



[For Immediate Release]

Xinhua Finance/MNI China Business Survey: Companies Still Gloomy

Shanghai, August 29, 2008 – Sentiment at Chinese companies remains low, with high input costs and scarce credit keeping a lid on production growth and corporate financial conditions seeing just a slight improvement from July, according to the August Xinhua Finance/MNI China Business Sentiment Survey.

The survey was released today by Xinhua Finance (TSE Mothers: 9399) and Market News International (MNI), a part of the news service line of Xinhua Finance.

The headline sentiment index for current business conditions in August fell to 56.46 in from July's 59.33, making it the second lowest reading since the survey began in January, 2005. The index was at 67.18 in August last year.

Companies remain pessimistic about the pace of future improvement, with the index for overall business conditions in three months improving slightly from July's record low of 52.33 to 55.10 in August.

The August survey results underline the extent to which Chinese economic growth is slowing after four years of frenetic expansion, with government tightening measures, the knock-on effect of the global credit crisis, and surging inflation all taking their toll.

The monthly survey was conducted August 11-24.

Since its inception in January, 2005, the survey has accurately tracked and predicted overall Chinese economic conditions, providing important intelligence ahead of government data.

To receive a full version of the survey, or to find out more about Xinhua Finance and Market News International, please contact Amy Pang, Managing Director of Xinhua Finance News Division, via amy.pang@xinhuafinance.com

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Notes to Editors:

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About Market News International

Market News International (MNI), a Xinhua Finance company (www.xinhuafinance.com), is a financial news and information company dedicated to the global fixed income and foreign exchange markets. MNI joined the Xinhua Finance family in March 2004, bringing its niche expertise and extensive distribution network. Headquartered in New York, MNI has news bureaus and offices throughout the US, Europe and Asia.

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