

FTSE/XINHUA CHINA 25 INDEX PERFORMANCE REPORT - INTERNATIONAL INDEX March 2008

(Market performance data provided by FTSE Research)

Index Commentary

In March, the FTSE/Xinhua China 25 Index fell on concerns that the Chinese government would step up tightening measures to cool inflation, and that near-record oil prices would erode corporate earnings.

The market still had a couple of rebounds during the month. On 12 March, the index climbed after the Federal Reserve said it would inject as much as USD 200 billion into the U.S. financial system to revive lending among banks and to try to avert a recession. On 18 and 19 March, the stocks rose after the Hong Kong Monetary Authority matched the U.S. Federal Reserve's move to cut interest rates by three quarters of a percentage to 3.75 percent. Hong Kong's currency is pegged to the U.S. dollar at about HKD 7.80, which typically means Hong Kong's monetary policy follows that of the Fed. Later in the month, the index continued to rebound and surged from the month-low point of 17933.56 points on 21 March. The FTSE/Xinhua China 25 Index finally closed at 19911.54 points, down 11.2% this month.

Constituent Commentary

In terms of constituents, China Petroleum & Chemical (0386.HK), also called Sinopec, was the worst performing stock in the FTSE/Xinhua China 25 Index in February.

Sinopec, China's largest oil refinery, was experiencing pressures amid surging global crude oil prices and tightening domestic controls. China's inflation rate accelerated to an 11 year high and government imposed limits to control consumer-price inflation. Therefore, Sinopec was not able to pass on the higher cost of the crude oil it used to make gasoline and diesel to consumers.

Overall Market Performance (HKD) (Capital Return, from 29.02.2008 to 31.03.2008)



5 Highest Weighted Constituents	Local Code	% wgt
China Mobile (Red Chip)	0941	10.90
Industrial and Commercial Bank of China (H)	1398	8.75
China Life Insurance (H)	2628	7.82
Petrochina (H)	0857	7.24
China Construction Bank (H)	0939	6.65

5 Highest Performers	Local Code	Price Return (%)
Bank of China (H)	3988	-0.60
Industrial and Commercial Bank of China (H)	1398	-2.17
China Merchants Bank (H)	3968	-3.06
China Mobile (Red Chip)	0941	-3.50
BOC Hong Kong (Holdings) (Red Chip)	2388	-3.90

5 Lowest Performers	Local Code	Price Return (%)
China Petroleum & Chemical (H)	0386	-24.75
China Shenhua Energy (H)	1088	-23.77
China Coal Energy (H)	1898	-23.22
Datang International Power Generation (H)	0991	-22.95
Aluminum Corp of China (H)	2600	-19.87

Aggregate Price Earnings Ratio	17.64*
--------------------------------	--------

*Source: Nomura International; Data as of 31.03.2008

FTSE/Xinhua China 25 Index is a real-time tradable index, covering H shares and Red Chips. The Index is designed for use by the international investment community as a basis for derivatives trading both on-exchange and over-the-counter (OTC), and index tracking funds (including ETFs).

For further information about FTSE Xinhua Indices, please contact
Hong Kong +852 2230 5800 Beijing, China +86 10 5864 5277 info@ftsexinhua.com www.ftsexinhua.com

FTSE Market Reports are researched and produced on a monthly basis by FTSE Research. For more information about market analysis based on FTSE/Xinhua indices, please contact Jamie Perrett, FTSE Group at jamie.perrett@ftse.com.

© FTSE Xinhua Index Limited ("FXI") 2008. All rights reserved.

The FTSE Xinhua Index Series ("Index Series") is calculated by FTSE International Limited ("FTSE"). All rights in the Index Series vest in FXI and Xinhua Finance Limited ("XFL"). "FTSE®" is a trade and service mark of London Stock Exchange Limited and The Financial Times Limited. "Xinhua" and "新華" are trade and service marks of XFL and such trade marks are used by FXI under licence. All information is provided for information purposes only and no responsibility or liability can be accepted by FXI or its licensors for any errors or for any loss from use of this publication. No part of this publication may be reproduced, stored in a retrieval system or transmitted by any other form or means whether electronic, mechanical, photocopying, recording or otherwise without the prior written consent of FXI. Price Earning Ratios are calculated by Nomura International. Distribution of FXI index values and the use of FXI indices to create financial products requires a licence from FXI.