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About the Index

The S&P/HKEx GEM index is a real-time, float-adjusted index, representing approximately 75% of Stock Exchange of Hong Kong (SEHK) GEM Board by market capitalization.

The S&P/HKEx GEM index measures the Growth Enterprise Market (GEM) - an alternative stock market operated by the Hong Kong Exchanges and Clearing Limited (HKEx). The index offers growth enterprises in Hong Kong an opportunity to raise capital and it measures the performance of these high growth companies. Unlike its sister index, the S&P/HKEx LargeCap, this index does not have a fixed number of index constituents.

Index Methodology

The S&P/HKEx Index Committee follows a set of published guidelines for maintaining the index. The Index Committee is made up of five members - three representatives from Standard & Poor's and two from Hong Kong Exchanges and Clearing Limited (HKEx). Complete details of these guidelines, including criteria for index additions and removals, policy statements, and research papers are available on the Web site at www.indices.standardandpoors.com.

CRITERIA FOR INDEX ADDITIONS

- **Domicile.** All companies listed on the SEHK GEM Board are eligible. All stocks must be listed for at least 12 full calendar months, as of the effective date of the quarterly rebalancings.
- **Securities.** All companies with common share listings of all classes on GEM are eligible. Limited partnerships, income trusts, preferred shares, exchangeable shares, warrants, units, rights, and U.S. dollar-denominated securities are not eligible.
- **Market Capitalization.** Large companies as measured by their float-adjusted market capitalization.
- **Public Float.** The market capitalization of each stock is adjusted to exclude the value of shares held by other index constituents or by other shareholders when any such holding is 5% or more.

- **Liquidity.** Companies cannot have more than 120 non-trading days over the previous 12 full calendar months. The ratio of annual dollar value traded to market capitalization for the company should be 0.05 or greater.
- **Sector Representation.** Companies are classified by the Global Industry Classification Standard (GICS®).
- **Constituent Weight.** Companies' relative weight must be at least 0.25% of the aggregate market capitalization of the index, after taking into consideration all share changes, additions, and deletions.
- **Share Updates.** All share capitalization changes or series of share capitalization changes to individual index constituents, regardless of size, will be implemented with the next quarterly rebalancing – third Friday of the first month of each calendar quarter.

CRITERIA FOR INDEX REMOVALS

- **Liquidity.** A company is removed if its trading activity is inactive for more than 120 days over the previous 12 months or its annual dollar value traded figure falls below 0.025% of the total annual dollar value traded for the market.
- **Constituent Weight.** A company is removed from the index if its relative weight falls below 0.25% of the aggregate market capitalization of the index.
- **Other Deletions.** A company may be removed from an index if it no longer meets current criteria for inclusion or is no longer representative of its industry group in terms of relative size and liquidity.

Contact Us:

index_services@standardandpoors.com

New York	+1.212.438.2046
Toronto	+1.416.507.3200
London	+44.20.7176.8888
Tokyo	+813.4550.8463
Beijing	+86.10.6569.2919
Sydney	+61.2.9255.9870

For more information, including current data and index performance, visit our Web site:

www.indices.standardandpoors.com

S&P Global Indices

December 31, 2008

A market indicator of the Growth Enterprise Market stocks listed on the Stock Exchange of Hong Kong (SEHK).

Index Performance (Price Return)

Returns	1 Month	9.54%
	3 Month	-30.16%
	YTD	-71.44%
Annualized Returns	1 Year	-71.44%
	3 Years	-27.40%
Annualized	5 Years	-20.13%
	3 Years Std Dev	37.01%
Risk	5 Years Std Dev	30.18%
Sharpe Ratio	3 Years	-0.7515
	5 Years	-0.6755

5 Year Historical Performance (Price Return)



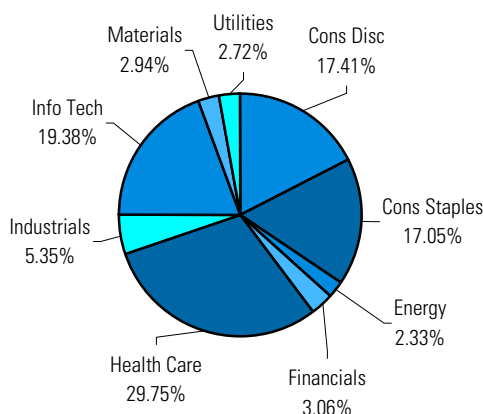
Top 10 Companies By Weight

Ticker	Company	Float Adjusted Market Cap (HK\$ Million)	Index Weight	Sector Weight	Investable Weight Factor	GICS® Sector
8199 HK	Shandong Weigao Group Medical Polymer Co. Ltd. - H Share	4,084.8	17.68%	59.41%	0.35	Health Care
8277 HK	Wumart Stores, Inc. - H Shares	2,917.8	12.63%	74.05%	0.42	Consumer Staples
8167 HK	Big Media Group Ltd.	1,727.5	7.47%	42.94%	0.73	Consumer Discretionary
8180 HK	Golden Meditech Co. Ltd.	1,225.2	5.30%	17.82%	0.76	Health Care
8161 HK	China LotSynergy Holdings Ltd.	605.6	2.62%	15.05%	0.65	Consumer Discretionary
8156 HK	China Vanguard Group Ltd	591.3	2.56%	15.01%	0.35	Consumer Staples
8069 HK	Tong Ren Tang Technologies Co. Ltd. - H Shares	550.1	2.38%	8.00%	0.44	Health Care
8250 HK	Core Healthcare Investment Holdings Ltd.	487.2	2.11%	7.09%	1.00	Health Care
8118 HK	International Entertainment Corporation	440.2	1.90%	10.94%	0.49	Consumer Discretionary
8055 HK	China E-Learning Group Ltd.	431.9	1.87%	9.64%	0.81	Information Technology

Tickers

S&P/HKEx GEM	
BLOOMBERG SM	HKSPGEM
Reuters	.SPHKGEM

Sector Breakdown



Index Portfolio Characteristics

Number of Companies	67
Adjusted Market Cap (HK\$ Billion)	23.11
Company Size By Market Cap (Adjusted HK\$ Billion):	
Average	0.34
Largest	4.08
Smallest	0.03
Median	0.17
% Weight Largest Company	17.68%
Top 10 Holdings (% Market Cap Share)	56.52%