

PRESS RELEASE

THE EURO – CHINA FUND

New fund targets huge Europe – China potential

Beijing (September 6, 2005): First Eastern Investment Group announces the launch of a new direct investment fund focusing exclusively on the growing economic relationship between Europe and China. The General Partner of the new Euro-China Fund, L.P. (“the Fund”) will be FE Euro China Partners Limited, a member of First Eastern, the leading domestic private equity firm in China. First Eastern is a pioneer in private equity investments in China. Over the last 15 years, First Eastern has been instrumental in generating over US\$4 billion in direct investments through its portfolio of over 80 projects in China.

The European Union (EU) is China’s largest trading partner. Through this new Fund, First Eastern brings together some of Europe’s largest and most successful companies to contribute capital and expertise into the fast growing China market and to provide opportunities for emerging Chinese companies to expand into the European market.

In addition to First Eastern, the new Fund’s founding limited partners are Siemens, BASF, Zurich Insurance Company and Mannheim LLC.

The Fund will target investment opportunities involving the growing trade and investment flows between Europe and China as well as opportunities to maximise synergy benefits between European and Chinese enterprises through market access, technology transfer and/or strategic alliances. With high-level networks in both regions and strong financial backing through its partnership networks, the Fund will provide the enterprises with greater leverage in this highly competitive two-way market.

The fund is scheduled to close at the end of this year, targeting a minimum capital commitment of Euro 100 million.

Victor Chu, Chairman of First Eastern commented:

“First Eastern is launching the Euro-China Fund in response to client demand to capture the opportunities from the rapidly growing economic relations between Europe and China.

“First Eastern has an unparalleled track record, expertise and regional resources in China, and are well positioned to maximize the opportunities where the complementary strengths of European and Chinese enterprises can be used for mutual benefit. First Eastern is honoured to be working alongside four prestigious partners, and I am confident that the new Fund can make a significant contribution towards furthering China – EU investment and economic relations.”

Dr. Richard Hausmann, President and CEO of Siemens Ltd., China said:

“Siemens looks for innovations in many different ways – through our own research and development, acquisitions and venture capital investments. First Eastern is focussed to invest in opportunities where the complementary strengths of European and Chinese enterprises can be synergized to create substantial value through market access, technology transfer and/or strategic alliances. This approach fits together very well with the investment strategy of Siemens Venture Capital. We are glad that we are starting the partnership with First Eastern, our joint efforts will help to push innovation and success within the start-up companies and Siemens.”

Dr. Wolfgang Hapke, President BASF East Asia said:

“BASF has been conducting business in China for 120 years and today we are one of the largest foreign investors in the chemical industry. We want to continue to grow in and with China. We believe that the Euro-China Fund is an innovative way to promote a flow of investments between Europe as one of world’s largest economies and China a rapidly developing economy.”

Peter Mandelson, EU Trade Commissioner, speaking at the Beijing 2005 EU-China Summit, commented on the First Eastern Group's Euro-China Fund:

"The summit highlights the rapidly growing relationship between Europe and China. This fund is a good example of how China and Europe is working together. As the two regions invest in each other, we are able to bring closer together Europe’s technology and advanced manufacturing skills with China’s huge domestic market, its regional brands and wide distribution networks. However, companies, Chinese and European, need experts with them to make this happen, and the role that private equity can play here is clear."

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Note to Editors:

First Eastern Investment Group

First Eastern is a leading Hong Kong-based investment group pioneering in the field of direct investments in China. Founded by Victor Chu in 1988, First Eastern has offices in Hong Kong, Beijing and Shanghai.

First Eastern and its associates have invested into some 80 projects in China covering infrastructure projects, real-estate development, light industry and financial services.

Victor Chu

Victor Chu is the Chairman of First Eastern Investment Group. He is also Chairman of FE Securities Limited and CMEC GE Capital China Industrial Holdings Limited, and a founding director of China Merchants China Direct Investments Limited.

Victor Chu has served as Director and Council Member of the Hong Kong Stock Exchange, Member of the Hong Kong Takeovers and Mergers Panel, Advisory Committee Member of the Securities and Futures Commission, and part-time member of Hong Kong Government’s Central Policy Unit. Mr. Chu is currently a Foundation Board Member of the World Economic Forum in Geneva and Chairman of the Paris-based ICC Commission on Financial Services and Insurance.

Siemens Venture Capital

Siemens Venture Capital (SVC) is the \$600 million corporate venture organization for Siemens AG, (NYSE:SI) one of the largest global electronics and engineering companies with reported worldwide sales of \$91.5 billion in fiscal 2004. The goal of SVC is to identify and fund investments in emerging and innovative technologies that will enhance the core business scope of Siemens, particularly in Information and Communications, Automation and Control, Medical Solutions, Automotive Technology and Transportation Systems, Power, and Lighting.

SVC is part of a greater network at Siemens whose mission is to drive technological innovation by supporting start-up companies. In addition to Siemens Venture Capital, also Siemens Acceleration in Communications, Siemens Technology Accelerator, and Siemens Technology-To-Business Center contribute to the innovation strategy of Siemens. Their individual mandates are defined according to financing stages and industry focus. More: www.siemensventurecapital.com

BASF

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products, agricultural products and fine chemicals to crude oil and natural gas. As a reliable partner to virtually all industries, BASF's intelligent solutions and high-value products help its customers to be more successful. BASF develops new technologies and uses them to open up additional market opportunities. It combines economic success with environmental protection and social responsibility, thus contributing to a better future. In 2004, BASF had approximately 82,000 employees and posted sales of more than €37 billion. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA), New York (BF), Paris (BA) and Zurich (AN). Further information on BASF is available on the Internet at www.basf.com