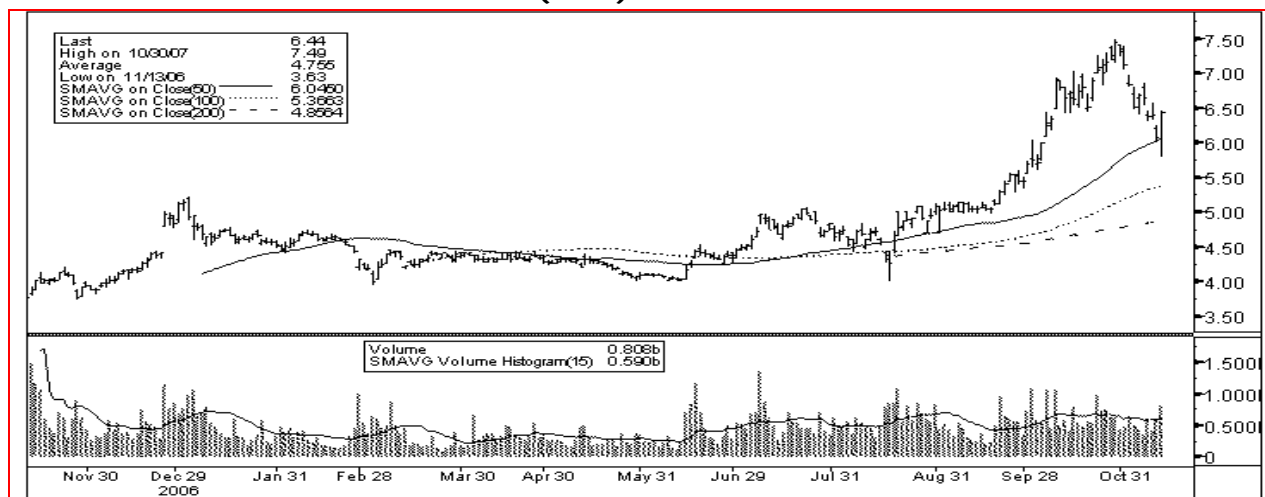


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Calendar	Economic data, company events, results, announcements and new issues	10
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CHART OF THE DAY

Industrial & Commercial Bank of China (1398)



VOLUME FILTER

Company	Price	Change	Volume	Change
	HK\$	%	m shares	+
Hutchison Telecom	10.96	-3.7	117.8	741.5
Next Media	2.63	-0.8	8.7	550.6
SmarTone	7.55	+1.3	4.4	520.4
Hutchison Harbour Ring	0.59	+3.5	13.0	236.6
CKI Holdings	30.05	+0.2	4.9	197.4
Dah Sing Financial	67.90	-1.6	1.7	168.2
Giordano Int'l	3.87	+3.2	12.5	163.1
Transport Int'l	38.30	-2.3	0.2	117.5
Angang Steel	21.05	+2.7	42.9	112.1
Tingyi	10.88	-2.3	6.4	108.7
Xinao Gas	14.24	-5.1	2.6	104.1
Road King Infrastructure	14.80	-2.2	3.2	101.6
Yue Yuen Industrial	26.80	+7.0	10.3	99.9
China Resources Ent	26.60	-3.6	18.7	89.8
Agile Property	16.00	-8.3	37.2	88.8
CLP Holdings	50.85	-0.8	8.2	87.6
ZTE Corp	34.85	-2.7	3.8	82.3
TVB	43.00	-1.7	2.4	81.1
Maanshan Iron & Steel	5.26	+0.2	68.4	79.8
Li & Fung	29.75	-2.9	18.9	77.8

The Volume Filter is a tool to spot stocks where there is an increase in trading activity, which may not always be apparent by a change in the share price. The last column in the table shows the percentage change in volume on the last trading day, relative to the average for that stock over the preceding month. The table shows the top 20 gainers by volume change, drawn from the members of Hang Seng Composite Index.

MAJOR MARKET INDEXES

	Last day			Consensus PER X
	Closing	Chg	% chg	
USA				
Dow Jones	13,307.09	+319.54	+2.5	15.8
S&P 500	1,481.05	+41.87	+2.9	15.9
NASDAQ	2,673.65	+89.52	+3.5	27.1
Comex Gold Dec 07	799.00	-8.75	-1.1	-
WTI Crude Future Dec 07	91.17	-3.45	-3.6	-
EUROPE				
FTSE 100 Index	6,362.40	+24.50	+0.4	12.6
CAC 40 Index	5,538.91	+3.35	+0.1	12.8
DAX Index	7,777.56	-29.28	-0.4	13.2
HK & CHINA				
HSI	27,803.35	+137.62	+0.5	19.5
HSCEI	16,695.08	+38.17	+0.2	23.6
Shanghai A Shr Index	5,415.13	-31.06	-0.6	56.2
Shenzhen A Shr Index	1,333.22	-9.29	-0.7	43.3
ASIA PACIFIC				
Nikkei 225	15,126.63	-70.46	-0.5	38.2
Straits Times Index	3,475.47	-35.65	-1.0	16.2
KOSPI	1,974.90	+42.01	+2.2	14.8

Source: Bloomberg

SALES

Hong Kong	Tony Ng Sam Lok Carina Chiu Paul Lok	(852) 2820 6288 (852) 2820 6363 (852) 2820 6352 (852) 2820 6353	London	Peter Wong Hamish Calder Michael Hope-Lewis	(44) (0) 20 7491 9226 (44) (0) 7767 246 138 (44) (0) 20 7491 9226 (44) (0) 20 7491 9226
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Note: All prices in this report are based on the 13 November 2007 close

Company Update

Lenovo Group (0992)

HK\$6.93 (HSI 27,803.35)

14 NOVEMBER 2007

TRADING SELL

Target price: HK\$6.99 (12-mth)

Target price sensitivity – based on adjusted five-year mean forward PER

	-2STD	-1STD	Mean	+1STD	+2STD
FY08	HK\$1.87	HK\$3.69	HK\$5.51	HK\$7.32	HK\$9.14
FY09	HK\$2.38	HK\$4.68	HK\$6.99	HK\$9.29	HK\$11.60

Recovery in earnings reflected in the big leap in share price

INVESTMENT SUMMARY

- Strong 2Q08 results with improved margins
- Notebooks are still the growth driver despite signs of lower pricing to gain market share
- Competition in main markets may be intensifying
- Planning to enter the consumer sector for future growth but will need to catch up with competitors first
- Prospects reflected in the recent share price leap

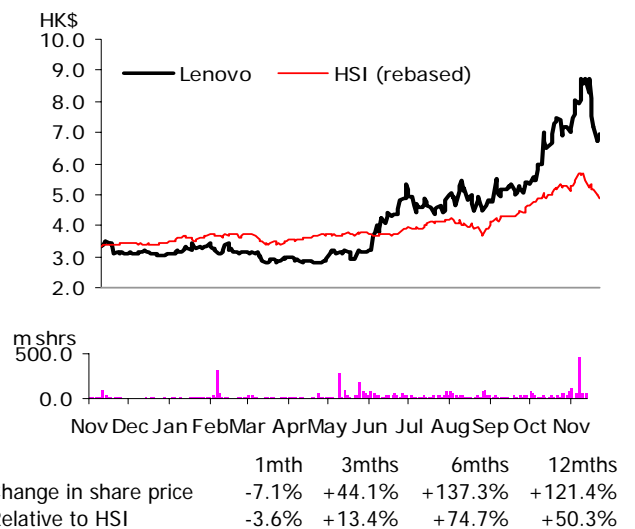
BUSINESS SUMMARY

- Lenovo is engaged in the manufacture and sales of desktop and notebook personal computers and mobile handsets.
- Sales reached US\$14.59bn (HK\$113.8bn) in FY07 (year ended March 07), of which 53% were derived from notebooks, 42% from desktops and 4% from mobile handsets.
- China, Americas, EMEA (Europe, Middle East & Africa) and Asia Pacific accounted for 38%, 28%, 21% and 13% of total sales in FY07.

EARNINGS DATA

Year to 31 Mar		2007A	2008F	2009F	2010F
Net profit	HK\$m	1,256.9	2,450	3,120	3,845
Change	%	+625.5	+94.9	+27.3	+23.2
EPS	HK\$	0.146	0.275	0.348	0.429
Change	%	+641.4	+88.4	+26.9	+23.2
Consensus EPS	HK\$	-	0.289	0.366	N/A
DPS	HK\$	0.052	0.098	0.124	0.153
PER	X	47.6	25.2	19.9	16.1
Yield	%	0.8	1.4	1.8	2.2
EV/EBITDA	X	15.0	8.9	8.0	7.0

SHARE PRICE CHART



SHARE INFORMATION

Issued shares	8,925.3m	Market cap	HK\$61,852m
3-year EPS CAGR	+43.3%	PEG	0.58X
Net cash/share	HK\$1.49	Ent. value	HK\$48,590m
BVPS	HK\$1.17	Price/BVPS	5.94X
Average daily T/O	HK\$228.5m	Est. free float	41.07%
Est. FY08 ROE	23.5%	Est. FY08 ROA	5.1%
12-mth high/low			HK\$9.20/2.70
Major shareholders		Legend/IBM	- 48.79%/4.76%
Exchange rates	RMB1 = HK\$1.046	US\$1 = HK\$7.800	

Gordon Wong 852 3103 2112
Email: gordon.wong@sctrade.com

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PROFIT FORECASTS

Year to 31 March	2007A HK\$m	2008F HK\$m	2009F HK\$m	2010F HK\$m
Turnover	113,803.6 =====	131,883 =====	147,601 =====	163,128 =====
EBITDA	3,232.9	5,451	6,094	6,930
Depreciation/amortization	(1,686.4)	(2,140)	(2,345)	(2,576)
Restructuring costs	(92.0)	(527)	(263)	(176)
FV change on warrants	(1.3)	-	-	-
Asset/goodwill impairment	(70.1)	-	-	-
Disposal gain/(loss)	135.3	-	-	-
	-----	-----	-----	-----
EBIT	1,518.4	2,784	3,485	4,178
Net interest income/(expense)	(68.7)	69	148	300
Assoc + JV	14.6	1	1	1
	-----	-----	-----	-----
Profit before tax	1,464.3	2,854	3,634	4,479
Tax	(207.4)	(404)	(515)	(634)
	-----	-----	-----	-----
Net profit	1,256.9 =====	2,450 =====	3,120 =====	3,845 =====

Source: South China Research estimates

Trading Sell maintained – Lenovo has recently reported 2Q08 results (three months ended September 2007) that improved dramatically from the year before. 2Q08 was in fact another strong quarter after the strong 1Q08 reported in August. After several quarters of restructuring, the company has finally begun to anchor in key overseas markets. The next challenge ahead is to try to gain further market shares, achieve further growth and improve or maintain margins in home and overseas markets amidst growing competition. The group intends to make a foray into the consumer market space to drive future growth but will have to make an effort to catch up with competitors already in the segment. In light of the strong results in the past two quarters, we have revised up our FY08 and FY09 earnings forecasts significantly by about 19% each. Our new target price is HK\$6.99, still based on Lenovo's mean forward PE over the past five years (excluding the extreme values that resulted from the 85% earnings decline in FY06) but rolled over to FY09 earnings, which values the counter at a 20x FY09 forward PER. We believe the recent share price rally (and then consolidation) has reflected the strong earnings recovery. Moreover, as the counter is trading at around our new target price and at the top end of peer average, we maintain our Trading Sell recommendation.

PEER GROUP COMPARISON

Company	Stock code	Market cap US\$m	+1-yr PER X	+2-yr PER X	3-yr EPS CAGR %	PEG X
Hewlett-Packard	HPQ US	122,988.9	16.5	14.7	+18.5	0.9
IBM	IBM US	139,793.6	14.5	12.8	+13.5	1.1
Dell	DELL US	60,748.5	19.2	16.7	+15.9	1.2
Acer	2353 TT	4,945.9	13.0	12.7	+11.3	1.2
Lenovo	992 HK	7,986.5	25.2	19.9	+43.3	0.6
			-----	-----		
Average ex-Lenovo			15.8	14.2		

Sources: Bloomberg, *South China estimates

Strong 2QFY08 – Lenovo reported 2Q08 (the quarter ended September 2007) net profit of US\$105mn, up 57.5% QoQ and 177.8% YoY, while revenue grew 12.9% QoQ and 19.8% YoY to US\$4,432m. 2Q PC shipment grew 23% YoY, with worldwide market share up 0.5ppt YoY to 8.2%. For the six months ended September 2007, revenue and net profit grew 16.5% and 299.4% respectively to US\$8,358.5m and US\$172.1m. Interim EPS grew 300% to US\$0.02. Interim DPS was HK\$0.03/share, up 25% YoY.

Notebook still the growth driver despite signs of lower pricing to gain market share – Revenue growth was again led by the notebook division, which grew 31% YoY (vs. +42% in shipment) and 20.6% QoQ in 2Q08 and 23.5% YoY in 1H08 (six months ended September 2007). Although shipment grew faster than revenue, the group indicated solid margins with good review on the new wide-screen models and worldwide market share gains. Desktop revenue in 2Q08 grew 11.8% YoY (vs. +12% in shipment) and 4% QoQ and 13.8% YoY in 1H08. Worldwide market share increased according to management due to improving competitiveness. Mobile handset revenue continued to decline (-26.7% YoY and +7.3% QoQ for 2Q08 and -30.8% YoY for 1H08). Notebooks, desktops and mobile handsets accounted for 55%, 41% and 2.8% of total revenue in 1H08.

QUARTERLY RESULTS ANALYSIS

	2Q07A	1Q07A	2Q08A	YoY	QoQ
	US\$m	US\$m	US\$m	%	%
Desktop	1,568.2	1,686.0	1,753.84	+11.8	+4.0
Notebook	1,911.5	2,073.5	2,501.64	+30.9	+20.6
Mobile handset	165.9	113.4	121.66	-26.7	+7.3
Others	54.8	53.6	54.84	+0.1	+2.3
Turnover	3,700.4	3,926.5	4,432.0	+19.8	+12.9
Cost of Sales	(3,220.1)	(3,341.8)	(3,764.5)	+16.9	+12.6
Gross Profit	480.3	584.7	667.5	+39.0	+14.2
EBITDA	89.2	181.5	209.9	+135.4	+15.7
Depreciation	(17.7)	(22.0)	(23.6)	+32.9	+7.2
Amortization	(24.8)	(25.9)	(54.9)	+121.8	+111.7
Amortization of shs-based compensation	(9.8)	(10.9)	(11.8)	+19.6	+8.1
Fair value change on warrants	(9.7)	0.0	0.0	-100.0	N/A
Gain/(loss) on inv disposals	19.0	2.1	0.0	-99.9	-98.7
Restructuring costs	(2.0)	(44.8)	(1.7)	-11.0	-96.1
Operating profit	44.2	80.0	118.0	+167.1	+47.4
Finance income	6.9	5.9	14.5	+109.4	+144.5
Finance costs	(8.4)	(8.0)	(9.6)	+13.6	+19.1
Share of associate gain/(loss)	0.3	(0.0)	0.1	-80.5	-1183.3
Profit before tax	43.0	77.9	123.0	+185.9	+57.8
Tax	(5.1)	(11.1)	(17.7)	+246.0	+59.7
Minority interests	0.0	0.0	0.0		
Net profit	37.9	66.8	105.3	+177.8	+57.5
Basic EPS (US\$)	0.004	0.008	0.012	+177.3	+56.4
Gross Margin (%)	13.0	14.9	15.1	+2.1ppt.	+0.2ppt.
Operating Margin (%)	1.3	3.2	2.7	+1.4ppt.	-0.5ppt.
EBITDA Margin (%)	2.4	4.6	4.7	+2.3ppt.	+0.1ppt.

Sources: The Company

Improving margins – 2Q08 gross margin was 15.1%, up 14.9% in 1Q08 and 13% in 2Q07. We believe lower DRAM prices and better supply chain efficiency may have helped mitigate higher TFT LCD panel prices. Operating margin fell to 2.7% in 2Q08 from 3.2% in 1Q08 (but still improved from 1.3% in 2Q07), due mainly to an additional US\$28m amortization charged as Lenovo accelerated amortization for the IBM logo, the use of which management intend to discontinue soon. Future amortizations could be lower as a result and profitability in this quarter was actually higher before depreciation and amortization. EBITDA margin for 2Q08 was 4.74% vs. 4.62% in 1Q08 and only 2.41% in 2Q07.

BREAKDOWN ON SEGMENTAL PROFITS & MARGINS (BEFORE RESTRUCTURING CHARGES)

	2Q07A	1Q08A	2Q08A	YoY	QoQ
	US\$m	US\$m	US\$m	%	%
Greater China	1,444	1,527	1,826	+26.5	+19.6
Americas	1,066	1,149	1,181	+10.8	+2.8
Europe, ME & Africa	751	755	885	+17.9	+17.4
Asia Pacific Ex-Greater China	439	496	539	+22.8	+8.7
Turnover	3,700	3,927	4,432	+19.8	+12.9
Greater China	83	93	102	+22.9	+9.7
Americas	(18)	39	21	N/A	-46.2
Europe, ME & Africa	(8)	14	44	N/A	+214.3
Asia Pacific ex-Greater China	2	0.3	8	+300.0	+2566.7
Segment operating profit	59	146	175	+196.6	+19.9
	%	%	%	ppt.	ppt.
Greater China	5.7	6.1	5.6	-0.1	-0.5
Americas	(1.7)	3.4	1.8	+3.5	-1.6
Europe, ME & Africa	(1.1)	1.9	5.0	+6.1	+3.1
Asia Pacific ex-Greater China	0.5	0.1	1.5	+1.0	+1.4
Segment operating margin	1.6	3.7	4.0	+2.4	+0.3

Sources: The Company

Competition in main markets may be intensifying – Despite the overall improvement in group margin, such improvement was driven mainly by margin improvements in EMEA and the Asia Pacific. In China, shipment and revenue grew 31% and 26.5% respectively and market share gained increased 0.4ppt YoY to 35.9%, thanks to strong growth in notebooks (+78% YoY). However, margin continued to drop from 6.1% in 1Q08 and 5.7% in 2Q07 to 5.6% in 2Q08. While the depressed mobile handset business was probably responsible for part of this squeeze, we believe competition in the mainland PC market may have been more intensive with rivals such as Dell, HP and Acer also trying to expand in China, especially from top-tier to lower-tier cities. Competition may also have intensified in the US market as well. The group had to grow and gain market share in the Americas segment at the expense of more aggressive pricing. Margin before restructuring charges fell from 3.4% in 1Q08 to 1.8% in 2Q08. The main concern is that if a price war broke out, it may jeopardize the cost control and supply chain management efforts that the group has introduced since taken over IBM's PC division. Potential component supply issues (e.g. tight LCD panel supply) may also exacerbate the situation.

Entering the consumer sector – Management believes new PC growth will be driven by China, the emerging markets as well as the SMB and consumer sector in mature markets. Management reiterated that the consumer segment will be a major future driving force and it will target this segment, especially outside China. The group intends to launch its consumer push in 2008. While this would help accelerate shipment and revenue growth, operating expenses may increase due to higher promotion and advertising expenses. Besides, the consumer PC sector is already quite competitive and it is uncertain whether this new business segment can sustain a margin as high as that in the corporate segment. In addition, the group may need to make an effort to catch up with its competitors already in the consumer space in terms of product offerings, creative designs and functions and features for consumer taste (Lenovo's ThinkPad and Lenovo 3000 series are still very business oriented). Lenovo intended to acquire Packard Bell for an immediate exposure in the European consumer space back in August. However, they lost this prey to Acer. Although the group reiterated its plan to acquire other company in the consumer space, it is uncertain if there are other suitable targets in the market.

1HFY08 RESULTS SUMMARY

Six months to September	2007 US\$m	2008 US\$m	YoY %
Desktop	3,022.1	3,439.9	+13.8
Notebook	3,705.4	4,575.1	+23.5
Mobile handset	339.6	235.1	-30.8
Others	109.0	108.4	-0.5
	-----	-----	
Turnover	7,176.1	8,358.5	+16.5
	=====	=====	
COS	(6,198.9)	(7,106.3)	+14.6
Gross Profit	977.2	1,252.2	+28.1
	-----	-----	
EBITDA	170.0	391.5	+130.4
Depreciation	(34.0)	(45.6)	+34.0
Amortization	(50.4)	(80.9)	+60.4
Amortization of share-based compensation	(16.6)	(22.6)	+36.7
Impairment of assets	(3.8)	0.0	-100.0
Fair value change on warrants	(0.4)	0.0	-100.0
Gain/(loss) on inv disposals	18.9	2.1	-88.7
Restructuring costs	(21.4)	(46.6)	+118.0
	-----	-----	
Operating profit	62.4	198.0	+217.1
Finance income	11.3	20.4	+80.0
Finance costs	(17.6)	(17.6)	+0.2
Share of associate gain/(loss)	1.6	0.1	-96.4
	-----	-----	
Profit before tax	57.8	200.9	+247.3
Tax	(14.8)	(28.8)	+95.1
Minority interests	0.0	0.0	
	-----	-----	
Net profit	43.1	172.1	+299.4
	=====	=====	
Basic EPS	US\$ 0.005	0.020	+300.0
	%		
Gross Margin	% 13.6	15.0	+1.4ppt.
Operating Margin	% 1.2	2.9	+1.8ppt.
EBITDA Margin	% 2.4	4.7	+2.3ppt.

Sources: The Company

South China Financial Holdings Ltd

28/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong

Tel: (852) 2820 6333 Fax: (852) 2845 5765 URL: <http://www.sctrade.com> E-mail: research@sctrade.com Telex: 69208 SCSL

LONDON OFFICE

5-6 Carlos Place, Mayfair,
London W1K 3AP,
United Kingdom
Tel: (4420) 7491 9225
Fax: (4420) 7355 4423

BEIJING OFFICE

11A16 Han Wei Plaza,
7 Guanghua Road,
Chaoyang District,
Beijing, 100004 China
Tel: (8610) 6561 2491
Fax: (8610) 6561 2881

SHANGHAI OFFICE

Room 3204, China Insurance Bldg,
No.166, East Lu Jia Zui Road,
Shanghai, 200120 China
Tel: (8621) 5169 9122
Fax: (8621) 6841 9800

GUANGZHOU OFFICE

13A03 Da Xin Plaza,
No.538 De Zheng Bei Road,
Yuexiu District,
Guangzhou, 510030 China
Tel: (8620) 8380 0871
Fax: (8620) 8380 6235

HONG KONG BRANCHES

Unit C-D, G/F, Goldfield Tower
53-59 Wuhu Street, Hung Hom
Tel: (852) 2330 5881
Fax: (852) 2627 0001

Shop 1&2, G/F, Yue Man Centre,
300-302 Ngau Tau Kok Road, Kwun Tong.
Tel: (852) 2191 2822
Fax: (852) 2793 3000

Shop A1, G/F, Kar Ho Building,
Nos. 27-31 Hong Lok Road, Yuen Long, N.T.
Tel: (852) 2442 4398
Fax: (852) 2479 4418

G/F, 108 Chung On Street,
Tsuen Wan
Tel: (852) 2614 1775
Fax: (852) 2615 9427

H TO A DISCOUNT TABLE

Stock Code H Share	Company Name	Closing HK\$	YTD % Chg	Stock Code A Share	Closing RMB	H discount to A %
1108*	LUOYANG GLASS COMPANY LTD-H	0.870	0.0	600876	8.750	-90.4
1033	SINOPEC YIZHENG CHEMICAL-H	2.750	55.4	600871	9.570	-72.5
338	SINOPEC SHANGHAI PETROCHEM-H	4.950	28.9	600688	15.000	-68.5
553	NANJING PANDA ELECTRONICS-H	2.500	28.9	600775	7.270	-67.1
187	BEIREN PRINTING-H	2.710	61.3	600860	7.500	-65.5
719	SHANDONG XINHUA PHARMACEUT-H	2.380	66.4	000756	6.410	-64.5
42	NORTHEAST ELECTRIC DEVELOP-H	2.030	125.6	000585	5.450	-64.4
857	PETROCHINA CO LTD-H	14.700	33.4	601857	37.030	-62.1
350	JINGWEI TEXTILE MACHINERY-H	3.680	78.6	000666	9.170	-61.7
358	JIANGXI COPPER COMPANY LTD-H	19.160	142.2	600362	47.410	-61.4
1055	CHINA SOUTHERN AIRLINES CO-H	7.970	152.2	600029	19.620	-61.2
588	BEIJING NORTH STAR CO LTD-H	4.880	41.9	601588	11.140	-58.2
753	AIR CHINA LIMITED-H	8.040	91.0	601111	18.280	-58.0
300	SHENJI GROUP KUNMING MACHI-H	14.100	368.4	600806	31.500	-57.2
386	CHINA PETROLEUM & CHEMICAL-H	10.540	46.4	600028	23.010	-56.2
874	GUANGZHOU PHARMACEUTICAL-H	6.640	50.9	600332	14.470	-56.2
670	CHINA EASTERN AIRLINES - H	6.170	262.9	600115	13.200	-55.3
1065	TIANJIN CAPITAL ENVIRON-H	3.990	77.3	600874	8.490	-55.1
2600	ALUMINUM CORP OF CHINA LTD-H	16.800	133.3	601600	34.810	-53.9
991	DATANG INTL POWER GEN CO-H	6.950	71.6	601991	14.380	-53.8
2883	CHINA OILFIELD SERVICES-H	16.120	198.5	601808	33.350	-53.8
1053	CHONGQING IRON & STEEL CO-H	3.840	97.9	601005	7.160	-48.8
902	HUANENG POWER INTL INC-H	7.900	13.7	600011	14.130	-46.6
1071	HUADIAN POWER INTL CORP-H	4.910	60.5	600027	8.300	-43.5
323	MAANSHAN IRON & STEEL-H	5.260	23.2	600808	8.650	-41.9
1919	CHINA COSCO HOLDINGS-H	28.000	535.1	601919	43.960	-39.2
3988	BANK OF CHINA LTD - H	4.470	4.7	601988	6.940	-38.5
525	GUANGSHEN RAILWAY CO LTD-H	5.590	5.5	601333	8.560	-37.6
1088	CHINA SHENHUA ENERGY CO - H	43.300	131.3	601088	63.980	-35.3
1138	CHINA SHIPPING DEVELOPMENT-H	21.000	76.5	600026	30.530	-34.3
548	SHENZHEN EXPRESSWAY CO-H	7.000	49.9	600548	10.030	-33.3
939	CHINA CONSTRUCTION BANK-H	7.450	50.5	601939	10.560	-32.6
2628	CHINA LIFE INSURANCE CO-H	42.900	61.6	601628	60.040	-31.7
763	ZTE CORP-H	34.850	-2.7	000063	47.620	-30.1
317	GUANGZHOU SHIPYARD INTL CO-H	50.150	291.8	600685	67.990	-29.5
1171	YANZHOU COAL MINING CO-H	13.200	110.2	600188	17.870	-29.4
2338	WEICHAI POWER CO LTD-H	61.300	123.3	000338	82.880	-29.3
168	TSINGTAO BREWERY CO LTD-H	23.200	76.8	600600	30.680	-27.8
995	ANHUI EXPRESSWAY CO LTD-H	5.860	-6.7	600012	7.700	-27.3
1398	IND & COMM BK OF CHINA - H	6.160	27.5	601398	8.000	-26.4
2318	PING AN INSURANCE GROUP CO-H	89.850	108.7	601318	115.180	-25.5
3968	CHINA MERCHANTS BANK - H	32.400	96.6	600036	40.040	-22.7
177	JIANGSU EXPRESS CO LTD-H	7.320	49.7	600377	8.870	-21.2
3328	BANK OF COMMUNICATIONS CO-H	12.400	31.4	601328	15.020	-21.1
347	ANGANG STEEL CO LTD-H	21.050	104.6	000898	23.000	-12.6
914	ANHUI CONCH CEMENT CO LTD-H	58.850	127.2	600585	64.000	-12.2
1072	DONGFANG ELECTRICAL MACHIN-H	57.500	176.4	600875	61.840	-11.2

* Trading suspended

Source: Bloomberg

TOP FIVE LAGGARDS

Company	Price HK\$	YTD % Chg
ANHUI EXPRESSWAY CO LTD-H	5.860	-6.7
ZTE CORP-H	34.850	-2.7
BANK OF CHINA LTD - H	4.470	+4.7
GUANGSHEN RAILWAY CO LTD-H	5.590	+5.5
HUANENG POWER INTL INC-H	7.900	+13.7

Source: Bloomberg

TOP FIVE GAINERS

Company	Price HK\$	YTD % Chg
CHINA COSCO HOLDINGS-H	28.000	+535.1
SHENJI GROUP KUNMING MACHI-H	14.100	+368.4
GUANGZHOU SHIPYARD INTL CO-H	50.150	+291.8
CHINA EASTERN AIRLINES - H	6.170	+262.9
CHINA OILFIELD SERVICES-H	16.120	+198.5

Source: Bloomberg

TOP 20 GAINERS OF HK ALL STOCKS (BY TURNOVER)

Stock code	Company	Price HK\$	1 day % Chg	1 mth % Chg	YTD % Chg	– Consensus PER –		Turnover HK\$m
						Current yr X	Next yr X	
857	PETROCHINA CO LTD-H	14.70	-1.7	-11.6	+33.4	16.1	15.2	9,096.5
941	CHINA MOBILE LTD	128.90	-0.4	-3.5	+91.8	29.5	22.4	8,967.5
2628	CHINA LIFE INSURANCE CO-H	42.90	+0.9	-13.9	+61.6	33.5	31.5	6,218.8
1398	IND & COMM BK OF CHINA - H	6.16	+1.5	-7.5	+27.5	24.2	18.2	4,870.6
386	CHINA PETROLEUM & CHEMICAL-H	10.54	+5.0	-7.5	+46.4	13.7	12.7	4,238.7
5	HSBC HOLDINGS PLC	137.30	+0.1	-8.4	-3.7	11.2	10.6	4,098.1
939	CHINA CONSTRUCTION BANK-H	7.45	-0.8	+0.7	+50.5	23.7	19.2	3,634.5
388	HONG KONG EXCHANGES & CLEAR	226.60	+0.5	-9.4	+165.0	50.4	37.6	3,485.8
16	SUN HUNG KAI PROPERTIES	149.80	+3.3	+15.1	+67.7	28.1	25.7	2,796.3
883	CNOOC LTD	12.88	-1.2	-4.9	+74.3	18.2	15.8	2,790.0
3988	BANK OF CHINA LTD - H	4.47	+0.4	-4.7	+4.7	19.1	14.1	2,537.6
1800	CHINA COMMUNICATIONS CONST-H	20.85	-1.7	-6.9	+171.1	55.3	35.5	2,189.0
728	CHINA TELECOM CORP LTD-H	5.32	+4.9	-21.9	+24.9	17.2	16.7	2,160.1
1088	CHINA SHENHUA ENERGY CO - H	43.30	-1.8	-20.0	+131.3	34.5	28.2	2,002.2
1	CHEUNG KONG HOLDINGS LTD	144.70	+2.1	+6.3	+51.1	13.6	25.4	1,867.4
2318	PING AN INSURANCE GROUP CO-H	89.85	+2.6	-17.9	+108.7	41.8	41.9	1,810.4
672	ZHONG AN REAL ESTATE LTD	6.71	-	-	-	37.6	-	1,687.5
3968	CHINA MERCHANTS BANK - H	32.40	-0.6	-14.3	+96.6	35.0	24.3	1,428.6
3800	GCL POLY ENERGY HOLDINGS LTD	4.52	-	-	-	26.6	-	1,398.0
3328	BANK OF COMMUNICATIONS CO-H	12.40	+2.1	+8.2	+31.4	33.9	24.3	1,354.1

Source: Bloomberg

HSI STOCKS RANKING (BY TURNOVER)

Stock code	Company	Price HK\$	1 day % Chg	1 mth % Chg	YTD % Chg	– Consensus PER –		Turnover HK\$m
						Current yr X	Next yr X	
941	CHINA MOBILE LTD	128.90	-0.4	-3.5	+91.8	29.5	22.4	8,967.5
2628	CHINA LIFE INSURANCE CO-H	42.90	+0.9	-13.9	+61.6	33.5	31.5	6,218.8
1398	IND & COMM BK OF CHINA - H	6.16	+1.5	-7.5	+27.5	24.2	18.2	4,870.6
386	CHINA PETROLEUM & CHEMICAL-H	10.54	+5.0	-7.5	+46.4	13.7	12.7	4,238.7
5	HSBC HOLDINGS PLC	137.30	+0.1	-8.4	-3.7	11.2	10.6	4,098.1
939	CHINA CONSTRUCTION BANK-H	7.45	-0.8	+0.7	+50.5	23.7	19.2	3,634.5
388	HONG KONG EXCHANGES & CLEAR	226.60	+0.5	-9.4	+165.0	50.4	37.6	3,485.8
16	SUN HUNG KAI PROPERTIES	149.80	+3.3	+15.1	+67.7	28.1	25.7	2,796.3
883	CNOOC LTD	12.88	-1.2	-4.9	+74.3	18.2	15.8	2,790.0
3988	BANK OF CHINA LTD - H	4.47	+0.4	-4.7	+4.7	19.1	14.1	2,537.6
1	CHEUNG KONG HOLDINGS LTD	144.70	+2.1	+6.3	+51.1	13.6	25.4	1,867.4
2318	PING AN INSURANCE GROUP CO-H	89.85	+2.6	-17.9	+108.7	41.8	41.9	1,810.4
3328	BANK OF COMMUNICATIONS CO-H	12.40	+2.1	+8.2	+31.4	33.9	24.3	1,354.1
13	HUTCHISON WHAMPOA LTD	89.95	+0.7	+6.0	+13.8	11.9	34.7	1,330.8
17	NEW WORLD DEVELOPMENT	30.30	+6.1	+20.2	+93.5	28.7	23.0	709.4
11	HANG SENG BANK LTD	141.20	-0.4	-7.8	+32.8	17.9	17.4	633.0
2388	BOC HONG KONG HOLDINGS LTD	19.94	-2.5	-8.1	-5.5	14.6	13.5	596.0
12	HENDERSON LAND DEVELOPMENT	69.20	+2.3	+13.6	+59.1	24.7	23.9	572.9
494	LI & FUNG LTD	29.75	-2.9	-11.2	+22.9	32.4	24.7	565.6
19	SWIRE PACIFIC LTD 'A'	99.30	-0.7	+2.2	+18.9	18.0	17.2	502.0
291	CHINA RESOURCES ENTERPRISE	26.60	-3.6	-22.9	+19.0	20.9	27.5	498.5
330	ESPRIT HOLDINGS LTD	116.40	-0.9	-7.0	+34.0	22.7	19.0	418.5
2	CLP HOLDINGS LTD	50.85	-0.8	-2.6	-11.6	11.9	11.7	414.3
762	CHINA UNICOM LTD	14.54	+0.8	-6.7	+27.5	25.5	20.0	413.7
83	SINO LAND CO	25.60	+0.8	+24.9	+41.0	31.0	24.2	411.9
144	CHINA MERCHANTS HLDGS INTL	47.20	-4.6	+1.2	+48.0	34.9	29.3	378.6
101	HANG LUNG PROPERTIES LTD	33.90	+1.6	-4.1	+73.8	27.7	23.4	361.7
906	CHINA NETCOM GRP CORP HK LTD	19.96	-2.4	-13.6	-4.3	12.0	11.9	359.7
23	BANK OF EAST ASIA	48.30	+0.9	+4.2	+9.6	19.5	17.0	357.7
3	HONG KONG & CHINA GAS	23.15	+1.8	+19.7	+45.5	22.2	30.2	336.4
4	WHARF HOLDINGS LTD	42.00	-1.5	+3.6	+46.1	20.4	19.6	332.6
267	CITIC PACIFIC LIMITED	41.00	-1.8	-13.0	+52.7	15.3	18.0	332.2
2038	FOXCONN INTERNATIONAL HLDGS	18.70	-1.4	-13.2	-26.5	19.8	15.2	296.1
66	MTR CORP	25.25	+0.6	+1.6	+29.1	23.0	22.0	285.6
551	YUE YUEN INDUSTRIAL HLDG	26.80	+7.0	+11.9	+8.5	15.0	13.3	269.6
293	CATHAY PACIFIC AIRWAYS	19.40	-1.6	-11.4	+1.1	13.2	11.4	215.6
1199	COSCO PACIFIC LIMITED	20.30	-1.7	-17.8	+11.2	15.9	16.4	210.2
6	HONGKONG ELECTRIC HOLDINGS	40.35	+1.5	+3.7	+5.9	12.2	11.8	166.1
1038	CHEUNG KONG INFRASTRUCTURE	30.05	+0.2	+6.0	+24.4	13.3	13.9	148.3
8	PCCW LTD	4.74	-0.4	-7.1	+0.2	19.8	15.5	104.9

Source: Bloomberg

HSCEI STOCKS RANKING (BY TURNOVER)

Stock code	Company	Price HK\$	1 day % Chg	1 mth % Chg	YTD % Chg	– Consensus PER –		Turnover HK\$m
						Current yr X	Next yr X	
857	PETROCHINA CO LTD-H	14.70	-1.7	-11.6	+33.4	16.1	15.2	9,096.5
2628	CHINA LIFE INSURANCE CO-H	42.90	+0.9	-13.9	+61.6	33.5	31.5	6,218.8
1398	IND & COMM BK OF CHINA - H	6.16	+1.5	-7.5	+27.5	24.2	18.2	4,870.6
386	CHINA PETROLEUM & CHEMICAL-H	10.54	+5.0	-7.5	+46.4	13.7	12.7	4,238.7
939	CHINA CONSTRUCTION BANK-H	7.45	-0.8	+0.7	+50.5	23.7	19.2	3,634.5
3988	BANK OF CHINA LTD - H	4.47	+0.4	-4.7	+4.7	19.1	14.1	2,537.6
1800	CHINA COMMUNICATIONS CONST-H	20.85	-1.7	-6.9	+171.1	55.3	35.5	2,189.0
728	CHINA TELECOM CORP LTD-H	5.32	+4.9	-21.9	+24.9	17.2	16.7	2,160.1
1088	CHINA SHENHUA ENERGY CO - H	43.30	-1.8	-20.0	+131.3	34.5	28.2	2,002.2
2318	PING AN INSURANCE GROUP CO-H	89.85	+2.6	-17.9	+108.7	41.8	41.9	1,810.4
3968	CHINA MERCHANTS BANK - H	32.40	-0.6	-14.3	+96.6	35.0	24.3	1,428.6
3328	BANK OF COMMUNICATIONS CO-H	12.40	+2.1	+8.2	+31.4	33.9	24.3	1,354.1
2866	CHINA SHIPPING CONTAINER-H	8.16	+9.2	+16.9	+502.3	24.1	19.6	1,226.0
2899	ZIJIN MINING GROUP CO LTD-H	10.26	-11.2	-19.0	+136.2	49.3	38.7	1,194.6
2600	ALUMINUM CORP OF CHINA LTD-H	16.80	-1.4	-30.7	+133.3	16.9	16.9	1,106.1
2328	PICC PROPERTY & CASUALTY -H	12.76	+3.2	-21.4	+219.8	32.4	30.8	1,023.4
1919	CHINA COSCO HOLDINGS-H	28.00	+0.4	-20.6	+535.1	25.7	17.7	950.3
2777	GUANGZHOU R&F PROPERTIES - H	36.50	-1.9	+2.1	+117.3	34.3	23.2	926.4
358	JIANGXI COPPER COMPANY LTD-H	19.16	-2.0	-35.5	+142.2	12.3	11.2	903.9
347	ANGANG STEEL CO LTD-H	21.05	+2.7	-37.3	+104.6	14.9	13.0	898.0
1898	CHINA COAL ENERGY CO - H	21.05	-2.3	-23.7	+316.8	42.3	28.4	824.5
1171	YANZHOU COAL MINING CO-H	13.20	+1.9	-22.1	+110.2	19.8	15.2	528.3
3993	CHINA MOLYBDENUM CO LTD-H	16.56	-3.9	-7.2	-	31.6	28.3	474.8
753	AIR CHINA LIMITED-H	8.04	-3.6	-30.7	+91.0	27.4	19.3	454.7
323	MAANSHAN IRON & STEEL-H	5.26	+0.2	-39.1	+23.2	13.1	10.0	348.6
902	HUANENG POWER INTL INC-H	7.90	+2.3	-20.3	+13.7	14.0	12.8	340.6
991	DATANG INTL POWER GEN CO-H	6.95	-2.7	-25.5	+71.6	21.2	18.1	331.7
1138	CHINA SHIPPING DEVELOPMENT-H	21.00	-2.6	-13.8	+76.5	15.5	13.6	300.8
998	CHINA CITIC BANK - H	5.58	+1.3	-10.4	-	27.5	18.7	292.4
2883	CHINA OILFIELD SERVICES-H	16.12	+0.2	-17.8	+198.5	38.1	27.7	275.0
914	ANHUI CONCH CEMENT CO LTD-H	58.85	+0.9	-32.4	+127.2	34.5	23.5	205.6
2727	SHANGHAI ELECTRIC GRP CO L-H	6.76	+1.7	+14.0	+106.7	27.0	27.6	194.0
525	GUANGSHEN RAILWAY CO LTD-H	5.59	-2.3	-11.1	+5.5	22.3	20.0	167.3
598	SINOTRANS LIMITED-H	4.35	-3.8	-12.8	+54.8	21.8	17.2	148.1
763	ZTE CORP-H	34.85	-2.7	-14.6	-2.7	25.9	18.3	135.5
338	SINOPEC SHANGHAI PETROCHEM-H	4.95	-1.0	-22.3	+28.9	13.7	13.2	130.0
694	BEIJING CAPITAL INTL AIRPO-H	12.58	+1.0	-20.9	+106.6	40.8	53.8	114.4
489	DONGFENG MOTOR GRP CO LTD-H	5.95	-0.5	-3.9	+57.8	15.1	14.1	100.1
552	CHINA COMMUNICATIONS SERVI-H	6.09	+0.7	-12.2	+37.2	29.0	21.3	65.5
576	ZHEJIANG EXPRESSWAY CO-H	9.60	-2.3	-11.3	+61.1	18.1	16.2	52.9
177	JIANGSU EXPRESS CO LTD-H	7.32	-3.3	-15.3	+49.7	22.2	17.3	45.7
2698	WEIQIAO TEXTILE CO LTD-H	12.46	+0.3	-16.4	+18.9	7.7	6.4	30.4
168	TSINGTAO BREWERY CO LTD-H	23.20	+0.7	-15.3	+76.8	48.9	39.9	29.1

Source: Bloomberg

CALENDAR

Economic Data

Date	Country	Indicators	Consensus	Actual	Previous
13/11/07	CH	Consumer Price Index (October)	+6.3%	+6.5%	+6.2%
14/11/07	US	Advance Retail Sales (October)	+0.1%		+0.6%
14/11/07	US	Business Inventories (September)	+0.43%		+0.1%
14/11/07	US	Producer Price Index (October)	+0.3%		+1.1%
14/11/07	CH	Retail Sales (October)	+17.1%	+18.1%	+17.0%
15/11/07	US	Consumer Price index (October)	+0.3%		+0.3%
15/11/07	US	DOE US Crude Oil Inventories (10 November)	-750K bbl		-821K bbl
15/11/07	US	DOE US Gasoline Inventories (10 November)	-500K bbl		-819K bbl
15/11/07	US	DOE US Distillate Inventory (10 November)	-500K bbl		98K bbl
15/11/07	US	Empire Manufacturing (November)	20.0		28.8
08/11/07	US	Initial Jobless Claims (11 November)	320K		317K
15/11/07	CH	Industrial Production (October)	+18.5%		+18.9%
16/11/07	US	Industrial Production (October)	+0.1%		+0.1%
16/11/07	US	Philadelphia Fed. (November)	5.0		6.8
16/11/07	CH	Fixed Assets Investment Urban (October)	+26.2%		+26.4%
16/11/07	HK	GDP Constant Price (3Q07)	N/A		+6.9%
20/11/07	US	Building Permits (October)	1,190K		1,261K
20/11/07	US	Housing Permits (October)	1,160K		1,191K
21/11/07	US	Leading Indicators (October)	N/A		+0.3%
21/11/07	US	University of Michigan Confidence (November)	-0.3%		+0.3%
27/11/07	US	Consumer Confidence (November)	N/A		95.6
28/11/07	US	Durable Goods Orders (October)	N/A		-1.7%
28/11/07	US	Existing Home Sales (October)	N/A		5.04m
29/11/07	US	GDP Annualized (3Q07)	N/A		+3.9%
29/11/07	US	New Home Sales (October)	N/A		770K
29/11/07	US	Personal Consumption (3Q07)	N/A		+3.0%
30/11/07	US	Chicago Purchasing Manager (November)	N/A		+49.7
30/11/07	US	Construction Spending (November)	N/A		+0.3%
30/11/07	US	Personal Income (October)	N/A		+0.4%
30/11/07	US	Personal Spending (October)	N/A		+0.3%
03/12/07	US	ISM Manufacturing (November)	N/A		50.9
04/12/07	US	Domestic Vehicle Sales (November)	N/A		12.2m
04/12/07	US	Total Vehicle Sales (November)	N/A		16.1m

Events

Date	Company	Code	Events
14/11/07	VTech Holdings	0303	Analyst Meeting

Results Announcements

Date	Company	Code	Events
14/11/07	HK Exchanges & Clearing	0388	3Q07 Results
14/11/07	Tencent	0700	3Q07 Results
14/11/07	VTech Holdings	0303	Interim Results
20/11/07	GOME Electrical Appliance	0493	3Q07 Results
21/11/07	Lee & Man Paper Manufacturing	2314	Interim Results

New Issues

Company	Stock Code	Business	Issue price HK\$	Issue size m shares	Mkt cap HK\$m	Sponsor	Application close	Dealing commences
Rainbow Brothers	0033	Party and festivity products provider	1.12-1.50	50.00	<=300.0	Asian Capital	09/11/07	19/11/07
Value Partners	0806	Value-oriented assets management group	6.78-7.63	381.60	<=12,208.0	JP Morgan /Morgan Stanley	13/11/07	22/11/07
Sinotrans Shipping	0368	Shipping company	7.18-8.18	1,400.00	<=34,437.8	BOC Int'l/ UBS	15/11/07	23/11/07

Ex-dividend Arrangements

Books closed	Company	Code	Dividend	Per share	Ex-dividend	Payable date
22/11/07	Nine Dragon Papers	2689	Final	RMB0.10	20/11/07	12/12/07
27/11/07	Henderson Investment	0097	Final	HK\$0.15	23/11/07	04/12/07
27/11/07	Henderson Land	0012	Final	HK\$0.70	23/11/07	05/12/07
28/11/07	Esprit	0330	Final	HK\$2.48	26/11/07	07/12/07