



**GROUND RULES FOR THE
MANAGEMENT OF THE

FTSE ASIA TOP INDEX
FTSE ASIA TOP CAPPED INDEX**

TABLE OF CONTENTS

SECTIONS

- 1.0 Introduction
- 2.0 Status of Indices
- 3.0 Management Responsibilities
- 4.0 Eligible Securities
- 5.0 Index Qualification Criteria
- 6.0 Periodic Review of Constituents
- 7.0 Changes to Constituent Companies
- 8.0 Changes to Constituent Weightings
- 9.0 Industry Classification Benchmark (ICB) System
- 10.0 Indices Prices and Calculation Frequency

APPENDICES

- A. Indices Opening and Closing Times
- B. Exchange Rates
- C. Further Information

SECTION 1

1.0 INTRODUCTION

- 1.1 This paper sets out the Ground Rules for the management of the FTSE Asia Top and FTSE Asia Top Capped Indices. Copies of the Ground Rules are available from FTSE (see Appendix C).
- 1.2 The FTSE Asia Top and FTSE Asia Top Capped Indices are designed to represent the performance of the largest companies in Asia Pacific, ex Japan. The Indices are suitable for derivative trading, including Exchange Traded Funds (ETFs).
- 1.3 The base currency for both Indices are US Dollars. The Indices are calculated and published in US Dollars.
- 1.4 The FTSE Asia Top and FTSE Asia Top Capped Indices are calculated in real-time and published every minute during the hours of calculation (see Appendix A).
- 1.5 Capital and Total Return Indices are available. Total Return Indices are published at the end of each working day. The Total Return Indices are based on ex dividend adjustments.
- 1.6 Unless otherwise required the FTSE Asia Top and FTSE Asia Top Capped Indices will be referred to in these rules as the FTSE Asia Top Indices. The Indices will always contain the same number of constituents.

SECTION 2

2.0 STATUS OF INDICES

2.1 The FTSE Asia Top Indices are calculated in real time and may exist in the following states:

(a) **Firm**

The Indices are being calculated using trade prices from the relevant local stock exchanges for all constituents during the hours of the Official Index Period (see Appendix A).

The Official Closing Index for FTSE Asia Top Indices are the last index value calculated at the end of the firm period.

(b) **Closed**

When the indices have ceased all calculations for the day, the message '**CLOSED**' is displayed against each index value.

(c) **Held**

During the firm period, the Indices have exceeded pre-set operating parameters and calculation has been suspended pending resolution of the problem. The message '**HELD**' is displayed against the last index value calculated.

(d) **Indicative**

If there is a system problem or a situation in the market that is judged to be affecting the quality of the constituent prices at any time when the Indices are being calculated, the Indices will be declared indicative. The message '**IND**' will be displayed against each index value.

(e) **Part**

If the Indices are being calculated during the normal Official Index Period hours, but there are less than 75% of the constituents by capitalisation available with firm prices, then the Indices will be displayed with the message '**PART**' to indicate that only a proportion of the securities prices are included. With the exception of the message '**PART**', the Indices will continue to be calculated and displayed as if it were firm.

2.2 The official opening and closing hours of the FTSE Asia Top Indices are set out in Appendix A. Variations to the official hours of the indices are published by FTSE as appropriate.

2.3 The FTSE Asia Top Indices are calculated on public holidays whenever at least one market is trading. The Indices will not be calculated on 1st January.

SECTION 3

3.0 MANAGEMENT RESPONSIBILITIES

3.1 FTSE

- 3.1.1 FTSE is responsible for undertaking the review of the FTSE Asia Top Indices and for approving changes of constituents.
- 3.1.2 FTSE is responsible for the operation of the FTSE Asia Top Indices. FTSE will maintain records of the market capitalisation of all constituents and reserve companies, and will make changes to the constituents and their weightings in accordance with the Ground Rules. FTSE will carry out the semi-annual review of the FTSE Asia Top Indices and implement the resulting constituent changes as required by the Ground Rules.
- 3.1.3 Changes to constituent weightings are made by FTSE in accordance with the Ground Rules. FTSE is responsible for publicising changes to constituent weightings.
- 3.1.4 FTSE is also responsible for monitoring the performance of the FTSE Asia Top Indices throughout the day and will determine whether the status of each index should be 'firm', 'closed', 'indicative', 'held' or 'part'.

SECTION 4

4.0 ELIGIBLE SECURITIES

4.1 Companies are eligible for inclusion in the FTSE Asia Top Indices if they are current constituents of the FTSE All-World Index Series (as defined in Rule 4.2 below), based on the selection criteria in Rule 4.3. Multiple lines are aggregated and the full market capitalisation of the company is used for the purpose of defining the eligible universe.

4.2 The FTSE Asia Top Indices cover the following markets:

China	Philippines
Hong Kong SAR	Singapore
Indonesia	South Korea
India	Taiwan
Malaysia	Thailand

Constituents of the Indices must also be constituents of the FTSE All-World Index Series for each of these markets. Exceptionally, HSBC will be included in the FTSE Asia Top Indices notwithstanding it is classified as a constituent of the UK index in the FTSE All-World Index Series. The Hong Kong price of HSBC will be used in the calculation.

4.3 The FTSE Asia Top Indices consist of the largest 30 companies by full market value (subject to Rules 7.3.3 and 7.3.4) that qualify under Section 4 as eligible for inclusion in the Indices.

4.4 The shares, free float weightings and treatment of secondary lines of stock of constituents are the same as those used in the FTSE All-World Index Series. Where two or more lines of a company are maintained separately within these indices, they will be treated as individual securities for the purpose of these rules.

4.5 Where a company's shares are issued partly, or nil, paid and the call dates are already determined and known, the market price will, for the purposes of calculating its market capitalisation, be adjusted so as to include all such calls (i.e. the fully paid price).

4.6 Convertible preference shares and loan stocks are excluded until converted.

4.7 Exchange Traded Funds (ETFs) and funds whose prices are a direct derivation of underlying holdings (e.g. Unit Trusts, Mutual Funds) are not eligible for inclusion.

4.8 Ground Rules for the FTSE All-World Index Series are available from FTSE (please see Appendix C for contact details for FTSE).

SECTION 5

5.0 INDEX QUALIFICATION CRITERIA

5.1 The entire quoted equity capital of a constituent company is included in the calculation of its market capitalisation, subject to the following free float restrictions:

5.1.1 Free float restrictions include:

- Shares directly owned by State, Regional, Municipal and Local governments (excluding shares held by independently managed pension schemes for governments).
- Shares held by Sovereign Wealth Funds where each holding is 10% or greater. If the holding subsequently decreases below 10%, the shares will remain restricted until the holding falls below 7%.
- Shares held by directors, senior executives and managers of the company, and by their family and direct relations, and by companies that they control.
- Shares held within employee share plans.
- Shares held by public companies or by non-listed subsidiaries of public companies.
- Shares held by founders, promoters, former directors, founding venture capital and private equity firms, private companies and individuals (including employees) where the holding is 10% or greater. If the holding subsequently decreases below 10%, the shares will remain restricted until the holding falls below 7%.
- All shares where the holder is subject to a lock-in clause (for the duration of that clause).
- Shares held for publicly announced strategic reasons, including shares held by several holders acting in concert.

5.1.2 For clarity, holdings not considered as restricted free float include:

- Portfolio holdings (such as pension and insurance funds)
- Nominee holdings (unless they represent restricted free float as defined by Rule 5.1.1)
- Holdings by investment companies
- ETFs

If in addition to the above restricted holdings, the company's shareholders are subject to legal restrictions, including foreign ownership restrictions, that are more restrictive, the legal restriction will be applied.

5.1.3 Free float restrictions are calculated using available published information. The initial weighting of a constituent in the index will be applied in the following bands.

a) free float less than or equal to 5%	=	ineligible
b) free float greater than 5% but less than or equal to 15%	=	next whole percentage
c) free float greater than 15% but less than or equal to 20%	=	20%
d) free float greater than 20% but less than or equal to 30%	=	30%
e) free float greater than 30% but less than or equal to 40%	=	40%
f) free float greater than 40% but less than or equal to 50%	=	50%
g) free float greater than 50% but less than or equal to 75%	=	75%
h) free float greater than 75%	=	100%

5.1.4 The FTSE Asia Top Indices are reviewed for free float in line with the FTSE All-World Index Series.

SECTION 5

- 5.1.5 A constituent's free float will also be reviewed and adjusted if necessary upon identification of information which necessitates a change in free float weighting (refer to FTSE Global Guide to Calculation Methods for further information) or following a corporate event. If the corporate event includes a corporate action which affects each index, any change in free float will be implemented at the same time as the corporate action. If there is no corporate action, the change in free float will be applied as soon as practicable after the corporate event, subject to Rule 5.1.6 below.
- 5.1.6 Following the application of an initial free float restriction, a constituent's free float will only be changed if its actual free float moves to more than 5 percentage points above the minimum or 5 percentage points below the maximum of an adjacent band. This 5 percentage points threshold does not apply if the change is greater than one band; therefore a movement of 10 percentage points for the bands between 20% and 50% and 25 percentage points for the bands between 50% and 100% will not be subject to the 5 percentage point threshold. The 15% limit in Rule 5.1.3 will also not be subject to the 5 percentage point threshold.
- 5.1.7 Foreign ownership limits, if any, will be applied after calculating the actual free float restriction, but before applying the bands detailed in Rule 5.1.3 above. If the foreign ownership limit is more restrictive than the free float restriction, the precise foreign ownership limit is applied. If the foreign ownership limit is less restrictive or equal to the free float restriction, the free float restriction is applied, subject to the bands in Rule 5.1.3.
- 5.2 Where a company's shares are issued partly, or nil, paid and the call dates are already determined and known, the market price will, for the purposes of calculating its market capitalisation, be adjusted so as to include all such calls (i.e. the fully paid price).
- 5.3 Convertible preference shares and loan stocks are excluded until converted.
- 5.4 Companies whose business is that of holding equity and other investments (e.g. Investment Trusts) which are assumed by the Industry Classification Benchmark as Subsector equity investment instruments (8985) and Non-equity investment instruments which are assumed by the Industry Classification Benchmark as Subsector non-equity investment instruments (8995) will not be eligible for inclusion. For further details on the Industry Classification Benchmark (ICB), please visit the FTSE website.
- 5.5 Securities must be sufficiently liquid to be traded. The following criteria are used to ensure that illiquid securities are excluded:
- (a) Price - FTSE must be satisfied that an accurate and reliable price exists for the purposes of determining the market value of a company. The FTSE may exclude a security from the FTSE Asia Top Indices if it considers that an 'accurate and reliable' price is not available. The FTSE Asia Top Indices use the last trade prices from the relevant stock exchanges, when available.
 - (b) Liquidity - Securities must be sufficiently liquid to be traded. Each security for the FTSE Asia Top Indices will be tested for liquidity by calculation of its median daily trading per month. The median trade is calculated by ranking each daily trade total and selecting the middle ranking day. Daily totals with zero trades are also included in the ranking; therefore a security that fails to trade for more than half of the days in a month will have a zero median trade.

SECTION 5

- (c) A non-constituent which turnover at least 0.05% of their shares in issue (after the application of any investability weightings) based on their median daily trade per month for at least ten of the twelve months prior to a full market review will be eligible for inclusion in the FTSE Asia Top Indices.
- (d) An existing constituent which does not turnover at least 0.04% of its shares in issue (after the application of any investability weightings) based on its median daily trade per month for at least eight of the twelve months prior to a full market review will be removed from the FTSE Asia Top Indices.
- (e) New issues which do not have a twelve month trading record must have a minimum three month trading record when reviewed. They must turnover at least 0.05% of their shares in issue (after the application of any investability weightings) based on their median daily trade per month in each month since their listing to be eligible for inclusion in the FTSE Asia Top Indices. This rule will not apply to new issues added under the Fast Entry Rule (see Rule 7.3).
- (f) In the event that the a company fails the liquidity test based on its underlying shares, the Depositary Receipt (DR) may be considered for inclusion in the index if it passes the liquidity test in its own right and is traded on an exchange within the same regional time-zone to where the underlying shares are listed.

Where a company has both DR and underlying shares listed, both lines will be tested separately for liquidity. The underlying share will be included as long as it passes the liquidity test in its own right. The DR will only be eligible for inclusion if the underlying share fails the liquidity test and the DR passes in its own right.

Where the DR has been included it will remain in the index until such a time it either fails the liquidity test or the underlying share passes a future liquidity test with greater liquidity than the DR.

- (g) At the sole discretion of FTSE, the above percentage figures may be adjusted by up to 0.01% at a market review so that, in the Committee's opinion, the index better reflects the liquid investable market of the region. This discretion may only be exercised across the whole of a region and may not be applied to individual securities or countries.
- (h) Companies are screened for liquidity in line with the FTSE Asia Pacific ex Japan annual review in March.

SECTION 6

6.0 PERIODIC REVIEW OF CONSTITUENTS

6.1 Review Dates

6.1.1 The semi-annual review of the FTSE Asia Top Indices constituents takes place in March and September using data from the FTSE All-World Index Series at the close of the last business day in February and August. Any constituent changes will be implemented on the next trading day following the third Friday of March and September.

6.2 Responsibilities and Reporting

6.2.1 FTSE is responsible for conducting the semi-annual review of constituents and will publish any constituents to be inserted or deleted as part of the review as soon as possible after the review is held. All eligible securities will be ranked by their current full market capitalisations (i.e. before the application of any investability weightings).

6.3 Rules for Insertion and Deletion at the Semi-Annual Review

6.3.1 The rules for inserting and deleting companies at the semi-annual review are designed to provide stability in the selection of constituents of the FTSE Asia Top Indices while ensuring that each Index continues to be representative of the market by including or excluding those companies which have risen or fallen significantly.

6.3.2 At review, all constituents of the FTSE Asia Top Indices must be existing or pending constituents to the FTSE All-World Index Series, i.e. the review will take into consideration any constituent changes to the FTSE All-World Index Series as announced by the FTSE Regional Committees at their semi-annual meetings and will therefore be conducted before the implementation date of these changes. Exceptionally, other significant companies may be included in the Indices at the discretion of the FTSE Indices Committee.

6.3.3 A company will be inserted into the FTSE Asia Top Indices at the semi-annual review if it rises to 20th position or above when the eligible companies are ranked by full market value (before the application of any investability weightings).

6.3.4 A company in the FTSE Asia Top Indices will be deleted at the semi-annual review if it falls to 41st position or below when the eligible companies are ranked by full market value (before the application of any investability weightings).

6.3.5 A constant number of constituents will be maintained for the FTSE Asia Top Indices. Where a greater number of companies qualify to be inserted in the Index than those qualifying to be deleted (see Rules 6.3.3 and 6.3.4), the lowest ranking constituents presently included in the index will be deleted to ensure that an equal number of companies are inserted and deleted at the semi-annual review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted (see Rules 6.3.3 and 6.3.4), the securities of the highest ranking companies which are presently not included in the Index will be inserted to match the number of companies being deleted at the semi-annual review.

6.4 Monitoring of eligible companies

6.4.1 The market capitalisation of companies eligible for inclusion in the FTSE Asia Top Indices are monitored by FTSE. The constituents of the FTSE All-World Index Series will be used to conduct the semi-annual reviews, but see also Rule 7.3.2.

SECTION 6

6.5 Reserve Lists

- 6.5.1 FTSE is responsible for publishing the five highest ranking non-constituents of the FTSE Asia Top Indices following each semi-annual review. This Reserve List will be used in the event that one or more constituents is deleted from each of the FTSE Asia Top Indices during the period up to the next semi-annual review. Companies on the Reserve List will be constituents of the FTSE All-World Index Series.
- 6.5.2 Where a company is removed from the Reserve List and leaves only two eligible companies the Reserve List will be replenished. The Reserve List will be replenished by selecting the next three highest ranking non-constituent companies from the eligible universe at the time of the last quarterly review.
- 6.5.3 Where a company is removed from the Indices after the review but before the semi-annual changes have been implemented, the highest ranking company by full market capitalisation from the new Reserve List (excluding current Index constituents) will replace the deleted company.

6.6 Capping

- 6.6.1 The FTSE Asia Top Capped Index is capped. The constituents of the Asia Top Capped Index normally are capped only at the time of the semi-annual review or at the time of a Fast Entry (see Rule 7.3). Following capping, the weight of each constituent in the Index moves freely in line with price movements. At review no constituents' weight within the FTSE Asia Top Capped Index can be greater than 10%.
- 6.6.2 At the semi-annual review, the constituents of the FTSE Asia Top Capped Index are capped using the constituents, prices, shares in issue and free float as at the close of business on the third Friday in March and September. The capping is implemented on the next trading day following the third Friday of the review month.

SECTION 7

7.0 CHANGES TO CONSTITUENT COMPANIES

7.1 Removal and Replacement

- 7.1.1 If a constituent is delisted, or ceases to have a firm quotation, or is subject to a takeover or has, in the opinion of FTSE, ceased to be a viable constituent as defined by the Ground Rules, it will be removed from the list of constituents and replaced by the highest ranking company by full market capitalisation eligible on the Reserve List (see Rule 7.5) as at the close of the index calculation two days prior to the deletion.
- 7.1.2 The removal and replacement are effected simultaneously, before the start of the index calculation on the day following the day on which the event justifying removal was announced. Announcements after the close of the index calculation are normally deemed to be made on the following business day. In the case of a takeover, constituents will be deleted from the index when confirmation is received that acceptance levels have reached a minimum of 85% and that any new shares of the bidding company (if applicable) are listed.
- 7.1.3 Constituents removed but which continue to trade thereafter will be considered for re-inclusion in the index at the next review, subject to Section 4 and that at least 6 months has passed between deletion and the implementation date of the changes arising from the review.

7.2 Mergers, Restructuring and Complex Takeovers

- 7.2.1 If the effect of a merger or takeover is that one constituent is absorbed by another constituent in the FTSE Asia Top Indices, the resulting company will remain a constituent of the Index and a vacancy will be created. This vacancy will be filled by selecting the highest ranking security by full market capitalisation from the Reserve List (see Rule 7.5) as at the close of the index calculation two days prior to the deletion.
- 7.2.2 If a constituent company is taken over by a non-constituent company, the original constituent will be removed and replaced by the highest ranking non-constituent by full market capitalisation on the Reserve List. Any eligible company resulting from the takeover will be eligible to become the replacement company if it is ranked higher than any company on the Reserve List as at the close of the index calculation two days prior to completion of the acquisition, based on the combined full market value of the company after the merger.
- 7.2.3 If a constituent company is split so as to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents in the FTSE Asia Top Indices based on their respective full market capitalisation(s) i.e., before the application of any investability weighting and if they qualify in all other respects. If an FTSE Asia Top Index constituent splits into two or more companies, one or more of these companies may remain in the FTSE Asia Top Indices. Where one or more of the new companies are eligible to remain in the FTSE Asia Top Indices, the smallest FTSE Asia Top Index constituent(s) will be deleted.

SECTION 7

7.3 **New Issues**

- 7.3.1 If, in the view of FTSE Indices Committee, a new issue is so large that the effectiveness of the Indices as the market indicator would be significantly and adversely affected by its omission, FTSE Indices Committee may decide to include the new issue as a constituent of the Indices. To qualify, the company must be a Fast Entry into the FTSE All-World Index Series and have a full market capitalisation which would ensure the company joins the FTSE Asia Top Indices in 20th position or higher, before the application of individual constituent investability weightings. In such a case, FTSE Indices Committee will normally include the company after the close of business on the first day of official trading and advance notification will be given accordingly. The security which is the lowest ranking constituent by full market capitalisation of the Indices will be selected for removal.
- 7.3.2 New issues of companies which do not qualify for early entry (but which meet the criteria for eligible securities set out in Section 4) will be eligible for inclusion at the next semi-annual review, if large enough to become a constituent of the FTSE Asia Top Indices at that time. The company may also qualify for inclusion to the FTSE Asia Top Indices Reserve List (see Rule 6.5).
- 7.3.3 For the purpose of this Rule, a company which is relisted following suspension or is reorganised or renamed or which arises from a demerger or complex reorganisation of another company which is not an existing constituent, shall not be considered to be a new issue. However, an Initial Public Offering (IPO) which arises from a demerger shall be considered as a new issue.
- 7.3.4 If FTSE Indices Committee decides to include a new issue as a constituent security other than as part of the normal semi-annual review procedure, this decision must be publicly announced at the earliest practicable time.
- 7.3.5 If a new issue is so large that its weight in the FTSE Asia Top Capped Index is greater than 10%, the Index will be recapped after the close of business on the first day of official trading and advance notification will be given accordingly.

7.4 **Suspension of Dealing**

- 7.4.1 In the event that a constituent of the FTSE Asia Top Indices is suspended on its own stock exchange, the constituent may remain in the Indices at the price at which it is suspended, for up to ten business days. During this time, FTSE may delete the constituent immediately either at its suspension price, or at zero, and replace it with the highest ranking company, by full market capitalisation, on the Reserve List eligible to be included in each of the Indices as at the close of the index calculation on the day preceding the inclusion of the replacement company. This change will be effected after the close of the index calculation and prior to the start of the index calculation on the following day.
- 7.4.2 Where a suspension of a constituent of the FTSE Asia Top Indices lasts beyond the tenth business day (and the option to remove the constituent has not been exercised), the constituent will normally be deleted from the Indices on the eleventh trading day at zero or the suspension price. Where suspension is for a reason not to the detriment of the constituent, it may be retained or removed at its suspension price.

SECTION 7

7.5 **Relisting of Suspended Constituents**

7.5.1 Where a suspended constituent which has been removed from the Indices is subsequently relisted, the following rules shall apply:

- i) companies which on relisting are smaller than any constituent of the FTSE Asia Top Indices shall not be included in the Indices;
- ii) securities which were removed from the FTSE Asia Top Indices, which on relisting are larger than the smallest constituent of the Indices shall be re-instated in the Indices at the price at which they were removed and the lowest ranking constituent by full market capitalisation of the Indices will be selected for removal.

SECTION 8

8.0 CHANGES TO CONSTITUENT WEIGHTINGS

- 8.1 For the purposes of computing the FTSE Asia Top Indices, the number of shares in issue for each constituent security is expressed to the nearest share and, to prevent a large number of insignificant weighting changes, the number of shares in issue for each constituent security is amended only when the total shares in issue held within the index system changes by more than 1% on a cumulative basis. Changes will be made quarterly after the close of business on the third Friday of March, June, September and December (subject to Rules 8.2 and 8.3).
- 8.2 If a corporate action is applied to an index constituent which involves a change in the number of shares in issue, the change in shares will be applied simultaneously with the corporate action.
- 8.3 If accumulated changes in the number of shares in issue add up to 10% or more, or when an accumulated share change represents USD 2bn of a company's total market capitalisation, they are implemented between quarters. A minimum of 4 days notice will be given to users of the index. WM/Reuters Spot Rates will be used to convert the market capitalisation into USD. The USD 2bn threshold may be adjusted annually in December by FTSE. If an adjustment is made, it will be applied for the first time at the next review in March of the following year.
- 8.4 Any exceptions to the above arrangements will be agreed with the Chairman of the Asian Pacific Committee and notified to all users in advance of being implemented.
- 8.5 All adjustments are made before the start of the index calculation on the day concerned, unless market conditions prevent this.

SECTION 9

9.0 INDUSTRY CLASSIFICATION BENCHMARK (ICB) SYSTEM

9.1 Classification of Constituents

9.1.1 The classification of a constituent may change from time to time. The reassessment of the classification to which a constituent belongs will be made by the Industry Classification Benchmark (ICB) Committee and reported to FTSE for implementation.

9.2 Changes to Industry Classification of Constituents

9.2.1 Where a constituent is the subject of a merger, restructuring, or complex takeover which results in a constituent, or part of a constituent, being absorbed by another, the industry sector classification of the resulting constituent(s) will be determined by the Industry Classification Benchmark (ICB) Committee.

9.2.2 Any adjustment resulting from a change in a company's classification will be implemented at the same time that any relevant constituent changes are implemented in the Indices.

9.2.3 Periodic changes to the industry classification of a company will be agreed by the Industry Classification Benchmark (ICB) Committee. Such changes will be implemented after the close of the Indices calculation on the third Friday each quarter.

SECTION 10

10.0 INDICES ALGORITHM AND CALCULATION METHOD

10.1 Prices

10.1.1 The FTSE Asia Top Indices uses actual trade prices for securities with local stock exchange quotations. Reuters real-time spot currency rates are used in the Indices calculation.

10.1.2 The FTSE Asia Top Indices receives share prices and currency spot rates in real time.

10.2 Calculation Frequency

10.2.1 The FTSE Asia Top Indices are published every minute during the Official Index Period, using last trade prices.

10.3 Algorithm

10.3.1 The Indices are calculated using the algorithm described below.

$$\sum_{i=1}^N \frac{(p_i \times e_i \times s_i \times f_i \times c_i)}{d}$$

Where,

- $i = 1, 2, \dots, N$
- N is the number of securities in the Index.
- p_i is the latest trade price of the component security (or the price at the close of the Index on the previous day).
- e_i is the exchange rate required to convert the security's currency into the Index's base currency.
- s_i is the number of shares in issue used by FTSE for the security, as defined in these Ground Rules.
- f_i is the Investability Weighting Factor to be applied to a security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float. This factor is published by FTSE for each security in the underlying index.
- c_i is the Capping Factor to be applied to a security to correctly weight that security in the index. This factor maps the investable market capitalisation of each stock to a notional market capitalisation for inclusion in the Index. This factor is published by FTSE for each security in the Index.
- d is the divisor, a figure that represents the total issued share Capital of the Index at the base date. The divisor can be adjusted to allow changes in the issued share Capital of individual securities to be made without distorting the Index.

APPENDIX A

INDICES OPENING AND CLOSING TIMES

Index	Open	Close
FTSE Asia Top Index	00:00	10:00
FTSE Asia Top Capped Index	00:00	10:00

Trading hours quoted in GMT times

The FTSE Asia Top Indices are calculated on public holidays whenever at least one exchange is trading. The Indices will not be calculated on 1st January.

APPENDIX B

EXCHANGE RATES

The foreign exchange rates used in the calculation of the FTSE Asia Top Indices are Reuter's real time spot rates.

The US Dollar is the base currency for all index calculations. Non US Dollar denominated constituent prices are converted into US Dollars in order to calculate the Indices.

The real time foreign exchange rates are used throughout the period of calculation (see Hours of Calculation). Therefore foreign exchange movements are taken into account in the Indices calculation for each market even though the underlying market may be closed.

The foreign exchange rates received from Reuters at 10:00 hrs (GMT time) are used to calculate the final Index levels and are termed the "closing FTSE Asia Top Indices foreign exchange rates".

CALCULATED MARKETS

Developed Markets

Hong Kong SAR
Singapore
South Korea

Advanced Emerging Markets

Malaysia
Thailand
Taiwan

Secondary Emerging Markets

China
India
Indonesia
Philippines

APPENDIX C

FURTHER INFORMATION

Further information on the FTSE Asia Top Indices are available from the FTSE website, who also welcomes comments on these Ground Rules and on the Indices.

FTSE website: www.ftse.com

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