



[Press release]

ChinaAMC adopts FTSE Xinhua High Yield 150 Index to launch high yield fund in China

HONG KONG, 19 May, 2005 – FTSE Xinhua Index (FXI), the leading China index provider, and China Asset Management Co., Ltd (ChinaAMC), one of China's largest asset management companies, have recently signed a licensing agreement that enables ChinaAMC to launch the first high yield fund, a new-kind of investment vehicle, in China.

The fund, benchmarked against the FTSE Xinhua High Yield 150 Index, is an open-ended fund available for subscription between May 9 to June 10. The FTSE Xinhua High Yield 150 Index is an end-of-day benchmark index comprising the top 150 China A-share companies in the FTSE Xinhua 600 Index with the highest yield, selected on the consistency of dividend payments over the past three years, subject to a liquidity screen. The index out-performed the FTSE Xinhua 600 Index and general A-share market over the past three years.

A spokesman for ChinaAMC said the company was excited to take the lead to put the popular yield investment concept of international markets into practice in China by utilizing FXI's international experience and local know-how.

"The fund provides an investment in companies which generated real benefits to shareholders by distributing dividends. In our philosophy, which is also proven in the international markets, the ability of paying consistent dividend reflects that the companies had made good earnings, and also its good potential to produce higher shareholder values," the spokesman said.

FTSE Xinhua Index managing director Zhu Shan said, "I am delighted that the FXI indices are recognized and used by China's leading asset management company. FXI continues to be the first and the most innovative in the market which is illustrated in our market share dominance."

"FTSE Xinhua Index is committed to provide the most relevant investment tools for China, and this new product is further evidence that we are well-positioned to accommodate specific investment objectives and provide higher returns to investors," Mr Zhu added.

The index covers a wide range of 24 different sectors, of which Steel & Other Metals, Household Goods & Textiles, and Electricity are the biggest sectors including more than 15 constituents each. The top 5 constituents by yield are Nanjing Iron & Steel (600282), Liaohe Jinma Oilfield (000817), Gemdale (600383), Inner Mongolian Baotou Steel Union (600010) and Guangdong Electric Power Development (000539).

The FTSE Xinhua High Yield 150 Index was launched on 15 April, 2005, and will be reviewed annually in January. For details, please go to www.ftsexinhua.com



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Notes to Editors:

About China Asset Management Co., Ltd.

Established on April 9, 1998 with approval from the China Securities Regulatory Commission, ChinaAMC is one of the first national fund management firms in China. ChinaAMC's registered capital is 138 million RMB. Its head office is in Beijing, with branches in both Shanghai and Shenzhen.

As of September 2004, the company has nearly RMB 30 billion assets under management. ChinaAMC manages the greatest number of funds in China and is one of the top Chinese firms in terms of the size of assets under management. In July 2004, the company became the only fund management company authorized by the Shanghai Stock Exchange to co-develop the first ETF in mainland China.

ChinaAMC continuously provides the market with new and innovative products that meet the changing demands of domestic investors. In 1999, with the launch of our Xing He Fund, ChinaAMC marked the creation of the first enhanced index fund in mainland China. In 2002, ChinaAMC also launched the first pure bond fund in China with a record-breaking initial subscription of 5.13 billion RMB. In 2004, by closely cooperating with the Shanghai Stock Exchange, ChinaAMC launched the mainland's first Exchange Traded Fund (ETF): China SSE 50 ETF.

In April 2004, Morningstar and Shanghai Securities News co-elected ChinaAMC the "Best Fund Management Company" in China.

For further information, please visit: www.chinaamc.com.

About FTSE Xinhua Index

Established in late 2000, FTSE Xinhua Index (FXI), a joint venture between Xinhua Financial Network, a subsidiary of Xinhua Finance Limited (TSE Mothers: 9399) and FTSE Group, came into being to facilitate the creation of real-time indices for the Chinese market. The indices can be used as a basis for the trading of derivatives, index-tracking funds, Exchange Traded Funds and as performance benchmarks. The combination of FTSE's expertise in international indexing with Xinhua Finance's strong presence and capabilities in China creates a level of expertise in the Chinese market that is unprecedented. Providing the combined coverage for the Shanghai and Shenzhen exchanges, all of the FTSE Xinhua indices are designed according to



internationally proven index methodology to ensure products are transparent, clear and consistent. For daily data and further information, please visit www.ftsexinhua.com.

About FTSE Group

FTSE Group is a world-leader in the creation and management of indices. With offices in London, Frankfurt, Hong Kong, Madrid, Paris, New York, San Francisco and Tokyo, FTSE Group services clients in 77 countries worldwide. It calculates and manages the FTSE Global Equity Index series, which includes world-recognised indices ranging from the FTSE All-World Index, the FTSE4Good series, as well as domestic indices such as the prestigious FTSE 100. The company has collaborative arrangements with the AMEX, Athens, Cyprus, Euronext, Johannesburg, London, Luxembourg, and Madrid exchanges, as well as with Nikkei of Japan (Nihon Keizai Shimbun, Inc), and Xinhua Financial Network of China. FTSE recently signed an agreement with Dow Jones Indexes to develop a single sector classification system for global investors, named the Industry Classification Benchmark (ICB).

FTSE indices are used extensively by investors world-wide for investment analysis, performance measurement, asset allocation, portfolio hedging and for creating a wide range of index tracking funds. Independent committees of senior fund managers, derivatives experts, actuaries and other experienced practitioners review all changes to the indices to ensure that they are made objectively and without bias. Real-time FTSE indices are calculated on systems managed by Reuters. Prices and FX rates used are supplied by Reuters.

About Xinhua Finance Limited

Xinhua Finance Limited is China's premier financial services and media company, listed on the Mothers board of the Tokyo Stock Exchange (symbol: 9399). The Company provides financial news and information, as well as a broad array of financial products and services unique to the China markets. Xinhua Finance provides real time coverage of Chinese and Asian equity markets, delivering an integrated platform of China-specific indices, financial news feeds, credit ratings, and investor relations services to global financial institutions and re-distributors via leased line, Internet, and satellite technology.

Founded in 1999, the Company is headquartered in Hong Kong and has 21 offices and 19 news bureaus across Asia, Australia, North America and Europe. For more information, see www.xinhuafinance.com.