

FTSE XINHUA CHINA B SHARE INDEX REVIEW - B SHARE SERIES
May 2008

(Market performance data provided by FTSE Research)

Index Commentary

In May, China's B-share market basically followed the trend in the A-share market. The B share market was on a downward trend, amid concerns that China's most powerful earthquake in 58 years, which jolted the Sichuan province, will hurt corporate earnings. On 26 May, the FTSE Xinhua B All-Share Index reached its month low of 6244.0 points, down 8.9% from the beginning of the month, with the FTSE Xinhua B35 Index slumping to 8412.6 points, down 9.2%.

At month-end, the indices rebounded on the expectation of the post-earthquake reconstruction and the announcement of China's telecommunications industry reorganization plan. The FTSE Xinhua B All-Share Index finally closed at 6443.9 points, down 6.0% while the FTSE Xinhua B35 Index closed at 8692.7 points, down 6.2%.

Overall Market Performance (USD) (Capital Return, from 30.04.2008 to 30.05.2008)


5 Highest Weighted Constituents	% wgt China B 35	% wgt China B All-Share
Inner Mongolia Yitai Coal	13.77	10.12
China International Marine Containers	11.12	8.17
Shenzhen Vanke	9.83	7.22
Shanghai Zhenhua Port Machinery	8.99	6.61
Yantai Changyu Pioneer Wine	6.84	5.03

— FTSE Xinhua China B35 Index
 — FTSE Xinhua China B All-Share Index

5 Highest Performers	Local Code	Price Return (%)
Danhua Chemical Technology	900921	45.19
Wuhan Boiler	200770	28.77
Huaxin Cement	900933	15.51
Shenzhen International Enterprise	200056	14.86
Tsann Kuen (China) Enterprise	200512	11.84

5 Lowest Performers	Local Code	Price Return (%)
SVA Electron	900901	-30.67
Jiangsu Xincheng Real Estate	900950	-23.33
Shanghai Sanmao Textile	900922	-22.09
Kama	900953	-19.05
Hainan Donghai Tourism Centre (Holdings)	200613	-16.67

The FTSE Xinhua China B Share Index Series is designed to represent the performance of the Chinese market that is available to investors outside of the People's Republic of China and to Chinese nationals with appropriate foreign exchange dealing accounts. The FTSE Xinhua China B Share Indices cover shares listed on both Shanghai and Shenzhen Stock Exchanges, and provide an exciting opportunity to invest in one of the world's most exciting markets.

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.

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