

ASIA CATCHES NEW YORK'S HEAD COLD

While trading was very dull on the Main Board of The Stock Exchange of Hongkong Ltd, last Monday, on The Growth Enterprise Market (The GEM), things were popping as The Growth Enterprises Index had the best day in its history.

The Growth Enterprise Index shot up 6.89 percent to 296.29 points on what had to be considered the largest, single day's Total Turnover for months: \$HK806.78 million.

Mr Rupert Murdoch's Phoenix Satellite Television Holdings Ltd (Code: 8002) was the most active counter of the day as the share price of this satellite television broadcaster, the biggest one, broadcasting to the People's Republic of China (PRC), rose to a high of \$HK1.65, before being pared back to \$HK1.64 by the close.

Totally, 48.08 million Phoenix Satellite Television shares were traded, representing, in dollar terms, about \$HK75.71 million, or about 9.38 percent of the Total Turnover.

Phoenix Satellite Television is considered one of the bluest of blue chips on The GEM.

The ratio of gainers to losers on The GEM was 16.50:One, such a wide divergence between gainers and losers, having not been seen in the Hongkong Special Administrative Region (HKSAR) for more than a year.

Of the 64 counters, representing The GEM, there were 29, double-digit gainers and just one, double-digit loser.

The lone, double-digit loser was CASH on-line Ltd (Code: 8122), whose share price gave up 11.25 percent, falling back to 7.10 cents per share.

The biggest gainer of the day was Jiangsu Nandasoft Company Ltd (Code: 8045) whose share price rose 40.54 percent to \$HK1.56 after about 36.98 million of its shares were traded.

This company's shares were listed on The GEM on April 19, 2001 at 36 cents, each.

AcrossAsia Multimedia Ltd (Code: 8061) announced its first quarterly results, which indicated a worsening financial situation for the telecommunications company.

The Loss Attributable to Shareholders for the first quarter of this year, to March 31, 2001, was about \$HK53.07 million.

In the comparable 2000 quarter, the company recorded a loss of about \$HK1.65 million.

AcrossAsia is the largest, GEM-listed company, in terms of market capitalisation.

It was first listed on The GEM on July 6, 2000 when the shares of this company were offered at \$HK3, each.

Last Monday, Across Asia's share price ended the session at \$HK2, up exactly one half of one percent.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, the '*barometer*' of trading on Asia's second largest bourse, lost about 0.11 percent, falling to 13,739.07 points.

The Total Turnover was about \$HK11.02 billion, with the leading light of the day, being Brilliance China Automotive Holdings Ltd (Code: 1114).

Brilliance China is trying to raise about \$HK670 million from institutional investors.

Its share price shed 5 percent, falling to \$HK2.375 on a volume of trading of about 408.49 million shares.

Trading in this one counter represented about 8.27 percent of the Total Turnover of the day.

The ratio of gainers to losers on the Main Board was about 1.87:One, with about 36 percent of the market's counters, either holding onto the previous Friday's closing levels or seeing no action, during the day.

There were a total of 86, double-digit gainers and just 5 double-digit losers.

The double-digit losers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Berjaya Holdings (Hongkong) Ltd	288		11.11	0.16
Bestway International Holdings Ltd	718		17.65	0.028
China Investments Holdings Ltd	132		13.79	0.25
Paliburg Holdings Ltd	617		10.95	0.122
Tomorrow International Holdings Ltd	760		10.00	0.216

The biggest gainer of the day was Fujikon Industrial Holdings Ltd (Code: 927), whose share price caught fire, rising 32.25 percent, ending the day at 90 cents.

New York was still on holiday and would not open until Wednesday, Hongkong time: Americans were celebrating Memorial Day.

In Japan, The Tokyo Stock Exchange, the largest stock market in Asia, had a quiet trading day, quite unlike the markets in the HKSAR.

The Nikkei-225 Average lost 28.15 yen, falling to 13,737.77 yen.

Bank counters dominated trading, following on from the previous week when some of the largest banks in the world, all Japanese entities, reported that which just about everybody knew: They had to write off billions of US dollars in non-performing loans.

Mizuho Holdings Incorporated, the largest bank in the world in terms of assets under its control, saw its share price fall another 6.41 percent, ending the day at 628,000 yen.

The previous Friday saw Mizuho's share price shed about 3.30 percent of its value.

The top 8 banks in The Land of The Rising Sun have admitted to having non-performing loans of at least 18 trillion yen, equal to about \$HK1,160 billion.

And that is only to March 31, 2001.

Mitsubishi Tokyo Financial Group, one of the largest of its ilk in Japan, announced, late the previous week, that it had problem loans of at least 4.46 trillion yen, as at March 31, 2001.

That was an increase of about 55.40 percent, compared with the situation for the 2000 Financial Year.

Its share price gave up about 3.40 percent to 1.14 million yen, last Monday in Tokyo.

Another of the 'Big 8', UFJ Holdings Incorporated, saw its share price cut back by about 5 percent as investors knocked down its price to 721,000 yen.

Sumitomo Mitsui Banking Corporation, the second largest bank in the world in terms of assets, under its control, lost about 3.82 percent of its market capitalisation, as investors marked down its share price to 1,008 yen.

And so it went on, with banks, very much singled out for selling.

In motors, Isuzu Motors Ltd announced that it would be shedding about 9,000 jobs during the next few years, reducing its 38,000 workforce by about 25 percent.

The company, about 49 percent owned by the US automotive giant, General Motors Corporation, had already given the market an idea of what to expect, the previous Saturday (May 26).

Isuzu Motors bucked the trend of the market, rising nearly 4 percent to 290 yen per share, however.

From another sector of the market, Hazama Corporation, a major, Japanese-based construction company, announced that its fortunes had swung back, with the company, earning 2.31 billion yen for the Financial Year, ended March 31, 2001.

A waiver of a debt, amounting to about 105 billion yen, made this all possible, it appears.

In the 2000 Financial Year, the company lost about 19.82 billion yen.

The inability of Hazama Corporation to honour its financial obligations to its creditor banks in Japan was one of the reasons that Mizuho Holdings Incorporated had to bite the write-off bullet to the extent that it had to announce.

By and large, Asia was a quiet venue for the trading in equities as the following TARGET list indicates:

Indonesia	Plus 0.68 percent
Japan	Minus 0.20 percent
Malaysia	Plus 0.42 percent
The Philippines	Minus 1.07 percent
Singapore	Minus 0.66 percent
South Korea	Minus 0.90 percent
Taiwan	Minus 1.75 percent
Thailand	Plus 1.85 percent

Tuesday.

Important political considerations rocked Asia, last Tuesday, with both Thailand and Indonesia's stock markets, being strongly influenced by parochial considerations.

In Thailand, the Government determined to sack the Governor of The Bank of Thailand, Mr Chatumongkol Sonakul, over the matter of interest rates: He wanted to lower them and the Government disapproved.

The Bank of Thailand is the Central Bank of the country.

The result: The Bangkok SET Index fell 7.41 points to 309.47 points, equal to about 2.34 percent.

In Indonesia, the impeachment of President Abdurrahman Wahid seemed a certainty as supporters of impeachment of the embattled Muslim President and his followers fought a running battle on the streets of Djakarta, the Capital City.

The result: The Djakarta Composite Index rose 13.60 points, about 3.46 percent, ending the day at 406.38 points.

South Korea's Seoul Composite Index got a huge boost when it was announced that the US automotive giant, General Motors Corporation, would, most likely, come to the rescue of South Korea's bust motor-car manufacturer, Daewoo Motor.

That caused the KOSPI to rise 2.20 percent.

But, other than the international political considerations and the excitement over the prospects that all is not lost in Daewoo Motor, Asia's markets were marked by their quietude.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), with US stock markets, still on holiday, Hongkong investors had to take a punt on what would happen on the largest stock market in the world when it opened on Tuesday, New York time.

As a result, trading on The Stock Exchange of Hongkong Ltd was subdued as the Main Board's Hang Seng Index hardly moved, during the entire trading day.

By the close, the Hang Seng Index had recorded a loss of 109.46 points, dropping to 13,629.61 points, a fall of about 0.80 percent compared with Monday's close.

The Total Turnover was about \$HK11.09 billion with losers, outpacing gainers by the ratio of about 2.34:One.

HSBC Holdings plc (Code: 5) was the dominant counter as about 5.06 million of this bank's shares were traded, with the share price, fluctuating between a low of \$HK97.75 and a high of \$HK99.25.

The closing level of \$HK98.50 per share represented a one-day retreat of about 0.51 percent.

With the exception of the 40, double-digit movers, most share prices were kept within quite small ranges, with many of the blue chips, hardly moving, at all.

The HKSAR market was dominated by corporate news from the US where things did not look good and where the prospects for the remainder of the year were uncertain.

The following is TARGET's list of the double-digit movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
21CN CyberNet Corporation Ltd	241		15.00	0.51
Asia Resources Transportation Holdings Ltd	899		14.06	0.055
AV Concept Holdings Ltd	595		10.17	0.53
Beijing Development (Hongkong) Ltd	154	11.49		1.65
Berjaya Holdings (Hongkong) Ltd	288		13.75	0.138
Can Do Holdings Ltd	172	15.91		0.255
Century City International Holdings Ltd	355		10.47	0.077
China Investments Holdings Ltd	132	20.00		0.30
China Rare Earth Holdings Ltd	769	10.28		2.95
CIG-WH International (Holdings) Ltd	621		15.00	0.255
Climax International Company Ltd	439	11.11		0.06
Digital World Holdings Ltd	109	11.57		0.27
Easyknit International Holdings Ltd	1218		12.08	0.233
EC-Founder (Holdings) Company Ltd	618	14.75		0.70
Far East Technology International Ltd	36		13.16	0.33
Fortuna International Holdings Ltd	530		14.81	0.046
FT Holdings International Ltd	559	12.70		0.355

Global Tech (Holdings) Ltd	143	10.09		6.00
Goldwiz Holdings Ltd	586	22.47		1.09
Honko International Holdings Ltd	673	34.43		0.082
ING Beijing Investment Company Ltd	1062	11.32		0.295
Interform Ceramics Technologies Ltd	1060	19.44		0.043
Lai Fung Holdings Ltd	1125		10.87	0.205
Nam Fong International Holdings Ltd	1176		10.40	0.112
Next Media Ltd	282	10.81		0.41
Peking Apparel International Group Ltd	761	11.76		0.38
Prime Success International Group Ltd	210		10.00	0.135
Prosper eVision Ltd	979		18.56	0.136
Qualipak International Holdings Ltd	1224		11.95	0.14
Silvernet Group Ltd	622	16.33		0.285
Sun East Technology (Holdings) Ltd	365	10.98		0.91
Sun Man Tai Holdings Company Ltd	433		14.52	0.265
Symphony Holdings Ltd	1223	10.09		0.12
Tak Sing Alliance Holdings Ltd	126		12.50	0.28
Takson Holdings Ltd	918	14.29		0.64
Theme International Holdings Ltd	990		14.18	0.121
Tomorrow International Holdings Ltd	760	11.11		0.24
Vision Tech International Holdings Ltd	922		12.20	0.36
Wai Kee Holdings Ltd	610		10.71	0.50
Wang On Group Ltd	1222	13.17		0.275

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – The Growth Enterprise Index shed some of the Monday’s massive, 6.89-percent gain, falling back to 292.12 points, a loss of about 1.41 percent over Monday’s closing level.

The Total Turnover, however, hit a 2001 high of about \$HK1.06 billion, a far cry from the less than \$HK100-million daily volume of activity, seen earlier in the year.

In spite of The GEM’s Index, giving up 1.41 percent of its value, gainers dominated losers by about 1.21:One.

Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095) was the most active counter of the day as investors traded 89.51 million of this software company’s stock, representing a dollar value of about \$HK222.36 million, or nearly 21 percent of the Total Turnover.

Management of Beijing Beida Jade Bird saw its share price fluctuate between a low of \$HK2.45 and a high of \$HK2.90, ending the day at \$HK2.525, unchanged from Monday’s close.

There were unconfirmed reports that this company was looking for some partners.

The second, most-active counter of the day was Mr Rupert Murdoch’s Phoenix Satellite Television Holdings Ltd (Code: 8002) as investors spent about \$HK116.68 million in trading 70.496 million shares in this satellite television broadcaster.

The volume of activity in this counter represented about 11 percent of the Total Turnover.

Phoenix Satellite Television’s share price closed the day at \$HK1.61, after hitting a high of \$HK1.70.

Totally, there were 5, double-digit movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036	22.86		0.046
CASH on-line Ltd	8122	61.97		0.115
GreaterChina Technology Group Ltd	8032		12.31	0.285

hkcyber.com (Holdings) Ltd	8118	32.08		0.07
Proactive Technology Holdings Ltd	8089	31.15		0.40

Two GEM companies made reports to shareholders: *Teleeye Holdings Ltd* (Code: 8051); and, *Panva Gas Holdings Ltd* (Code: 8132).

Teleeye Holdings announced that, for the quarter, ended March 31, 2001, it had suffered a Loss Attributable to Shareholders of about \$HK742,000. This compared with a Net Profit Attributable to Shareholders for the comparable 2000 quarter of about \$HK691,000.

The share price of *Teleeye Holdings* lost 8.13 percent, falling back to \$HK1.13.

Panva Gas Holdings announced that, for the first quarter of this year, its Net Profit Attributable to Shareholders rose to about \$HK1.29 million against a Loss Attributable to Shareholders of about \$HK1.62 million for the compared 2000 quarter.

Panva Gas Holdings share price lost 4.63 percent, falling to \$HK1.03.

Japanese investors, clearly, were tired of knocking its banking sector and, as a result, trading on Japan's premier stock market turned from negative to positive ... but only marginally higher, mind you.

The Nikkei-225 Average gained 36.12 yen, rising to 13,773.89 yen.

But losing issues continued to dominate trading by the ratio of about 1.24:One.

Financial reports continued to be announced, with some of these reports, seemingly surprising Japanese investors.

One such report came from Tokio Marine and Fire Insurance Company where Management reported a Group Net Profit of about 41.82 billion yen for its 2000 Financial Year.

This represented a gain of about 21.50 percent, compared with the results of the 1999 Year.

The share price of this major player in the Japanese insurance market gained 35 yen, about 2.85 percent, hitting 1,265 yen by the close.

Another major insurance company in Japan, Yasuda Fire and Marine Insurance Company, announced that its Consolidated Net Profit for the 2000 Year rose 1.60 percent over the 1999 figure, to 14.23 billion yen.

Its share price lost 4 yen on the news, falling to 728 yen.

Housing contractor, Haseko Corporation, surprised its shareholders, reporting its first black ink in the previous 3 financial years.

The company posted Net Profits of 95.31 billion yen for the 2000 Financial Year.

Mitsubishi Motors Corporation announced to the world that it had a rather novel scheme of saving money: Early retirement of 1,200 of its workers.

The idea is to cull the 24,700-strong workforce by about 36 percent, or about 9,000 workers.

Any worker, who is 40 years or older and who has been working for the motor-car manufacturer for at least a decade, may apply for the scheme.

The share price of Mitsubishi Motors rose about 1.46 percent to 412 yen.

Bad news came from Tokyo Metallic Communications Corporation, a struggling Internet Service Provider (ISP), specialising in digital subscriber lines.

The company announced that it is hard-pressed for working capital, with debts of about 4 billion yen and with banks, closing its doors on the company.

Japan's Ministry of Economy, Trade and Industry announced that the economy of the second largest financial power in the world was having a great deal of trouble, with industrial production, having fallen 1.70 percent in the month of March.

Unemployment rose to 4.80 percent, just below January's record level of 4.90 percent.

In such an atmosphere, and with Wall Street, yet to wake up from the Memorial Day holidays, Japanese investors determined to sit on their hands and to wait for another day.

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

Indonesia	Plus 3.46 percent
Japan	Plus 0.26 percent
Malaysia	Plus 0.27 percent
The Philippines	Minus 0.69 percent
Singapore	Plus 0.34 percent
South Korea	Plus 2.20 percent
Taiwan	Plus 0.31 percent
Thailand	Minus 2.34 percent

Wednesday

The honeymoon was over for Asia as major indices in the world's most populous area went into full retreat.

Wall Street had awakened from its 3-day, Memorial Day holidays -- and Wall Street watched as share prices on The NASDAQ were cut down, one after another, in dramatic fashion.

The closing figures of the leading indices on The New York Stock Exchange and The NASDAQ, last Tuesday, the first day of trading for the week, were: Dow Jones Industrial Average, down, 0.30 percent to 11,038.62 points; and, The NASDAQ: Down 3.35 percent to 2,175.57 points.

The reason for the NASDAQ sell-off: Fears that the *'darlings'* would disappoint with the announcements of their results.

On The Stock Exchange of Hongkong Ltd, where investors are influenced, greatly, by what is happening in the world's largest economy, reaction to Wall Street was swift and determined.

The Main Board's Hang Seng Index lost about 1.54 percent of its value, falling back to 13,420.13 points on a Total Turnover of about \$HK11.03 billion.

China Mobile (Hongkong) Ltd (Code: 941), one of the largest mobile telecommunications companies in the People's Republic of China (PRC), was the most active counter of the day as investors traded about 15.10 million of this stock.

The share price of China Mobile fluctuated just \$HK1, during the entire trading day, between a low of \$HK38.40 and a high of \$HK39.40.

It ended the session at \$HK38.90 per share, a 2.75-percent drop, compared with Tuesday's closing level.

The volume of activity in this one counter represented about 5.26 percent of the Total Turnover of the day.

HSBC Holdings plc (Code: 5) was the second, most-active counter, and this huge banking conglomerate, like China Mobile, was held to a price channel of just \$HK1 – between \$HK97.25 per share and \$HK98.25 per share.

After about 5.93 million, HSBC Holdings's shares had changed hands, the share price had sunk 0.76 percent to \$HK97.75, compared with the closing price on Tuesday.

Mr Li Ka Shing's 2 major, stock-market '*players*', Hutchison Whampoa Ltd (Code: 13) and Cheung Kong (Holdings) Ltd (Code: 1), both took it on their respective noses, with Hutchison, losing 1.73 percent of its market capitalisation, falling back to \$HK85 per share, while Cheung Kong gave up 2.49 percent of its value, dropping to \$HK88 per share.

Hutchison and Cheung Kong, the fifth and sixth most-active counters, accounted for about 7.43 percent of the entire volume of activity on the market.

The ratio of losers to gainers was 2.43:One.

There were just 24, double-digit movers, with 9 of them, shedding substantial amounts:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Apollo Holdings Ltd	512	20.00		0.21
China Land Group Ltd	149		10.00	0.54
China United Holdings Ltd	273		16.67	0.01
Digital World Holdings Ltd	109	14.81		0.31
First Tractor Company Ltd	38	20.91		1.33
Fourseas.com Ltd	755		11.76	0.03
GeoMaxima (Hongkong) Holdings Ltd	702		12.86	0.305
Harbin Power Equipment Company Ltd	1133	12.80		1.41
Honko International Holdings	673	14.63		0.094
I-China Holdings Ltd	240	16.07		0.065
Interform Ceramics Technologies Ltd	1060	13.95		0.049
Karce International Holdings Company Ltd	1159	10.00		0.33

Medtech Group Company Ltd	1031		14.00	0.043
MUI Hongkong Ltd	542		10.99	0.081
Next Media Ltd	282		10.98	0.365
Northeast Electrical T&T Machinery Manufacturing Company Ltd	42	18.92		1.32
Orient Resources Group Company Ltd	467	23.19		0.17
Prosper eVision Ltd	797	26.47		0.172
renren Media Ltd	59	32.14		0.037
Sen Hong Resources Holdings Ltd	76		16.67	0.15
Styland Holdings Ltd	211	11.11		0.80
Wai Kee Holdings Ltd	610	18.00		0.59
Wing Lee Holdings Ltd	876	12.50		0.27
Winsan (China) Investment Group Company Ltd	85		11.59	0.305

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the honeymoon was, definitely, over there, too.

The Growth Enterprise Index gave up 1.02 percent, falling to 289.14 points.

The Total Turnover fell to about \$HK572 million, a reduction of about 46 percent, compared with Tuesday's volume.

The ratio of losers to gainers was 1.32:One.

There were 9, double-digit movers, with Jiangsu Nandasoft Company Ltd, the most-active counter, also recording the largest upward movement:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Chengdu Top Sci-Tech Company Ltd	8135	15.05		2.675
Fortune Tele.com Holdings Ltd	8040		12.82	0.68
hkcyber.com (Holdings) Ltd	8118	17.14		0.082
Jiangsu Nandasoft Company Ltd	8045	22.58		1.90
L.P. Lammas International Ltd	8029	17.65		0.10
Neolink Cyber Technology (Holdings) Ltd	8116	14.60		1.57
Soluteck Holdings Ltd	8111		10.71	0.50
Timeless Software Ltd	8028	16.38		1.35
Town Health International Holdings Company Ltd	8138	10.98		0.73

Qianlong Technology International Holdings Ltd (Code: 8015) brought out its results for the quarter, ended March 31, 2001, showing that the company's Net Profits had shrunk to 71,000 renminbi (about \$HK66,355),

compared to Net Profits of about 2.13 million renminbi (about \$HK1.99 million) for the comparable 2000 quarter.

Intcera High Tech Group Ltd (Code: 8041) announced a Loss Attributable to Shareholders for the quarter, ended March 31, 2001, of about \$HK8.76 million. This was slightly better than the comparable 2000 quarter to March 31 when the company recorded a Loss Attributable to Shareholders of about \$HK10.81 million.

In Japan, it was a similar story to that, being told in the Hongkong Special Administrative Region (HKSAR), as Japan's premier stock market went into high reverse gear.

The Tokyo Stock Exchange saw its Nikkei-225 Average fall about 2.04 percent to 13,493.35 yen in a day that was marked by selling of hi-tech stocks.

The falls in the US NASDAQ's stocks took its toll of Tokyo's hi-tech shares, last Wednesday.

But banks, also, came under heavy fire, a follow-through of the previous week's paring of the 'Big 8' banks. (See Monday's report)

Some of the biggest losers in hi-techs and electronics included:

Advantest	Down 6.96 percent to 12,970 yen per share
Alps Electric	Down 5.61 percent to 1,380 yen per share
Canon Incorporated	Down 1.80 percent to 4,920 yen per share
Casio Computer	Down 2.84 percent to 787 yen per share
Fuji Electric	Down 4.70 percent to 380 yen per share
Fujitsu Computer	Down 5.53 percent to 1,588 yen per share
Kyocera Corporation	Down 4.41 percent to 11,500 yen per share
Matsushita Electric Works	Down 2.80 percent to 1,421 yen per share
NEC Corporation	Down 7.95 percent to 2,025 yen per share
Olympus Optical	Down 3.29 percent to 1,853 yen per share
Pioneer	Down 2.61 percent to 3,730 yen per share
Ricoh Company	Down 2.78 percent to 2,450 yen per share
Rohm Company	Down 3.19 percent to 22,460 yen per share
Sharp Corporation	Down 3.88 percent to 1,733 yen per share
Sony Corporation	Down 4.18 percent to 9,400 yen per share
Toshiba Corporation	Down 7.41 percent to 700 yen per share

As for banks, the following is a selection of some of their losses:

Asahi Bank	Down 2.92 percent to 299 yen per share
Iyo Bank	Down 3.41 percent to 651 yen per share
Mizuho Holdings	Down 4.12 percent to 605,000 yen per share
Shizuoka Bank	Down 3.23 percent to 1,018 yen per share
UFJ Holdings	Down 7.07 percent to 670,000 yen per share

News wise, Mitsui and Company announced that it had agreed with Sumitomo Corporation to a plan to integrate their respective sales and construction materials divisions.

Mitsui and Company lost about 1.90 percent of its value on the strength of the news and Sumitomo Corporation lost just 2 yen per share, falling to 873 yen.

Japan Broadcasting Corporation (NHK) announced that it had earned about 2.50 billion yen in Net Profits for the Financial Year, ended March 31, 2001.

Kumagai Gumi Company continued to disappoint its shareholders, announcing that it lost about 2.65 billion yen for the Year, ended March 31, 2001.

In the 2000 Year, this contractor lost 4.62 billion yen.

The 2001 Year's losses were in spite of the company, being able to twist its 15 creditor banks' arms to forgive loans, totalling about 430 billion yen.

Kumagai Gumi ended last Wednesday's trading session at 57 yen per share, off just one yen per share, compared with Tuesday's close.

And this was the way that things looked, last Wednesday night, in other parts of Asia:

Indonesia	Plus 0.63 percent
Japan	Minus 2.04 percent
Malaysia	Plus 0.54 percent
The Philippines	Plus 0.80 percent
Singapore	Minus 1.16 percent
South Korea	Minus 0.57 percent
Taiwan	Minus 0.75 percent
Thailand	Plus 0.23 percent

Thursday

Trading in equities on The Stock Exchange of Hongkong Ltd, last Thursday, was, pretty much, a follow-through from Wednesday's trading.

The added factor, of course, was a further deterioration of prices on Wall Street where a couple of *'heavies'* put the fear of God into many US investors.

The 2 *'heavies'* were Sun Microsystems Incorporated and Alcatel, the former, being a network computer supplier and the later, being a French telecommunications equipment producer.

Sun Microsystems announced that it was cutting its earnings forecast, with sales, expected to sink another 10 percent – or more.

France's Alcatel issued its warning that its telecommunications business was expected to be down, considerably, over the 2000's Year's results.

Alcatel had announced, earlier last week, that it had broken off talks with Lucent Technologies Incorporated, an announcement that surprised analysts and speculators, alike.

In the wake of these announcements and other fears, re-awakened once again, The New York Stock Exchange's Dow Jones Industrial Average shed 166.50 points, about 1.51 percent, to hit way below the 11,000 level, ending the day at 10,872.64 points.

On The NASDAQ, the situation was even more desperate: The Composite Index gave up about 4.18 percent of its value, falling to 2,084.50 points.

Hi-tech counters took the brunt of the selling pressure in New York.

Skittish investors decided that erring on the side of caution was the way to go.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), New York's '*head cold*' was the HKSAR's '*flu*'.

The Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index give up about 1.83 percent of its value, falling to 13,174.41 points.

Worrying some investors was the fact that the volume of activity was edging up, something which is not a good sign on a rapidly falling market, in most cases.

The Total Turnover of the day was about \$HK15.98 billion, about 45 percent higher than Wednesday's.

Both of the largest, mobile telecommunications companies of the PRC were right up there at the top of the Ten Most Actives, as China Unicom Ltd (Code: 762), in the Number One Spot, saw about 145.32 million of its shares change hands, while management of China Mobile (Hongkong) Ltd (Code: 941) witnessed a volume of about \$HK28.12 million shares traded.

The closing price of China Unicom was \$HK12.75 per share, unchanged from Wednesday's close, while the last price of China Mobile was \$HK37.80 per share, down 2.83 percent on the day.

The volume of trades in these 2 heavyweights, in dollar terms, was about \$HK2.90 billion, or about 18.15 percent of the Total Turnover.

HSBC Holdings plc (Code: 5) was in the third position of the Ten Most Actives as investors traded about 953.45-million worth of this stock, whose price lost 0.77 percent, ending the day at \$HK97, exactly.

Losers were ahead of gainers by the ratio of about 1.87:One.

There were just 26, double-digit movers of the day, with 8 of this number, losing ground:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Commercial Holdings	104	25.93		0.34
Can Do Holdings Ltd	172		16.46	0.203
CASIL Telecommunications Holdings Ltd	1185	12.50		0.81
China Merchants China Direct Investments Ltd	133	18.89		2.675
Ching Hing (Holdings) Ltd	692	12.12		0.37
Chinney Alliance Group Ltd	385		10.00	0.063
Extrawell Pharmaceutical Holdings Ltd	858	29.03		0.40
Fu Hui Holdings Ltd	639	16.22		0.172
G-Prop (Holdings) Ltd	286	12.73		0.62
Interform Ceramics Technologies Ltd	1060	20.41		0.059
Kin Don Holdings Ltd	208		15.73	0.075
Kwong Hing International Holdings (Bermuda) Ltd	1131		11.22	0.087
Lai Fung Holdings Ltd	1125	12.63		0.223
Lamex Holdings Ltd	312	14.75		0.07
LifeTec Group Ltd	1180	20.37		0.325
Pearl Oriental Cyberforce Ltd	988	17.39		0.027
Pioneer Global Group Ltd	224	14.00		0.57
renren Medial Ltd	59		10.81	0.033
Ryoden Development Ltd	745	10.64		0.52
The Sincere Company Ltd	244		12.07	0.51
Sun East Technology (Holdings) Ltd	365	10.31		1.07
Sun Man Tai Holdings Ltd	433	15.70		0.28
Symphony Holdings Ltd	1223		11.40	0.101

Telecom Plus Holdings Ltd	1013		23.53	0.42
Victory City International Holdings Ltd	539	29.03		0.40
Wah Tak Fung Holdings Ltd	297	10.44		0.275

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was another day of losses as The Growth Enterprise Index gave up another 1.23 percent, falling to 285.59 points.

The third straight day of losses on this speculative marketplace was cutting deeply into Monday's gains, when The GEM's Index gained 6.89 percent.

The Total Turnover was about \$HK828.11 million with gainers and losers, almost neck to neck at 29:30.

Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095) was the most active counter of the day as about \$HK162.62-million worth of its shares were traded.

The share price of this company ended the day at \$HK2.75, up 1.85 percent on Wednesday's close.

There were 6, double-digit movers on this market, half of which made substantial upward movements:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Fortune Tele.com Holdings Ltd	8040	11.76		0.76
Grandmass Enterprise Solution Ltd	8108		1077	0.116
Jilin Province Huinan Changlong Biopharmacy Company Ltd	8049	14.29		1.60
Smartech Digital Manufacturing Holdings Ltd	8068	16.00		0.058
Systek Information Technology (Holdings) Ltd	8103		11.29	0.275
techpacific.com Ltd	8088		14.38	0.125

GreaterChina Technology Group Ltd (Code: 8032), which tries to operate a website, brought out its results for the period February 1, 2001 to April 30, 2001, indicating that the company had recorded a Loss Attributable to Shareholders of about \$HK8.48 million.

This result compared with the like 2000 quarter when the company produced a Loss Attributable to Shareholders of about \$HK2.38 million.

The company's advertising income from the website operations fell, during the period, from the 2000 figure of about \$HK1.32 million to the 2001 figure of \$HK675,000.

It was able to earn interest income of about \$HK5.28 million, mainly due to its March 2000 entrance to The GEM listings.

GreaterChina's share price rose 1.85 percent on the announcement, hitting 27.50 cents by the close of trading.

It was floated at \$HK1.38 per share.

On The Tokyo Stock Exchange, sellers had their way, forcing down the Nikkei-225 Average by about 231.21 yen to 13,262.14 yen.

Japan, of course, was following New York and, especially, the antics of The NASDAQ.

And hi-techs and electronics took the brunt of the selling pressure as the following TARGET table indicates:

Advantest	Down 5.16 percent to 12,300 yen per share
Alps Electric	Down 3.55 percent to 1,331 yen per share
Canon Incorporated	Down 4.27 percent to 4,710 yen per share

Fujitsu Corporation	Down 2.83 percent to 1,543 yen per share
Kyocera Corporation	Down 3.56 percent to 11,090 yen per share
Mitsubishi Electric	Down 2.48 percent to 667 yen per share
NEC Corporation	Down 3.85 percent to 1,947 yen per share
Rohm Company	Down 6.46 percent to 21,010 yen per share
Sony Corporation	Down 2.45 percent to 9,170 yen per share

Telecommunications, also, got hit , some very hard:

Japan Telecom	Down 5.91 percent to 2.39 million yen per share
KDDI	Down 3.01 percent to 580,000 yen per share
Nippon Telegraph and Telephone (NTT)	Down 1.60 percent to 736,000 yen per share
NTT DoCoMo	Down 2.14 percent to 2.28 million yen per share

There was one positive piece of news, which came from Aozora Bank, a reincarnation of Nippon Credit Bank: It announced that it was profitable.

For the first time in the previous 3 years, this bank was able to get back into the black with an Operating Profit for its 2000 Financial Year of about 16.80 billion yen.

In the 1999 Year, the bank lost about 23.70 billion yen.

Investors in Asia were waiting to see what would happen on Wall Street, last Thursday, New York time, with grave concerns that there would be further losses on the world's largest bourse.

This is the picture of things on major bourses, last Thursday night in Asia:

Indonesia	Minus 0.75 percent
Japan	Minus 1.71 percent
Malaysia	Plus 0.40 percent
The Philippines	Plus 0.41 percent
Singapore	Minus 0.34 percent
South Korea	Minus 2.59 percent
Taiwan	Minus 0.16 percent
Thailand	Minus 0.02 percent

Friday

Trading on the 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) came almost to a standstill, last Friday, as investors determined that the correct course of action was no definitive course of action.

The Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index fall one quarter of one percent, but the Total Turnover dropped about 35 percent, compared with Thursday's volume, to about \$HK10.34 billion.

Losers were ahead of gainers by about 1.10:One.

China Unicom Ltd (Code: 762) was the most active share of the day with about \$HK555.52-million worth of this telecommunications giant's scrip, changing hands.

The share price of China Unicom fluctuated between a low of \$HK12.15 and a high of \$HK12.70, ending the week at \$HK12.40, a loss of about 2.75 percent, compared with Thursday's close.

Most of the Ten Most Actives moved just fractionally, with the aggregate value of their trades, representing about 37.43 percent of the entire volume of trading.

An interesting, double-digit mover was Northeast Electrical Transmission and Transformation Machinery Manufacturing Company Ltd (Code: 42), whose share price rose 12.50 percent to \$HK1.43 – just after it was sued for about \$HK326.42 million. (See the first report of this edition)

One cannot help but wonder about such activity.

One wonders whether or not the Authorities are watching such activities, too.

There were a total of 30, double-digit movers, of which 7 of them lost ground:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ananda Wing On Travel (Holdings) Ltd	1189	10.53		0.063
China Apollo Holdings Ltd	512	10.00		0.242
China Bio-medical Group Ltd	140	14.81		0.155
China United Holdings Ltd	273	10.00		0.011
Climax International Company Ltd	439	14.55		0.063
Dongfang Electrical Machinery Company Ltd	1072	14.58		2.20
Emperor (China Concept) Investments Ltd	296		15.09	0.045
Far East Technology International Ltd	36		11.76	0.30
First Tractor Company Ltd	38	13.04		1.56
Fu Hui Holdings Ltd	639	16.28		0.20
G-Prop (Holdings) Ltd	286	20.97		0.75
Gemzboh Holdings Ltd	1192	46.43		0.082
Guangnan (Holdings) Ltd	1203	13.92		0.27
Guangshen Railway Company Ltd	525	11.45		1.46
HyComm Wireless Ltd	499	15.85		0.19
I-Wood International Holdings Ltd	162		10.00	0.36
INNOMAX Biotechnology Group Ltd	340	14.92		0.285
Interform Ceramics Technologies Ltd	1060		11.86	0.052
Millennium Group Ltd	260	25.42		0.148
MUI Hongkong Ltd	542	14.81		0.093
Northeast Electrical Transmission and Transformation Machinery Manufacturing Company Ltd	42	12.50		1.53
renren Media Ltd	59	12.12		0.037
Sen Hong Resources Holdings Ltd	76		10.37	0.147
Sino InfoTech Holdings Ltd	205	12.00		0.28
Solartech International Holdings Ltd	1166	10.00		0.022
Sun Television Cybernetworks Holdings Ltd	307	15.22		0.159
Tianjin Capital Environmental Protection Company Ltd	1065	10.53		2.10
Top Form International Ltd	333		16.88	0.128
Wing Lee Holdings Ltd	876		11.85	0.238
Wonson International Holdings Ltd	651	35.71		0.038

It was speculated that one of the reasons for the quiet trading conditions in the HKSAR and, in fact, throughout Asia, was Wall Street's uncertainty.

On Thursday, New York time, The New York Stock Exchange saw its blue chip index, The Dow Jones Industrial Average, rise, fractionally, to 10,911.94 points, a 0.36-percent gain over Wednesday's close.

On The NASDAQ, its Composite Index gained about 1.25 percent, ending the day at 2,110.57 points.

It was speculated, in the business capital of the world's largest economy, that US investors were looking for bargains and were jumping into the market, just prior to the release of some important US Government statistics that were due to be released, the following day (last Friday).

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – it was a very similar story to what had taken place on the Main Board.

The Growth Enterprise Index gave up just 0.01 percent of its value, falling to 285.55 points.

The Total Turnover on this market was about \$HK806.19 million.

Riverhill Holdings Ltd (Code: 8127) made its debut with about 163.98 million of its shares, being traded.

Its share price rose to \$HK1.68 from a low of \$HK1.14.

The volume of activity in this one counter, representing, in dollar terms, about \$HK224.16 million, accounted for about 27.80 percent of the Total Turnover of the day.

Riverhill, 28.63 percent owned by the Main Board's Styland Holdings Ltd (Code: 211), is a would-be, hi-tech company, which issued its Prospectus on May 18 when it Placed 80 million shares and Offered another 20 million shares to the investing public.

The Offer Price was 35 cents per share.

(For full analysis of this company, please see [TARGET Intelligence Report, Volume III, Number 94](#), published on Wednesday, May 23)

The ratio of losers to gainers on The GEM was about 1.56:One, with just 4 of the counters, managing to record double-digit movements:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036	22.73		0.054
Digitalhongkong.com Ltd	8007	11.11		0.30
techpacific.com Ltd	8088		12.80	0.109
Trasy Gold EX Ltd	8063	23.08		0.048

iSteelAsia.com Ltd (Code: 8080) announced its results for the Financial Year, ended March 31, 2001 – which was a Loss Attributable to Shareholders of about \$HK112.05 million.

This compared to the 1999/2000 Year when the company reported a Loss Attributable to Shareholders of about \$HK6.81 million.

iSteelAsia's share price held firm at 20 cents.

The company went public on March 23, 2001 when it Offered its shares at 70 cents, each.

In direct contrast, Arcontech Corporation (Code: 8097) reported its results for the same period, showing that it had recorded a Net Profit Attributable to Shareholders of about \$HK101.49 million.

This 2000/2001 Bottom Line compared with the previous Year when the company logged up a Net Profit of about \$HK24.38 million.

Arcontech's share price closed the week out at \$HK1.35, down 1.46 percent on the day.

This company came to The GEM on August 8, 2000 when it Offered its shares at \$HK1.35 each.

In Japan, The Tokyo Stock Exchange mirrored the sentiment of the HKSAR stock markets, with the Nikkei-225 Average, staying pretty much pat at 13,261.84 yen, just 0.30 yen lower than Thursday's close.

The ratio of gainers to losers on the premier stock market of Japan was 1.17:One.

There were no corporate announcements, last Friday, a day that saw share prices move, at most, just fractionally.

Japan was waiting for a slew of vital statistics that was due to be released by the US Government, last Friday, Washington time.

And this was how the week ended:

Indonesia	Minus 2.30 percent
Japan	Unchanged
Malaysia	Minus 0.28 percent
The Philippines	Plus 0.98 percent
Singapore	Minus 0.44 percent
South Korea	Minus 0.83 percent
Taiwan	Minus 0.69 percent
Thailand	Plus 0.62 percent

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