

**LI KA SHING'S TOM.COM LTD CONTINUES TO BLEED**

With the lone exception of the stock market of Taiwan, most major Asian bourses moved very little, last Monday, as investors in the most populous area of the world determined to wait to see what would transpire in Europe and the US when they opened for business, later in the day.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index, after a very quiet morning session, sprang to life in the 90-minute afternoon session, pushing up The Index by about 0.76 percent to 11,318.87 points.

The Total Turnover was about \$HK7.44 billion, with advancing counters, overpowering declining ones by the ratio of 2.02:One.

It had been announced, the previous Friday, March 8, that bankrupt US retailer, Kmart, was to sack about 22,000 workers and that it would be closing some 284 of its stores, across the US and Puerto Rico.

That number of workers represents about 9 percent of the total workforce of Kmart, which filed for bankruptcy in January.

Then, just last Monday, it was further announced that Mr Charles Conway, the Chief Executive of Kmart, had tendered his resignation, with immediate effect.

Wall Street, on Friday, March 8, took the Kmart news in its stride, as investors on The New York Stock Exchange discounted it, pushing up the Dow Jones Industrial Average by 47.12 points, about 0.45 percent, to 10,572.49 points.

As for the NASDAQ, however, its Composite Index gained about 2.55 percent, ending the week at 1,929.67 points.

Asia watches the antics of the largest economy of the world in order to take its cue – and so, last Monday saw Asia, waiting for its lines to be read.

Investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were waiting, also, for a number of companies to announce their trading results for the 2001 Financial Year, ended December 31, 2001, with the Li Ka Shing Empire, very much in the minds of many investors, if not most.

It had been noted that a number of Mr Li Ka Shing's corporate entities, listed on the Main Board of The Stock Exchange of Hongkong Ltd, had come under selling pressure over the past month or so, with those share prices, generally, falling quite considerably; they had been depressing market sentiment.

The question was whether or not somebody knows something that others do not know.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 1.81 percent to \$HK25.25 per share
HSBC Holdings plc (Code: 5)	Up 0.29 percent to \$HK93.00 per share

Hutchison Whampoa Ltd (Code: 13)	Up 1.08 percent to \$HK70.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.41 percent to \$HK61.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.40 percent to \$HK72.50 per share
Texwinca Holdings Ltd (Code: 321)	Down 2.86 percent to \$HK4.25 per share
China Unicom Ltd (Code: 762)	Up 0.62 percent to \$HK8.10 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.56 percent to \$HK89.00 per share
Pacific Century CyberWorks Ltd (Code: 8)	Down 1.23 percent to \$HK2.00 per share
CLP Holdings Ltd (Code: 2)	Unchanged at \$HK30.90 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718		16.00	0.021
Computer and Technologies Holdings Ltd	46	13.58		2.30
Cosmos Machinery Enterprises Ltd	118	16.00		0.29
Digital World Holdings Ltd	109		10.00	0.045
E-LIFE International Ltd	370	23.08		0.08
Fourseas.com Ltd	755	12.92		0.236
Fullbond Holdings Ltd	1041		10.00	0.045
Global Tech (Holdings) Ltd	143	10.00		0.385
IDT International Ltd	167	11.59		0.77
ITC Corporation Ltd	372	10.53		0.42
Luen Cheong Tai International Holdings Ltd	1190	10.87		0.102
Mandarin Entertainment (Holdings) Ltd	9	10.00		1.54
Melco International Development Ltd	200	12.20		1.38
Millennium Group Ltd	260	13.98		0.106
MUI Hongkong Ltd	542		22.00	0.078
Neo-Tech Global Ltd	563	10.08		0.107
Ngai Hing Hong Company Ltd	1047	37.34		0.32
O2New Technology Ltd	94	20.27		0.089
Oxford Properties and Finance Ltd	220		11.87	24.50
Pacific Plywood Holdings Ltd	767	11.76		0.038
Quality Food International Ltd	735	15.31		0.113
Raymond Industrial Ltd	229	10.00		0.77
renren Holdings Ltd	59		11.11	0.016
Softbank Investment International (Strategic) Ltd	648	12.73		0.31
Technology Venture Holdings Ltd	61	11.76		0.76
Varitronix International Ltd	710	11.11		7.50
Wo Kee Hong (Holdings) Ltd	720	11.76		0.019

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, however, there was a bit of a push as investors, for some unknown reason, ploughed into the stock of tom.com Ltd (Code: 8001).

The result of trading in about 28.94 million tom.com shares was that the share price was pushed up to \$HK4.35, an 8.07-percent increase on the previous Friday's close.

tom.com was the most actively traded counter and its trading volume, in dollar terms, was equal to about 35.32 percent of the Total Turnover of the day: About \$HK349.78 million.

The Growth Enterprise Index was heavily influenced by the trading in this Li Ka Shing company, which has yet to make a cracker in profits. The Growth Enterprise Index rose about 2.78 percent to end the day at 217.44 points.

The ratio of gainers to losers was about 1.77:One.

The biggest movers of the day were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	16.98		0.31
DigiTel Group Ltd	8030		12.57	0.167
First Mobile Group Holdings Ltd	8110	10.99		1.01
FlexSystem Holdings Ltd	8050		11.11	0.24
Info Communication Holdings Ltd	8082		11.29	0.55
Jessica Publications Ltd	8137	18.84		0.82
Prosperity International Holdings (Hongkong) Ltd	8139		11.11	0.08

On The Tokyo Stock Exchange, investors in The Land of The Rising Sun continued to be bullish about the prospects of the second-largest economy of the world, in spite of all the negative vibes.

The Nikkei-225 Stock Average, the gauge of trading in blue chips on The Tokyo Stock Exchange, rose marginally to 11,919.30 yen, a gain of about 33.51 yen over the previous Friday's closing level.

The gains came on the back of a Cabinet Office announcement that stated that private-sector machinery orders had fallen a seasonally adjusted 15.60 percent in January to 763.80 billion yen.

It was the worst fall since April 1987.

That did not deter investors, however, as they bought into their favourite high-tech companies and banking houses.

Fujitsu, the second-largest maker of personal computers in Japan, saw its share price scoot up by 6.15 percent, rising to 1,087 yen by the close of trading.

NEC, another electronic heavyweight, saw investors push up its share price by about 3.05 percent to 1,181 yen as a little more than 14 million shares were swapped.

Fujitsu and NEC were the 2 leaders on the most-active counters in Tokyo, last Monday.

But not all electronics made gains as another favourite, Advantest, a maker of electronic testing equipment, shed about 4.57 percent of its market capitalisation, falling back to 11,070 yen per share.

Electronics heavily influenced the Nikkei-225 Stock Average, making up about 7 percent of the gains of the day.

In other parts of Asia, this was how the situation looked, last Monday night:

Indonesia	Minus 0.23 percent to 474.02
Japan	Plus 0.28 percent to 11,919.30
Malaysia	Plus 1.79 percent to 761.01
The Philippines	Minus 1.59 percent to 1,401.41

Singapore	Plus 0.34 percent to 1,805.10
South Korea	Plus 0.21 percent to 827.02
Taiwan	Plus 3.07 percent to 6,196.26
Thailand	Minus 0.73 percent to 387.78

## **Tuesday**

With no lead from Wall Street, Asian stock markets were, generally, lower last Tuesday, led by Japan's premier bourse, which shed about 2.62 percent of its value.

There was no single reason for the drop in the indices of most Asian bourses, in the same way that there, really, had been little valid reason for their rises in the first instance.

On The New York Stock Exchange, last Monday, the Dow Jones Industrial Average rose 38.75 points, equivalent to about 0.37 percent, hitting 10,611.24 points at the close of trading.

On the NASDAQ, its Composite Index fell, fractionally, about 0.18 points, in a very quiet session that left The Index almost unchanged at its previous close, at 1,929.49 points.

No news is not, necessarily, good news for stock markets.

And a market that cannot rise, invariably falls.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), for the first time in 6 days of gains, the Main Board of The Stock Exchange of Hongkong Ltd saw its blue-chip index, the Hang Seng Index, fall off, fractionally.

By the close of trading, The Index was down to 11,273.86, off about 0.40 percent, compared with Monday's close.

The game looked as though it was over, at least for the time being.

As expected, some of the old favourites started to release their trading results for the past half year, or full year.

Sun Hung Kai Properties Ltd (Code: 16) started off the new reporting season with a devastating last half-Year result, for the 6 months, ended December 31, 2001.

The Kwok Family controlled company announced that the Bottom Line was off by about 40 percent, compared with the like 2000 half-Year result.

The company reported a Net Profit of about \$HK3.18 billion, which compared unfavourably with the 2000 like period when the company reported a Net Profit of about \$HK5.30 billion.

Sun Hung Kai Properties, about 3 weeks prior, had been praised by certain brokers and international brokerage houses, both, having suggested that the company was a safe defensive stock to buy.

The official company announcement about the pitiful profits' for the last half came after the close of trading so that it had little affect on the company's share price, last Tuesday.

The Li Ka Shing Camp will be next in line to shock the market, according to TARGET's analysts.

The ratio of gainers to losers was close, at about 1.03:One, while the Total Turnover was about \$HK8.59 billion.

The Ten Most Actives, last Tuesday, were:

China Mobile (Hongkong) Ltd (Code: 941)	Down 0.79 percent to \$HK25.05 per share
HSBC Holdings plc (Code: 5)	Down 0.27 percent to \$HK92.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.36 percent to \$HK69.25 per share
Esprit Holdings Ltd (Code: 330)	Down 0.38 percent to \$HL3.15 per share
CNOOC Ltd (Code: 883)	Up 2.82 percent to \$HK9.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.69 percent to \$HK72.00 per share
PetroChina Company Ltd (Code: 857)	Up 3.18 percent to \$HK1.62 per share
CLP Holdings Ltd (Code: 2)	Down 0.32 percent to \$HK30.80 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.81 percent to \$HK62.00 per share
China Unicom Ltd (Code: 762)	Down 2.47 percent to \$HK7.90 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bossini International Holdings Ltd	592	13.13		0.56
China Apollo Holdings Ltd	512	13.16		0.215
Compass Pacific Holdings Ltd	1188	13.33		0.51
Digital World Holdings Ltd	109		17.78	0.037
Dongfang Electrical Machinery Company Ltd	1072	13.33		1.19
First Shanghai Investments Ltd	227	16.33		0.57
Guangzhou Shipyard International Company Ltd	317	10.28		1.18
I-Wood International Holdings Ltd	162	12.96		0.61
Jackley Holdings Ltd	353	10.00		0.77
Luoyang Glass Company Ltd	1108	13.64		1.25
Magician Industries (Holdings) Ltd	526	15.85		0.19
Man Yue International Holdings Ltd	894	10.00		0.165
Medtech Group Company Ltd	1031	10.71		0.031
Millennium Sense Holdings Ltd	724	10.29		0.15
Neo-Tech Global Ltd	563		10.28	0.096
Northeast Electrical Transformation and Transmission Machinery Manufacturing Company Ltd	42	19.64		0.67
Northern International Holdings Ltd	736	11.76		0.019
O2New Technology Ltd	94		10.11	0.08
Poly Investments Holdings Ltd	263	14.29		0.28
Quality Food International Ltd	735	22.12		0.138
Raford Capital Investment Ltd	901	13.04		0.26
RNA Holdings Ltd	501		11.36	0.039
Sen Hong Resources Holdings Ltd	76	12.90		0.35

Shenyin Wanguo (Hongkong) Ltd	218	18.18		1.04
Shimao China Holdings Ltd	649	11.76		0.76
Silvernet Group Ltd	622		10.06	0.143
Star Bio-Tech (Holdings) Ltd	1051		12.31	0.228
Takson Holdings Ltd	918	15.79		0.66
Wah Lee Resources Holdings Ltd	1215		13.21	0.046

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was very little movement in the indices, throughout the day.

By the close of trading, The Growth Enterprise Index stood at 216.12 points, which was about 0.61 percent lower than Monday's closing level.

The Total Turnover on this market was about \$HK325.26 million.

Losing counters were ahead of gaining ones by the ratio of about 1.15:One.

The double-digit movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Info Communication Holdings Ltd	8082		10.91	0.49
Inworld Group Ltd	8100		12.90	0.27
Shanghai Fudan Microelectronics Company Ltd	8102	15.70		1.40
Trasy Gold EX Ltd	8063		10.71	0.025

In Japan, The Tokyo Stock Exchange suffered its biggest single day's loss in 3 months, as the key Nikkei-225 Stock Average lost 311.97 yen, equivalent to about 2.62 percent, falling back to 11,607.33 yen.

Monday's Cabinet Office report hit a raw nerve, it appeared, clearly. (Please see Monday's stock-market report)

The ratio of losers to gainers was 2.45:One.

Select electronic counters were hit, especially hard, as were banking counters.

The following TARGET table tells the tale:

#### Electronics

Advantest	Down 2.89 percent to 10,750 yen per share
Alps Electric	Down 4.41 percent to 1428 yen per share
Fuji Electric	Down 6.12 percent to 307 yen per share
Fujitsu*	Down 3.13 percent to 1,053 yen per share
Furukawa Electric	Down 3.44 percent to 758 yen per share
Hitachi	Down 4.62 percent to 930 yen per share
JVC	Down 4.43 percent to 475 yen per share

Kyocera	Down 2.11 percent to 9,750 yen per share
Matsushita Electrical Industrial	Down 3.14 percent to 1,756 yen per share
Minolta	Down 2.76 percent to 247 yen per share
Mitsubishi Electric	Down 7.50 percent to 518 yen per share
NEC*	Down 4.74 percent to 1,125 yen per share
Nikon	Down 4.22 percent to 1,385 yen per share
Oki Electrical Industrial	Down 6.99 percent to 346 yen per share
Pioneer	Down 5.11 percent to 2,695 yen per share
Rohm	Down 2.92 percent to 20,310 yen per share
Sanyo Electric	Down 7.01 percent to 623 yen per share
Sharp	Down 2.08 percent to 1,789 yen per share
Sony	Down 3.19 percent to 6,970 yen per share
TDK	Down 4.09 percent to 7,030 yen per share
Tokyo Electron	Down 3.70 percent to 9,380 yen per share
Toshiba Corporation*	Down 6.63 percent to 549 yen per share

\* Among the most active counters of the day

#### Banks

Daiwa Bank Holding*	Down 4.00 percent to 96 yen per share
Mitsui Tokyo Finance	Down 2.67 percent to 910,000 yen per share
Mizuho Holding	Down 4.79 percent to 358,000 yen per share
Sumitomo Mitsui Bank*	Down 3.63 percent to 610 yen per share
Sumitomo Trust and Bank	Down 5.77 percent to 588 yen per share
UFJ	Down 3.63 percent to 372,000 yen per share

\* Among the most active counters of the day

News wise, it was reported by The Japan Electronics and Information Technology Industries Association that shipments of mobile telephones and PHS handsets had fallen 28 percent in January, compared with the like 2001 period, to 3,274,000 units.

Japan's premier stock market was not the only loser in Asia, last Tuesday, but it was the biggest one.

This was how other bourses fared, last Tuesday:

Indonesia	Minus 0.98 percent to 469.37
Japan	Minus 2.62 percent to 11,607.33
Malaysia	Minus 0.97 percent to 753.62
The Philippines	Minus 1.46 percent to 1,388.86
Singapore	Minus 1.21 percent to 1,783.32
South Korea	Plus 2.30 percent to 846.03
Taiwan	Minus 1.19 percent to 6,122.54
Thailand	Minus 0.46 percent to 386.00

### **Wednesday**

Talk is, always, cheap, but actions, more often than not, are very expensive commodities.

While the Chairman of the US Federal Reserve Board may have been able to talk up the stock markets of the world with his songs of praise for the return of the US economy, during the previous week, the '*darlings*' of US bourses were crooning a slightly different tune, last Tuesday.

And Wall Street took more note of the '*darlings*' than the Street did of Dr Alan Greenspan.

Too much depressing economic news was hitting The New York Stock Exchange, one after another: Those announcements could not have been a sign of a return of the Wall Street bull, it was conjectured.

On The New York Stock Exchange, last Tuesday, the blue-chip index, the Dow Jones Industrial Average, gained 21.11 points, equal to about one fifth of a percentage point, as investors drove it down to 10,632.35 points.

But, on the tech-laden NASDAQ, its Composite Index fell 32.37 points, about 1.68 percent, dropping back to 1,897.12 points.

Nortel Networks Incorporated, the Canadian-based, telecommunications failure, formerly the largest capitalised company in the land of the igloo and Innu, forecast little respite in its losses for the immediate and intermediate future.

Lucent Technologies, also, painted a grave picture of its prospects for the year, suggesting that 2003 might see a return to profitability – but not before then.

Losses in Nortel, Lucent and their ilk, all so-called hi-tech companies, dragged down indices and sentiment on Wall Street.

Asia took note.



On The Stock Exchange of Hongkong Ltd, both markets, the Main Board and The Growth Enterprise Market (The GEM), saw their respective indices drop.

On the Main Board, the Hang Seng Index gave up exactly one half of a percentage point, falling to 11,217.50 points as losers swamped gainers by the ratio of about 1.92:One.

The Total Turnover was about \$HK7.59 billion.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.81 percent to \$HK92.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.40 percent to \$HK24.95 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.43 percent to \$HK68.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK62.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.39 percent to \$HK71.00 per share
China Unicom Ltd (Code: 762)	Down 1.90 percent to \$HK7.75 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.84 percent to \$HK89.75 per share
U-Right International Holdings Ltd (Code: 627)	Down 13.89 percent to 62 cents per share
CNOOC Ltd (Code: 883)	Down 0.55 percent to \$HK9.05 per share
CLP Holdings Ltd (Code: 2)	Up 0.65 percent to \$HK31.00 per share

Arnhold Holdings Ltd (Code: 102), a company that is chaired by Mr Michael John Green, reported a devastating set of results, with the Bottom Line for the Financial Year, ended December 31, 2001, being a negative \$HK53.52 million.

It was the largest single loss for any one year in the history of this household vendor of toilets, kitchen cabinets, etc. (Please see last Friday's [TARGET Intelligence Report, Volume IV, Number 50](#))

Few people, today, pay any attention to this company, in spite of the fact that Chairman Green is one of the strongest supporters of the Jewish community of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and is known to be a staunch supporter of the State of Israel, having donated considerable sums of money to that country.

Arnold's share price was unchanged at 62 cents, but it was expected to react to the company's announcement, during Thursday's trading.

The double-digit movers of the day totalled just 11 counters, the smallest number in recent memory:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Benefun International Holdings Ltd	1130	16.50		0.12
Digital World Holdings Ltd	109		18.92	0.03

e2-Capital (Holdings) Ltd	378	13.56		0.335
Hi Sun Group Ltd	818		12.00	1.10
Millennium Group Ltd	260		10.58	0.093
OSK Asia Corporation Ltd	555	14.06		0.365
Pacific Plywood Holdings Ltd	767		10.81	0.033
Skynet (International Group) Holdings Ltd	577	10.00		0.011
South East Group Ltd	726		13.04	0.08
Tomorrow International Holdings Ltd	760		12.14	0.152
Woo Kee Hong (Holdings) Ltd	720		11.11	0.016

On The GEM, The Growth Enterprise Index lost about 1.08 percent of its value, falling to 213.78 points on a Total Turnover of about \$HK576.27 million.

The ratio of losers to gainers was about 1.65:One.

Xinao Gas Holdings Ltd (Code: 8149) was the most-active counter of the day and accounted for nearly 62 percent of the Total Turnover as investors traded about 116.74 million shares in this company.

Xinao Gas Holdings announced that it had raised about \$HK335 million in a 110-million Share Placement. It had Placed the shares at \$HK3.05 per share.

This company only went public last year.

By the close of trading on The GEM, the share price of Xinao Gas Holdings had fallen to \$HK2.95, a one-day paring of about 12.59 percent.

The double-digit movers on this market, other than Xinao Gas Holdings, included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081	10.00		0.44
Medical China Ltd	8186	16.67		0.84
Neolink Cyber Technology (Holdings) Ltd	8116		16.67	0.25
Trasy Gold EX Ltd	8063		12.00	0.022

In Japan, it was announced by Furukawa Electric Company, the country's foremost producer of fibre-optic cables, that it expected that Fiscal 2001, ending March 31, 2002, saw its profits, very much in the red.

Losses were said to have been at least 2.60 billion yen.

In 2001, it earned 12.40 billion yen in profits.

Furukawa's share price dropped 7.78 percent to 699 yen, during trading on The Tokyo Stock Exchange, last Wednesday.

The Nikkei-225 Stock Average, the '*barometer*' of trading on Japan's premier stock market, lost 192.02 yen, or about 1.65 percent, falling back to 11,415.31 yen.

It was the second day of material losses for this market.

Furukawa Electric's announcement seemed to set the stage for the sell-off, which centred on banks and select hi-techs, in the main:

### Banks

Daiwa Bank Holding*	Down 1.04 percent to 95 yen per share
Mitsui Trust	Down 8.45 percent to 195 yen per share
Mitsui Tokyo Finance	Down 5.82 percent to 857,000 yen per share
Mizuho Holding	Down 7.54 percent to 331,000 per share
Sumitomo Mitsui Bank*	Down 7.87 percent to 562 yen per share
Sumitomo Trust and Bank	Down 5.44 percent to 556 yen per share
UFJ	Down 8.87 percent to 339,000 yen per share

\* Among the most active counters of the day

#### Electronics

Advantest	Down 3.16 percent to 10,410 yen per share
Fujitsu*	Down 3.32 percent to 1,018 yen per share
Hitachi	Down 3.01 percent to 902 yen per share
JVC	Down 6.95 percent to 442 yen per share
Kenwood Corporation*	Down 3.85 percent to 100 yen per share
Kyocera	Down 5.54 percent to 9,210 yen per share
NEC*	Down 4.18 percent to 1,078 yen per share
Rohm	Down 3.15 percent to 19,670 yen per share
Toshiba Corporation	Down 5.83 percent to 517 yen per share

\* Among the most active counters of the day

In other Asian bourses, this is the way that things looked, last Wednesday night:

Indonesia	Plus 0.99 percent to 474.00
Japan	Minus 1.65 percent to 11,415.31
Malaysia	Plus 0.12 percent to 754.51
The Philippines	Minus 0.45 percent to 1,382.60

Singapore	Plus 0.13 percent to 1,785.67
South Korea	Plus 0.37 percent to 849.13
Taiwan	Minus 0.56 percent to 6,088.34
Thailand	Minus 1.59 percent to 378.61

### **Thursday**

More evidence came to light that things in the world's largest economy were not hunky-dory at all, regardless of strong suggestions to the contrary.

New figures were released in respect of consumer spending for the month of February. These statistics indicated that there would not be a quick recovery in the US economy.

Data from the US Department of Commerce show that total retail sales grew just 0.30 percent in February, compared to January.

It had been expected that the growth in sales would be approaching the one-percent level, Month-on-Month.

Wall Street reacted to the news as expected: Down came the indices.

The New York Stock Exchange's main index, the Dow Jones Industrial Average, lost 130.50 points, equivalent to about 1.23 percent.

As for the NASDAQ, its Composite Index shed 35.08 points, or about 1.85 percent, falling to 1,862.04 points.

There was little movement on stock markets of Asia, however, with the exception of a smallish bounce-back in Tokyo, where investors, no doubt, were covering short positions.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was light on The Stock Exchange of Hongkong Ltd, both on the Main Board and The Growth Enterprise Market (The GEM).

The Main Board's Hang Seng Index ended the day with a gain of about 0.77 percent, rising to 11,303.70 points.

The Total Turnover fell to about \$HK6.93 billion, with the ratio of gainers to losers, being about 1.06:One.

Cheung Kong Infrastructure Holdings Ltd (Code: 1038) announced a Net Profit Attributable to Shareholders for the Financial Year, ended December 31, 2001, of about \$HK3.32 billion, a 2.79-percent increase, Year-on-Year.

It was the first of the *'big boys'* in the new reporting season not to have suffered a decline in Profits. (Please see Tuesday's report in respect of Sun Hung Kai Properties Ltd (Code: 16))

But the season has only just started, of course.

It was reported in one English daily tabloid, published in the HKSAR, that Sun Hung Kai Properties was *'Looking Good'* and that spirited trading in the shares of this property companies, one of the largest property developers in the territory, had been the reason for the Hang Seng Index to rise.

Actually, the truth of the situation was that a total of about 3.35 million Sun Hung Kai Properties shares were traded, last Thursday, with the share price, rising 0.81 percent to \$HK62.50.

Arnold Holdings Ltd (Code: 102), as expected, came under a great deal of selling pressure, following its announcement of Wednesday, as investors marked down its share price to 54 cents. (See Wednesday's report and

double-digit table, below)

The Ten Most Actives of last Thursday were:

HSBC Holdings plc (Code: 5)	Up 0.82 percent to \$HK92.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.60 percent to \$HK25.35 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.73 percent to \$HK69.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.06 percent to \$HK71.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.81 percent to \$HK62.50 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.67 percent to \$HK91.25 per share
Hongkong Exchange and Clearing Ltd (Code: 388)	Up 4.51 percent to \$HK12.75 per share
CNOOC Ltd (Code: 883)	Up 1.11 percent to \$HK9.15 per share
Huaneng Power International Incorporated (Code: 902)	Down 5.50 percent to \$HK5.15 per share
Pacific Century CyberWorks Ltd (Code: 8)	Down 1.02 percent to \$HK1.94 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Arnhold Holdings Ltd	102		12.90	0.54
CATIC International Holdings Ltd	232	10.13		0.25
China Development Corporation Ltd	487		15.00	0.034
Digital World Holdings Ltd	109		36.67	0.019
eForce Holdings Ltd	943		44.16	0.43
Fushan Holdings Ltd	639	12.68		0.24
Goldlion Holdings Ltd	533	16.67		0.56
Guangdong Kelon Electrical Holdings Ltd	921	16.13		1.44
Hi Sun Group Ltd	818	14.55		0.88
imGo Ltd	67	20.00		0.72
Kong Sun Holdings Ltd	295	11.54		0.435
Melco International Development Ltd	200	11.72		1.43
Prime Success International Group Ltd	210		10.34	0.13
Sen Hong Resources Holdings Ltd	76		14.29	0.30
Tanrich Financial Holdings Ltd	81	10.71		0.62
Universal Appliances Ltd	419	14.00		0.057
Victory Group Ltd	1139	24.44		0.057

On The GEM, there was very little movement, with the Total Turnover, falling back to \$HK207.54 million.

The Growth Enterprise Index gained about 0.34 percent, ending the day at 214.50 points.

In spite of the fractional improvement in The Index, the ratio of losers to gainers told a different story: About 1.39:One.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
Computech Holdings Ltd	8081	11.36		0.49
E-silkroad Holdings Ltd	8071	35.71		0.038
Henderson Cyber Ltd	8023		10.34	0.52
Info Communication Holdings Ltd	8082		12.50	0.42
iSteelAsia.com Ltd	8080		14.73	0.11
Prosperity International Holdings (Hongkong) Ltd	8139		10.00	0.072

In Japan, investors on The Tokyo Stock Exchange moved in to cover short positions, resulting in the Nikkei-225 Stock Average, gaining 153.51 yen, or about 1.34 percent, to 11,568.82 yen.

During Tuesday's and Wednesday's trading session, the Nikkei-225 Stock Average had been on the slippery slopes, losing about 4.27 percent of its value.

In spite of the Nikkei-225 Stock Average, gaining a little of lost ground, last Thursday, losers outran gainers by the ratio of 1.41:One.

Sharp Electronics announced that it would be cutting out about one third of its workforce at its plant in North Wales, the United Kingdom.

This plant manufactures DVD players and microwave kitchen equipment.

That means that another 200 Welsh workers will be hitting the streets.

The share price of Sharp gained about 1.49 percent on the news, rising to 1,771 yen.

By and large, however, the premier Japanese stock market was especially quiet, last Thursday, with few big movers.

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

Indonesia	Minus 1.27 percent to 467.99
Japan	Plus 1.34 percent to 11,568.82
Malaysia	Minus 0.38 percent to 751.64
The Philippines	Minus 1.19 percent to 1,366.13
Singapore	Minus 0.44 percent to 1,777.77
South Korea	Plus 0.91 percent to 856.86
Taiwan	Minus 0.29 percent to 6,070.50
Thailand	Plus 0.99 percent to 382.35

## **Friday**

Mr Li Ka Shing's corporate entity, listed on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, suffered another defeat, during the past Financial Year, ended December 31, 2001: It dropped

another financial egg.

tom.com Ltd (Code: 8001) announced that it had lost about \$HK636 million, during the 2001 Year – on a Turnover of \$HK626.62 million.

Down came The Growth Enterprise Index by about 1.76 percent as investors lost heart and marked down The GEM's Index to 210.73 points.

The Total Turnover on this speculative market was about \$HK169.50 million, with trading in the share capital of tom.com, accounting for a little more than 19 percent of the entire volume of activity.

tom.com's share price lost 4.07 percent, falling to \$HK4.07.

Xteam Software International Ltd (Code: 8178) was in second place, just behind tom.com, and investors marked down its share price by 5.13 percent to \$HK1.11.

Some analysts were wondering whether or not tom.com would be able to match the share price of Xteam Software.

The ratio of losers to gainers on this market was 2.71:One.

The biggest movers of the day, however, were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
E-silkroad Holdings Ltd	8071	10.53		0.042
Everpride Biopharmaceutical Company Ltd	8019	10.00		0.33
Far East Polychem Industries Ltd	8012	12.50		2.925
Intcera High Tech Group Ltd	8041	15.38		0.30
Prosten Technology Holdings Ltd	8026	11.11		0.08
Sing Pao Media Group Ltd	8010		17.65	0.07
Systek Information Technology (Holdings) Ltd	8103	12.50		

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost 93.45 points, or about 0.83 percent, ending the week at 11,210.25 points.

The Total Turnover of the day was about \$HK6.88 billion, with the ratio of losers to gainers, being about 2.66:One.

Investors had seen what had happened to one Li Ka Shing company, so the big question was whether or not the same would hold true for Cheung Kong (Holdings) Ltd (Code: 1) et al.

Most of the Li Ka Shing corporate entities are heavily involved in telecommunications, and that is one area in the world that is hurting, badly.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.54 percent to \$HK92.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.58 percent to \$HK24.95 per share
China Everbright Ltd (Code: 165)	Down 10.36 percent to \$HK4.975 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.72 percent to \$HK68.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK62.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.39 percent to \$HK70.75 per share
CNOOC Ltd (Code: 883)	Down 1.64 percent to \$HK9.00 per share

Hang Seng Bank Ltd (Code: 11)	Up 0.27 percent to \$HK91.50 per share
QPL International Holdings Ltd (Code: 243)	Down 10.88 percent to \$HK3.275 per share
Pacific Century CyberWorks Ltd (Code: 8)	Up 0.52 percent to \$HK1.95 per share

The biggest movers of the day, however, were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Benefun International Holdings Ltd	1130	15.00		0.138
China Development Corporation Ltd	487	17.65		0.04
China Everbright Ltd	165		10.36	4.975
China Strategic Holdings Ltd	235		35.90	0.25
Digital World Holdings Ltd	109		21.05	0.015
eForce Holdings Ltd	943		19.77	0.345
Grand Field Group Holdings Ltd	115		76.62	0.159
Group Sense (International) Ltd	601		10.20	0.22
Guangdong Tannery Ltd	1058	10.62		0.25
Mascotte Holdings Ltd	136		12.86	0.305
Millennium Sense Holdings Ltd	724	21.83		0.173
MUI Hongkong Ltd	542	32.00		0.099
Northern International Holdings Ltd	736		11.11	0.016
QPL International Holdings Ltd	243		10.88	3.275
renren Holdings Ltd	59		12.50	0.014
Sino InfoTech Holdings Ltd	205		11.52	0.146
Veeko International Holdings Ltd	1173	38.05		0.156
Yew Sang Hong (Holdings) Ltd	290		10.24	2.85

For the week, then, the Main Board had lost about 22.98 points, equal to 0.20 percent, while The GEM had given up about 0.83 points, equal to about 0.39 percent.

In short, the week had been a '*wash*' for investors on the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

In Japan, a handful of large institutional investors, trading on the premier stock market, The Tokyo Stock Exchange, took long positions before the start of the weekend, resulting in the Nikkei-225 Stock Average, gaining 79.19 yen, or about 0.68 percent, ending the week at 11,648.01 yen.

For the week, therefore, the largest and most-important stock market in Asia had lost exactly 2 percent.

Last Friday, there appeared to be no particular direction, but losers swamped gainers by the ratio of about 2.57:One.

Japan was receiving little help in respect of direction from the US stock markets where, on Thursday, very little action took place on The New York Stock Exchange, with the Dow Jones Industrial Average, rising 15.29 points, equivalent to about 0.15 percent, ending the day at 10,517.14 points.

The NASDAQ's Composite Index lost about 0.42 percent of its value, ending the day at 1,854.13 points.

Also last Friday, Japanese investors received another '*hit*' with the mighty The Bank of Japan, announcing that it would sack 160 more of its workers by the end of this month.

And, if that was not enough, The Japan Department Stores Association announced that sales at Tokyo departmental stores had fallen about 5.70 percent in February, Year-on-Year, to 142.20 billion yen.

It was the biggest Year-on-Year decline in 3 years.



And this was the way that things came to a halt, last Friday:

Indonesia	Closed
Japan	Plus 0.68 percent to 11,648.01
Malaysia	Closed
The Philippines	Plus 0.99 percent to 1,379.61
Singapore	Plus 0.02 percent to 1,778.08
South Korea	Plus 0.41 percent to 860.36
Taiwan	Minus 1.96 percent to 5,951.45
Thailand	Minus 1.31 percent to 377.35

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