

# ABN AMRO XIANGCAI

FUND MANAGEMENT CO., LTD.

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11 North Western Third Circle, Beijing, China 100089

Service hotline (86)(10) 885 17979

Website [www.xchyf.com](http://www.xchyf.com)

## General Information

Date of establishment:	July 9, 2002
Headquarter:	Beijing
Registered capital:	RMB 100 million
Shareholders:	Xiangcai Securities Co., Ltd. (67%) ABN AMRO Bank (33%)
Total NAV of funds	RMB 3.046 billion
Closed-end funds (0)	-
Opened-end funds (4)	Xiangcai Hefeng Series Fund <ul style="list-style-type: none"><li>• Xiangcai Hefeng Growth Fund (162201)</li><li>• Xiangcai Hefeng Cycle Fund (162202)</li><li>• Xiangcai Hefeng Prudent Fund (162203)</li></ul> Xiangcai ABN AMRO Sector Fund (162204)
Remark	Sino-foreign joint-venture fund management company

- Note:**
- Shareholder structure as of end-March 2005
  - NAV as of end-2004

# OE 1. XIANGCAI HEFENG GROWTH FUND (162201)

## Basic

Fund Type:	Open-ended, contract
Initial offering period	March 21–April 23, 2003
Inception date	April 25, 2003
Initial offering size	1.022 billion
Size (Beginning of 2004)	411 million
Size (End of 2004)	424 million
Custodian Bank	Bank of Communications
Performance benchmark	Xinhua/FTSE China A 600 Growth Sector Index × 65% + Shanghai Stock Exchange T-bonds Index × 35%

## Asset allocation (% of total assets End-2004)

Stocks	68.23%
Bonds	25.32%
Bank Deposit and cash Reserve	6.05%
Others	0.40%

## Fund Manager

**Mr. Liu Qingshan (34 yrs)**

Master of Management, 6 years' working experience in fund management industry

Related working experiences:

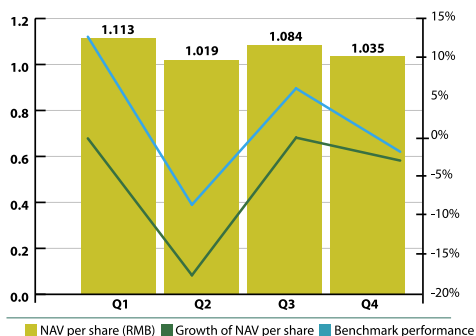
- Xiangcai Securities Co. (in preparation for the establishment of Xiangcai Hefeng Asset Management Co. (the former name of ABN AMRO Xiangcai Asset Management Co.))
- China Asset Management Co. (project manager; senior manager)
- Huaxia Securities (in preparation for the establishment of China Asset Management Co., fund management department)

**Change of Fund Manager** (After Sept 30, 2004)

## Fees and charges

Initial subscription fee	Maximum 1.0%
Purchase fee	maximum 1.5%
Redemption fee	Maximum 0.5%
Management fee	1.5%
Custodian fee	0.25%

## Growth of NAV per share in 2004



## Breakdown of Stocks Held (% of NAV End-2004)

Agriculture	-
Mining	2.47%
Manufacturing	45.54%
Electricity, Gas and Water	-
Construction	-
Transportation & Storage	-
IT	15.88%
Wholesale & Retail	3.53%
Banking & Insurance	-
Real Estate	1.07%
Social Services	0.29%
Media & Culture	3.27%
Conglomerate	-
Total	69.06%

## Breakdown of Bonds Held (% of NAV End-2004)

T-Bonds	14.84%
Central Bank Bills	-
Financial Bonds	6.84%
Corporate Bonds	-
Convertible Bonds	3.94%
Total	25.62%

## Key data as of December 31, 2004

NAV	RMB 438 million	
Growth rate of NAV per share	17.09% (Y2004)	
NAV per share	RMB 1.035	
Net profits per share	RMB 0.1464 (Y2004)	
Weighted average Return on NAV	13.63% (Y2004)	
	000063 ZTE	5.21%
	600529 Shandong Pharmaceutical Glass	4.74%
	600289 Bright Oceans Inter-telecom	4.35%
	600521 Huahai Pharmaceutical	4.33%
	600352 Longsheng Group	4.25%
	600085 Tong Ren Tang	4.00%
	600183 Shenyi Sci.&Tech	3.99%
	600267 Hisun Pharmaceutical	3.98%
	600050 China Unicomb	3.84%
	600037 Gehua CATV Network	3.27%
<b>Fund-holder structure</b>	Institutional investors (81.1%), individual investors (18.9%),	

**Note:** Percentages shown refer to percentage of fund's NAV

## OE 2. XIANGCAI HEFENG CYCLE FUND (162201)

### Basic

Fund Type;	Open-ended, contract
Initial offering period	March 21–April 23, 2003
Inception date	April 25, 2003
Initial offering size	627 million
Size (Beginning of 2004)	452 million
Size (End of 2004)	264 million
Custodian Bank	Bank of Communications
Performance benchmark	Xinhua/FTSE China A 600 Growth Sector Index × 65% + Shanghai Stock Exchange T-bonds Index × 35%

### Asset allocation (% of total assets End-2004)

Stocks	64.75%
Bonds	25.57%
Bank Deposit and cash Reserve	9.12%
Others	0.56%

### Fund Manager

#### Mr. Shi Bo (32 yrs)

Master of Finance, CFA, 6 years' working experience in fund management industry

Related working experiences:

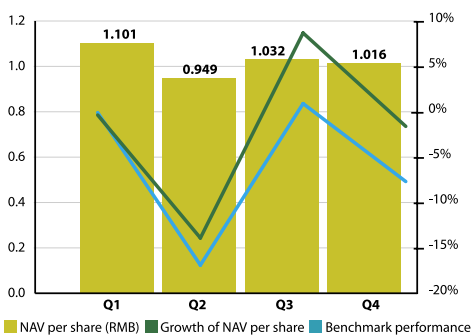
- ABN AMRO Xiangcai Asset Management Co. (head of research)
- Dryden Wealth Management (London) (associate analyst)
- Boshi Fund Management Co.

Change of Fund Manager (After Sept 30, 2004)

### Fees and charges

Initial subscription fee	Maximum 1.0%
Purchase fee	maximum 1.5%
Redemption fee	Maximum 0.5%
Management fee	1.5%
Custodian fee	0.25%

### Growth of NAV per share in 2004



### Breakdown of Stocks Held (% of NAV End-2004)

Agriculture	-
Mining	13.43%
Manufacturing	43.45%
Electricity, Gas and Water	-
Construction	-
Transportation & Storage	2.13%
IT	4.94%
Wholesale & Retail	-
Banking & Insurance	-
Real Estate	-
Social Services	1.34%
Media & Culture	-
Conglomerate	-
<b>Total</b>	<b>65.30%</b>

### Breakdown of Bonds Held (% of NAV End-2004)

T-Bonds	23.00%
Central Bank Bills	-
Financial Bonds	-
Corporate Bonds	-
Convertible Bonds	2.79%
<b>Total</b>	<b>25.79%</b>

### Key data as of December 31, 2004

NAV	RMB 269 million	
Growth rate of NAV per share	3.12% (Y2004)	
NAV per share	RMB 1.016	
Net profits per share	RMB 0.1773(Y2004)	
Weighted average Return on NAV	17.0% (Y2004)	
	600583 Offshore Oil Engineering	4.94%
	600971 Hengyuan Coal and Power	4.29%
	000983 Xishan Coal and Power	4.21%
	600096 Yunnan Yuntianhua	3.90%
	000488 Chenming paper	3.79%
	600309 Wanhua Polyurethane	3.62%
	000063 ZTE	3.38%
	600166 Beiqi Foton Motor	3.18%
	600019 Baoshan Iron & Steel	3.13%
	000039 CIMC Group	2.84%
<b>Fund-holder structure</b>	Institutional investors (79.2%), individual investors (20.8%),	

Note: Percentages shown refer to percentage of fund's NAV

## OE 3. XIANGCAI HEFENG PRUDENT FUND (162203)

### Basic

Fund Type;	Open-ended, contract
Initial offering period	March 21–April 23, 2003
Inception date	April 25, 2003
Initial offering size	981 million
Size (Beginning of 2004)	505 million
Size (End of 2004)	407 million
Custodian Bank	Bank of Communications
Performance benchmark	Xinhua/FTSE China A 600 Stable Sector Index × 65% + Shanghai Stock Exchange T-bonds Index × 35%

### Asset allocation (% of total assets End-2004)

Stocks	70.20%
Bonds	24.79%
Bank Deposit and cash Reserve	3.73%
Others	1.58%

### Fund Manager

#### Mr. Kang Saibo (30 yrs)

Master of Economics, 7 years' working experience in securities industry

Related working experiences:

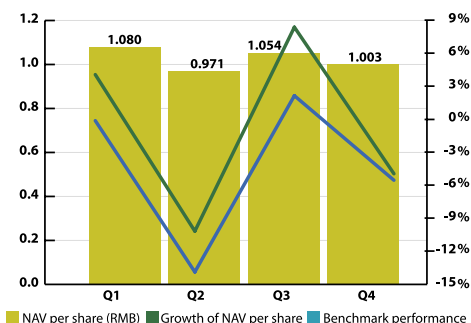
- Xiangcai Hefeng Asset Management Co. (the former name of ABN AMRO Xiangcai Asset Management Co.)
- Xiangcai Securities Co.

**Change of Fund Manager** (After Sept 30, 2004)

### Fees and charges

Initial subscription fee	Maximum 1.0%
Purchase fee	Maximum 1.5%
Redemption fee	Maximum 0.5%
Management fee	1.5%
Custodian fee	0.25%

### Growth of NAV per share in 2004



### Breakdown of Stocks Held (% of NAV End-2004)

Agriculture	2.78%
Mining	1.35%
Manufacturing	11.38%
Electricity, Gas and Water	15.04%
Construction	-
Transportation & Storage	18.51%
IT	1.72%
Wholesale & Retail	2.56%
Banking & Insurance	12.11%
Real Estate	-
Social Services	5.02%
Media & Culture	-
Conglomerate	-
<b>Total</b>	<b>70.47%</b>

### Breakdown of Bonds Held (% of NAV End-2004)

T-Bonds	13.51%
Central Bank Bills	-
Financial Bonds	7.38%
Corporate Bonds	-
Convertible Bonds	3.70%
<b>Total</b>	<b>24.59%</b>

### Key data as of December 31, 2004

NAV	RMB 408 million	
Growth rate of NAV per share	1.82% (Y2004)	
NAV per share	RMB 1.003	
Net profits per share	RMB 0.0967 (Y2004)	
Weighted average Return on NAV	9.35% (Y2004)	
	600900 Yangtze Power	7.33%
	600009 Shanghai International Airport	6.27%
	600036 China Merchants Bank	5.53%
	600016 China Minsheng Bank	4.00%
	000895 Henan Shuanghui	2.99%
	600270 Sinotrans Air Transportation	2.63%
	600000 Pudong Development Bank	2.57%
	600795 GD Power	2.48%
	600008 Beijing Capital	2.40%
	600125 Railway Capital	2.40%
<b>Fund-holder structure</b>	Institutional investors (92.7%), individual investors (7.3%),	

**Note:** Percentages shown refer to percentage of fund's NAV

## OE 4. XIANGCAI ABN AMRO SECTOR FUND (162204)

### Basic

Fund Type	Opened-end, contract
Initial offering period	June 3-July 5, 2004
Inception date	July 9, 2004
Initial offering size	2.016 billion
Size (Beginning of 2004)	-
Size (End of 2004)	1.953 billion
Custodian Bank	Bank of China
Performance benchmark	Xinhua/FTSE China A 600 Index × 70% + Xinhua/FTSE China Government Bond Index × 30%

### Asset allocation (% of total assets End-2004)

Stocks	71.46%
Bonds	26.04%
Bank Deposit and cash Reserve	1.18%
Others	1.32%

### Fund Manager

#### Mr. Liu Qingshan (34 yrs)

Master of Management, 6 years' working experience in fund management industry

Related working experiences:

- Xiangcai Securities Co. (in preparation for the establishment of Xiangcai Hefeng Asset Management Co. (the former name of ABN AMRO Xiangcai Asset Management Co.))
- China Asset Management Co. (project manager; senior manager)
- Huaxia Securities (in preparation for the establishment of China Asset Management Co., fund management department)

Change of Fund Manager (After Sept 30, 2004)

### Fees and charges

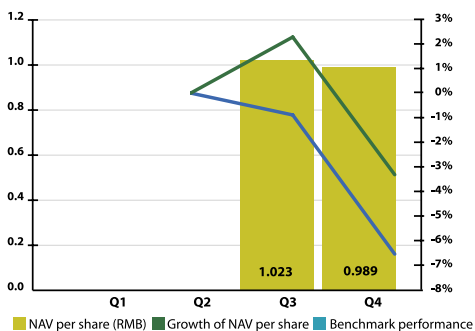
Initial subscription fee	Maximum 1.0%
Purchase fee	Maximum 1.5%
Redemption fee	Maximum 0.5%
Management fee	1.5%
Custodian fee	0.25%

### Key data as of December 31, 2004

NAV	RMB 1.931 billion	
Growth rate of NAV per share	-1.12% (Y2004)	
NAV per share	RMB 0.989	
Net profits per share	RMB -0.0044 (Y2004)	
Weighted average Return on NAV	-0.44% (Y2004)	
	600694 dashang Group	4.10%
	600352 Longsheng Group	3.67%
	600900 Yangtze Power	3.64%
	600036 China Merchants Bank	3.22%
	000063 ZTE	3.13%
	600971Heyuan Coal and Power	2.76%
	600009 Shanghai International Airport	2.68%
	600426 Hualu Hengsheng Chemical	2.52%
	600529 Shangdong Pharmaceutical Glass	2.32%
	000002 china Vanke	2.29%
Fund-holder structure	Institutional investors (65.4%), individual investors (34.6%),	

Note: Percentages shown refer to percentage of fund's NAV

### Growth of NAV per share in 2004



### Breakdown of Stocks Held (% of NAV End-2004)

Agriculture	2.25%
Mining	4.38%
Manufacturing	35.57%
Electricity, Gas and Water	4.76%
Construction	-
Transportation & Storage	8.72%
IT	4.07%
Wholesale & Retail	4.69%
Banking & Insurance	3.22%
Real Estate	2.62%
Social Services	1.29%
Media & Culture	0.07%
Conglomerate	-
Total	71.63%

### Breakdown of Bonds Held (% of NAV End-2004)

T-Bonds	8.88%
Central Bank Bills	-
Financial Bonds	11.39%
Corporate Bonds	-
Convertible Bonds	5.84%
Total	26.11%