

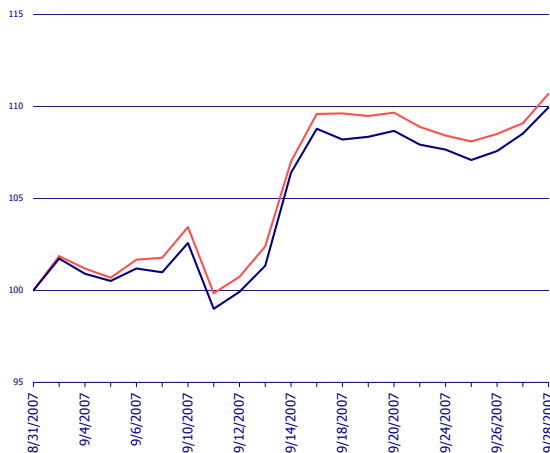
**FTSE XINHUA CHINA B SHARE INDEX REVIEW - B SHARE SERIES**  
**September 2007**

(Market performance data provided by FTSE Research)

**Index Commentary**

In September, China's B-share market basically followed the trend in the A-share market, although the B-shares' mid-month gains were larger than the A-shares. The FTSE Xinhua China B All-Share Index closed at 9385.60 points, up 9.9%. The FTSE Xinhua China B 35 Index closed at 12226.09 points, up 10.7%.

In the middle of the month, the Shanghai Securities News quoted Qi Bin, director-general of research and strategy at CSRC (China Securities Regulatory Commission), that the securities regulator was conducting research on the B-share market. He stated that they needed to proceed 'prudently' due to the diverse market opinion on the B-share reform. Some proposals involved the merger of the A-share and B-share markets while others have called for the separate development of the B-shares. The news of the regulator's research was greeted positively by the market in general. Additionally, the delay of the introduction of the "through-train to Hong Kong stocks" program, will encourage some domestic investors to switch their overseas investment to focus on the B-share market.

**Overall Market Performance (USD) (Capital Return, from 31.08.2007 to 28.09.2007)**


5 Highest Weighted Constituents	% wgt China B 35	% wgt China B All-Share
China International Marine Containers	12.02	8.51
Inner Mongolia Yitai Coal	10.72	7.59
Shanghai Zhenhua Port Machinery	10.07	7.13
Shenzhen Vanke	9.10	6.44
Shanghai Lujiazui Fin & Trade Dev	4.84	3.43

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

5 Highest Performers	Local Code	Price Return (%)
Inner Mongolia Yitai Coal	900948	46.63
Shanghai Jinjiang International Travel	900929	38.04
Shanghai Zhenhua Port Machinery	900947	28.97
Dahua Group Dalian Chemical Industry	900951	26.19
Chongqing Changan Automobile	200625	25.89

5 Lowest Performers	Local Code	Price Return (%)
Konka Group	200016	-8.43
Shenzhen Vanke	200002	-4.14
Hefei Meiling	200521	-3.71
Shenzhen China Bicycle	200017	-3.46
SZ SEZ Real Estate & Properties	200029	-2.70

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 Andy Harvell, FTSE Group at andy.harvell@ftse.com.

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