

INDICES

Xinhua Finance's Indices service line provides equity indices and bond indices focused on the China markets. Xinhua FTSE Index (XFI), a joint venture with FTSE Group, provides equity indices and was founded in 2001. Over the past few years, XFI has become the standard for measuring China's stock markets, providing combined coverage for the Shanghai and Shenzhen exchanges and other China-related stocks. In the China bond market, our Xinhua Lehman China Aggregate Bond Index Series, established in partnership with Lehman Brothers, provides the first comprehensive series of China bond indices across exchanges and inter-bank markets. We also provide a customized Dividend Achievers Index tracking high yield US equities.

The indices are used as a basis for the trading of derivatives, index-tracking funds, exchange traded funds (ETFs) and as performance benchmarks. The combination of our partners' expertise in international indexing with Xinhua Finance's strong presence and capabilities in China creates a level of expertise in the China market that is unprecedented. All of our indices are designed according to internationally proven index methodologies, ensuring transparent, clear and consistent index products. 新

2004 REVIEW

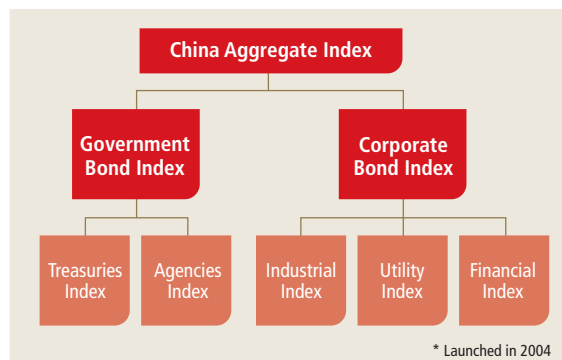
In 2004, our Indices service line further strengthened its position as the premier provider of China indices to the global investment community with its new product lines.



Our index products are increasingly recognized worldwide through index-linked products that are based on our indices.

New products in 2004 included the launch of our Xinhua Lehman China Aggregate Bond Index Series in February. In May, we launched the Xinhua FTSE Style Index series, customized indices specifically tailored for the domestic market. In November, we launched the Xinhua/FTSE China A50, the first "A" share index developed for qualified foreign institutional investors (QFIIs).

Xinhua Lehman China Bond Index Series*

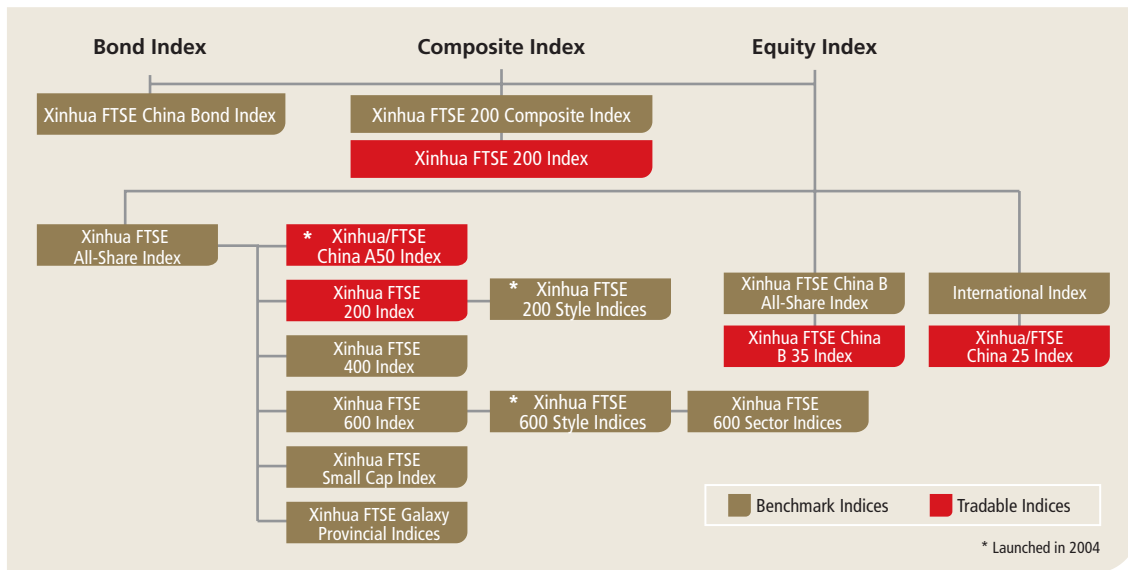


Index-linked products based on our indices include:

- Two funds based on Xinhua/FTSE China A50 Index launched by Hang Seng Investment (July)
- ETFs tracking the Xinhua/FTSE China 25 Index, the first China-only ETF for US and European investors, launched on the New York Stock Exchange and London Stock Exchange (October)



Xinhua FTSE Index Family



- Options on iShares Xinhua/FTSE China 25 Index Fund began to trade on the Philadelphia Stock Exchange (October)
- An ETF tracking the Xinhua/FTSE China A50, the first China A share ETF, launched on the Hong Kong Stock Exchange to meet QFII's needs (November)



By the end of 2004, we signed annual/one-off issue licenses with more than 40 international institutions, including 12 QFIIs. In the domestic China market, over 23% of newly issued equity-related funds selected our indices for benchmarking. We were also one of only two equity index providers adopted by the PRC's Social Security Fund. 🇨🇳

For daily data and further information, please visit www.xinhuaftse.com.



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Managing Director
Xinhua FTSE Index