each, had a much better showing than Q9 since its share price started at \$HK1 and, then, quickly rose to \$HK1.40.

It ended the day at \$HK1.39 per share after 46.98 million of its shares changed hands.

(Please see [TARGET Intelligence Report, Volume III, Number 91, published on Friday, May 18](#), for a full analysis of this company)

The dollar value of its trades was about \$HK55.66 million, or about 18 percent of the total Turnover of the day.

With about 37 percent of the entire action of the day, taken over by just 2 counters, it was not surprising to learn that double-digit movers were few and far between.

The ratio of gainers to losers, however, was 1.48:One.

There were a couple of GEM companies, making their quarterly reports, but, since GEM companies only have to make such reports, electronically, on the website of The Stock Exchange of Hongkong Ltd, and since, half of the time, these reports cannot be opened, TARGET was unable to know what these reports were supposed to tell the world.

On The Tokyo Stock Exchange, the Nikkei-225 Average continued to lose ground since there was no valid reason for it to rise.

The Nikkei-225 ended the day at 13,895.79 yen, a loss of about 171.91 yen, or about 1.22 percent, compared with Wednesday's closing level.

It was the third day in succession that Asia's most important stock market had retreated.

Losers were ahead of gainers by the ratio of 2.33:One.

But losses, by and large, were restricted to between fractions and one percent, except in certain special situations.

Japan Telecom, the third largest telecommunications company in The Land of The Rising Sun, announced that its Net Profits had risen nearly 7 percent in the Financial Year, ended March 31, 2001.

The Bottom Line was 17.55 billion yen.

The announcement came after the market had closed so that its closing share price of 2.77 million yen, down about 2.46 percent on Wednesday's close, hardly reflected the results.

Tobishima Corporation, a large Japanese construction conglomerate, announced that its Bottom Line had returned to the black in the 2000/2001 Financial Year.

Tobishima's management said that it earned 295 million yen for the Year, ended March 31, 2001, compared with a loss of about 22.10 billion yen for the 1999/2000 Year.

Bad news came from Sumitomo Heavy Industries Ltd, however, as its management announced a loss of 28.61 billion yen for its 2000/2001 Financial Year's results, ended March 31, 2001.

In the 1999/2000 Year, it lost 6.33 billion yen.

The share price of Sumitomo Heavy Industry stayed firm at about 179 yen per share.

Heavy machine and engineering group, Hitachi Zosen Corporation, gave its shareholders better news, announcing that it had earned 2.91 billion yen for the March 31, 2001 Financial Year.

Its share price put on 5 yen per share to 113 yen, a gain of about 4.24 percent.

Another '*big boy*' in the construction industry, Fuji Heavy Industries Ltd, announced that it had had a very poor Year up to March 31, 2001, with a Net Profit Attributable to Shareholders, amounting to about 22.60 billion yen, down about 27.80 percent, Year-on-Year.

The closing price of this company's shares, owned partly by General Motors Corporation of the US, slumped about 1.29 percent to 850 yen.

On a much brighter note, it was announced that Chuo Mitsui Trust and Banking Company will acquire Sakura Trust and Banking Company, a subsidiary of Sumitomo Mitsui Banking Corporation.

The deal caused a bit of a flurry in the share price of Chuo Mitsui Trust, which rose to 235 yen, a gain of 2.62 percent, compared with Wednesday's closing level.

While electronics were, generally, weaker on the premier Japanese bourse, none of the favourites lost a great deal of their respective market capitalisations as for the following TARGET list indicates:

Advantest	Down 2.60 percent to 14,180 yen per share
Alps Electric	Down 1.05 percent to 1,503 yen per share
Canon Incorporated	Down 2.77 percent to 5,000 yen per share
Kyocera Corporation	Down 1.96 percent to 12,010 yen per share
Mitsubishi Electric	Down 2.44 percent to 719 yen per share
NEC Corporation	Down 1.90 percent to 2,265 yen per share
Rohm	Down 2.19 percent to 23,210 yen per share
Sony Corporation	Down 2.45 percent to 9,950 yen per share
Toshiba Corporation	Down 2.96 percent to 752 yen per share

And this was how the situation looked in other parts of Asia, last Thursday night:

Indonesia	Closed
Japan	Minus 1.22 percent
Malaysia	Plus 1.21 percent
The Philippines	Minus 0.80 percent
Singapore	Plus 0.32 percent
South Korea	Minus 0.05 percent
Taiwan	Plus 0.32 percent
Thailand	Plus 0.35 percent

Friday

The Number Two son – partially educated, mind you – of the richest man in the world was grilled to death at the Annual General Meeting of Pacific Century CyberWorks Ltd (Code: 8, Main Board, The Stock Exchange of Hongkong Ltd) last Friday.

As Chairman of the largest telecommunications company in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Mr Richard Li Tzar Kai could have been said to have fielded questions very well from certain of his irate shareholders with a great deal of ease, all things considered.

But his image has been tarnished, that is for sure – along with the share price of the company that he has tried to run for the past year or so.

In view of the dismal performance of Pacific Century CyberWorks in the past year, when losses hit a record of nearly \$HK7 billion, some shareholders were more than a little interested to learn the reason that the Deputy Chairman, Mr Francis Yuen Tin Fan, was paid what amounted to about \$HK283 million.

Many people in the territory, especially those who are not terribly well-healed, had invested a great portion of their life savings in buying shares in this company, mainly on the strength of the Li Ka Shing name, even though it is run by his Number Two son, who has no academic credentials, contrary to what some people earlier thought, or were led to believe by certain literature.

The share price of Pacific Century CyberWorks (it closed at \$HK2.70 per share, last Friday) has lost about 90 percent of its value in the past year.

While the Annual General Meeting of Pacific Century CyberWorks was taking place, on The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index was drifting.

In the 150-minute, morning session, the Hang Seng Index moved up just about 6 points.

But the 90-minute afternoon session saw sellers line up to bring down the Index by more than 62 points.

By the close of trading for last week, the Hang Seng Index stood at 13,753.99 points, a loss of 0.41 percent on Thursday's closing level.

Even so, the ratio of gainers to losers was significant at about 2.35:One, with exactly 60, double-digit movers, of which number, only 2 double-digit movers were in negative territory.

HSBC Holdings plc (Code: 5) was the most active counter of the day as investors spent about \$HK608.44 million in trading about 6.05 million shares in this giant banking conglomerate, the largest in Europe in terms of

assets.

The share price of HSBC Holdings ended the day at \$HK99.75, a loss of one quarter of a percentage point, compared with Thursday's closing level.

But it was noted that, at one point in trading, its share price had hit \$HK101.50 before settling back at its lowest level of the day.

The Total Turnover on The Stock Exchange of Hongkong Ltd was about \$HK11.18 billion so that the volume of activity in HSBC Holdings's shares represented about 5.46 percent of that figure.

The 2, double-digit losers were Karce International Holdings Company Ltd (Code: 1159), off 16.18 percent to 28.50 cents per share, and Welback Holdings Ltd (Code: 491), down 13.33 percent to 2.60 cents per share.

The only piece of local news that could have affected business in the HKSAR was a Government report that stated that it had cut its economic growth forecast for the year, ending March 31, 2002, by one percentage point to 3 percent.

It was highly unlikely that this news could have affected trading in the 416 square miles that constitute the HKSAR because the majority of the population are, simply put, unable to understand the importance of such an announcement, with most people not even understanding the meaning of GDP (Gross Domestic Product).

In the US, it was announced that its economy had grown at the rate of about 1.30 percent in the first quarter of 2001 – significantly lower than the US Government's prediction of about 2 percent.

This tidbit of information came one day after the Chairman of the US Federal Reserve, Dr Alan Greenspan, had announced that the US economy was, still, facing the threat of recession, with '*considerable uncertainties*' on the immediate economic horizon.

On Wall Street, the news was greeted with some consternation.

On The New York Stock Exchange, last Thursday, investors saw the Dow Jones Industrial Average rise about 16.91 points, about 0.15 percent, to 11,122.42 points.

But it had tumbled more than 151 points, during the day, on the back of the Greenspan speech.

As for the NASDAQ, its Composite Index clawed back about 1.71 percent to hit 2,281.74 points by the close.

But, during the height of trading, the Composite Index had been off more than 70 points, or about 3.12 percent.

It looked, very much, as though Wall Street would fall, flat on its face in the coming weeks – and Asia appeared to fear this eventuality.

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index put on the best performance in many a month, with a gain of about 4.42 percent, rising to 277.19 points.

There was no apparent reason for the seeming euphoria in trading on this speculative market, which saw 15, double-digit movers, all gainers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
Asia Information Resources (Holdings) Ltd	8025	16.90		0.166
CASH on-line Ltd	8122	29.03		0.06
Chengdu Top Sci-Tech Company Ltd	8135	14.04		1.95
Excel Technology International Holdings Ltd	8048	13.33		0.68
Grandmass Enterprise Solution Ltd	8108	28.95		0.098

Kingdee International Software Group Company Ltd	8133	12.61		3.35
Panva Gas Holdings Ltd	8132	10.75		1.03
Pine Technology Holdings Ltd	8013	15.38		0.60
Q9 Technology Holdings Ltd	8129	12.50		0.63
Syscan Technology Holdings Ltd	8083	14.81		0.31
Systek Information Technology (Holdings) Ltd	8103	30.43		0.30
T S Telecom Technologies Ltd	8003	15.09		0.61
tom.com Ltd	8001	13.64		2.50
Town Health International Holdings Company Ltd	8138	11.11		0.80
Vodatel Networks Holdings Ltd	8033	10.11		0.98

The ratio of gainers to losers was about 3.57:One.

The Total Turnover rose to about \$HK489.10 million, with Mr Li Ka Shing's tom.com Ltd, being the most-active counter of the day.

In Japan, the penny dropped: UFJ Holdings announced record losses of about 1.61 trillion yen (about \$HK171 billion).

This is the fourth largest bank in Japan and was formed in April in order to try to protect the banking sector -- from itself.

Japan's banks, in the past, had adopted a policy of not looking too carefully at (old and new) loan portfolios, especially those portfolios in respect of zaibatsu (the Japanese concept of a *'family'* of companies).

The Bank of Tokyo-Mitsubishi Ltd announced that its outstanding bad loans had topped 1.61 trillion yen.

The cross-shareholdings of banks caused widespread concern among Japanese investors, last Thursday, and probably was a determinant factor, causing losses on The Tokyo Stock Exchange.

The Nikkei-225 Average gave up 129.87 yen, ending the week at 13,765.92 yen, representing the fourth day of losses for Asia's most important stock market.

As expected, banking counters were hit among the hardest as the following TARGET list illustrates:

Ashikaga Bank	Down 3.15 percent to 184 yen per share
Bank of Yokohama	Down 3.49 percent to 469 yen per share
Chiba Bank	Down 4.32 percent to 509 yen per share
Daiwa Bank	Down 3.77 percent to 153 yen per share
Gumma Bank	Down 2.65 percent to 551 yen per share
Hachijuni Bank	Down 3.33 percent to 638 yen per share
Shizuoka Bank	Down 3.07 percent to 1,043 yen per share
Suruga Bank	Down 7.10 percent to 1,029 yen per share
UFJ Holdings	Down 4.89 percent to 759,000 yen per share

On a more positive note, Hankyu Department Stores Incorporated announced that, on a parent-basis, only, it had recorded a Net Profit of about 3.21 billion yen for its Financial Year, ended March 31, 2001.

This was a 17.90-percent rise, compared with the previous Year.

Its share price closed at 579 yen, up 10 yen per share, or about 1.76 percent.

By and large, Asia was not at all happy with the prospects for the coming week, and this was reflected in the closing indices of Asia's most important bourses, last Friday:

Indonesia	Plus 2.48 percent
Japan	Minus 0.93 percent
Malaysia	Minus 0.68 percent
The Philippines	Minus 1.70 percent
Singapore	Minus 0.07 percent
South Korea	Plus 0.29 percent
Taiwan	Minus 1.08 percent
Thailand	Minus 0.37 percent

-- E N D --

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.