

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

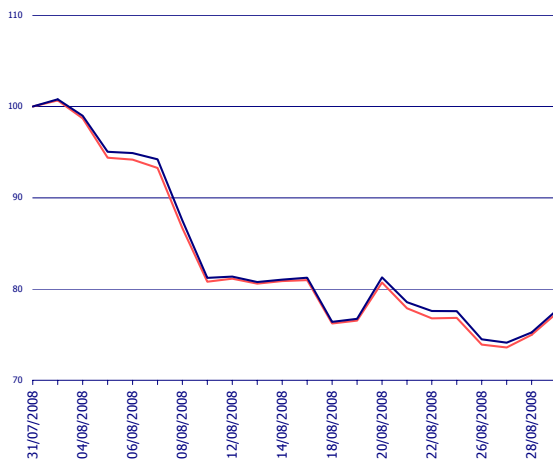
(Market performance data provided by FTSE Research)

Index Commentary

In August, China's B-share market basically followed the downward trend in the A-share market although the B shares slump was even more drastic than the A shares.

The FTSE Xinhua B All-Share Index and the FTSE Xinhua B35 Index followed an almost straight downward trend over the month. Both indices dropped six consecutive days from 4 August to 11 August, with the FTSE Xinhua B All-Share Index tumbling to 4394.3 points, down 18.8% from the end of July. On 27 August the index was at 4010.3 points, the lowest since December 2006. The FTSE Xinhua B All-share Index has slumped 55.8% since the beginning of 2008.

The FTSE Xinhua B All-Share Index finally closed at 4201.5 points, down 22.3%, and the FTSE Xinhua B35 Index closed at 5591.1 points, down 22.7%.

Overall Market Performance (USD) (Capital Return, from 31.07.2008 to 29.08.2008)


5 Highest Weighted Constituents	% wgt China B 35	% wgt China B All-Share
Inner Mongolia Yitai Coal	12.30	9.06
China International Marine Containers	10.00	7.36
Shenzhen Vanke	9.94	7.32
Yantai Changyu Pioneer Wine	8.63	6.35
Shanghai Zhenhua Port Machinery	7.36	5.42

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

5 Highest Performers	Local Code	Price Return (%)
Luthai Textile Joint Stock	200726	1.24
Jiangling Motors	200550	-4.37
Shandong Chenming Paper Holdings	200488	-4.78
Yantai Changyu Pioneer Wine	200869	-5.49
Shijiazhuang Baoshi Electronic Glass	200413	-5.50

5 Lowest Performers	Local Code	Price Return (%)
Huaxin Cement	900933	-50.88
Shanghai Haixin Group	900917	-37.50
Shanghai Jiulongshan	900955	-37.31
Hainan Pearl River Holdings	200505	-36.62
China First Pencil	900905	-36.36

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.

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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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