


RATINGS

Xinhua Finance's Ratings service line has developed a formidable reputation for leading the market in China ratings and research and providing investors with early warnings about potential problems with listed Chinese companies. Through our subsidiary Mergent Inc, acquired in 2004, we have further strengthened our position in global ratings and research, bringing in-house invaluable corporate database technology and data acquisition expertise.

Xinhua Far East China Ratings (Xinhua Far East) is a pioneering venture in China that aims to rank and rate credit risks among China's corporations and promote information disclosure and transparency in China. It is formed through Xinhua Finance's strategic alliance with pre-eminent local player Shanghai Far East Credit Rating Co., Ltd. (SFE). Capitalizing on its well-established business and the synergies of this joint rating project, in December 2003 SFE became the first China member of the Association of Credit Rating Agencies in Asia (ACRAA), an association supported by the Asian Development Bank to enhance quality and comparability of ratings and best practices in the region.

Capitalizing on synergies between Xinhua Finance and Shanghai Far East, Xinhua Far East blends unique local market knowledge with international rating standards to provide investors with independent, objective, timely and forward-looking credit opinions and research. Our corporate data and analysis products provide in-depth understanding of company performance metrics and historical trends, as well as detailed coverage of equities and fixed income securities. 

2004 REVIEW

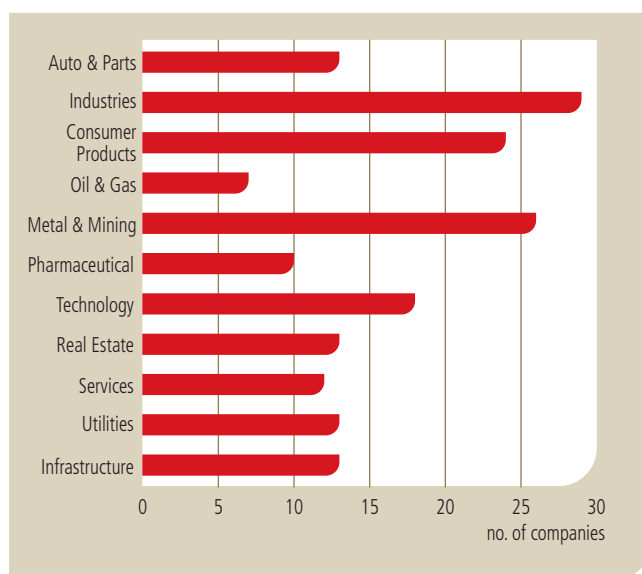
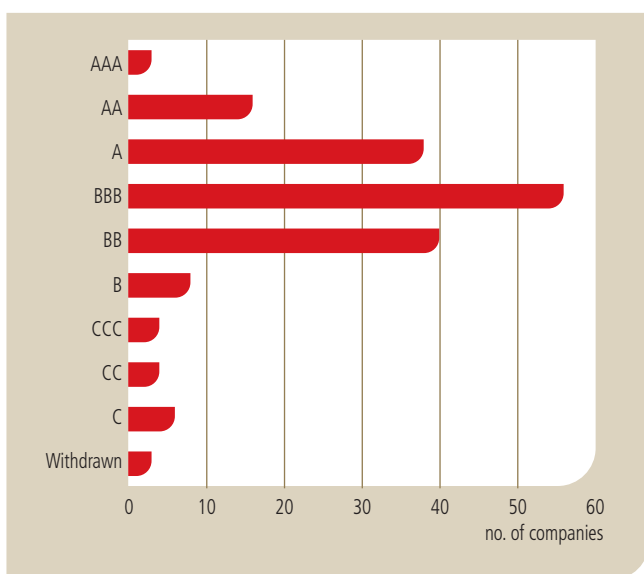
By year-end 2004, Xinhua Finance's Ratings service had provided ratings on 180 listed China companies. We focused on establishing our credibility through proven results throughout 2004, improving our domestic and global profile. Early warnings to investors included our ratings downgrade of Sichuan Changhong in May 2004 (seven months before it announced severe financial distress) and our timely downgrade of Singapore-listed China Aviation Oil, which came out before that of any other agency.

Also, we continue to be quoted in the international press, such as Financial Times, The Asian Wall Street Journal and The New York Times, and our Ratings Managing Director Ivan Chung, was elected as a committee member of the Best Practice Committee of the Association of Credit Rating Agencies in Asia.

Ivan Chung and other ACRAA members attending the Best Practice Dialogue in Manila, the Philippines on November 19, 2004.



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In June, we acquired Mergent, Inc., a leading provider of global business and financial information on publicly traded equity and debt. The transaction enables Xinhua Finance to incorporate Mergent's range of research tools, database technology and data acquisition capabilities into our ratings service line. So far, we have successfully integrated our China data with Mergent's technology platform, creating the first comprehensive China corporate database with historical information on 1,300 publicly-listed China companies. 🇨🇳

For more information, please visit
www.xinhuafinance.com/creditrating.



Ivan Chung
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 Xinhua Far East China Ratings