

TSEC TAIWAN INDEX SERIES

TSEC Taiwan 50 Index Review Changes Overview – January 2009

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FTSE ASIA RESEARCH

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Review Overview

The TSEC Taiwan 50 Index is the headline index of the TSEC Taiwan Index Series representing the top 50 companies by market capitalisation on the Taiwan Stock Exchange. The TSEC Taiwan Index Series is reviewed quarterly in January, April, July and October to ensure the Indices remain representative of the underlying Taiwan market.

Following the January review, the TSEC Taiwan Index Series Advisory Committee has approved the following changes to the TSEC Taiwan 50 Index. Effective on Tuesday 20 January 2009, Cheng Shin Rubber Industry Co Ltd will be included in the TSEC Taiwan 50 Index, replacing Inotera Memories Inc. The estimated total two-way index turnover will be 0.69 per cent.

The TSEC Taiwan 50 Index Reserve List contains the next 5 highest ranked companies by full market capitalisation – Taiwan Glass Industrial Corp, China Airlines, Powertech Technology Inc, U-Ming Marine Transport Corp and Catcher Technology Co Ltd.

An overview of the changes are highlighted below:

Table One: TSEC Taiwan 50 Index Constituent Weightings

Rank	Constituent Name	Subsector Name	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
1	Taiwan Semiconductor Mfg	Tech Hardware & Equip	17.65	17.61	-0.03	0.03
2	Hon Hai Precision Industry	Electronic & Electrical Equip	7.71	7.70	-0.01	0.01
3	Chunghwa Telecom	Fixed Line Telecommunications	4.69	4.68	-0.01	0.01
4	Formosa Plastics Corp	Chemicals	4.50	4.49	-0.01	0.01
5	High Tech Computer	Tech Hardware & Equip	4.13	4.12	-0.01	0.01
6	AU Optronics	Tech Hardware & Equip	3.57	3.56	-0.01	0.01
7	China Steel	Industrial Metals	3.46	3.45	-0.01	0.01
8	Nan Ya Plastics	Chemicals	3.43	3.43	-0.01	0.01
9	MediaTek	Tech Hardware & Equip	3.28	3.28	-0.01	0.01
10	Formosa Chemicals & Fibre	Chemicals	2.82	2.81	-0.01	0.01
11	Cathay Financial Holding	General Financial	2.81	2.81	-0.01	0.01
12	Asustek Computer Inc	Tech Hardware & Equip	2.34	2.34	0.00	0.00
13	Fubon Financial Holdings	General Financial	2.11	2.10	0.00	0.00
14	Formosa Petrochemical	Oil & Gas Producers	2.02	2.01	0.00	0.00
15	Chinatrust Financial Holding	General Financial	1.83	1.83	0.00	0.00
16	Acer	Tech Hardware & Equip	1.73	1.72	0.00	0.00
17	Delta Electronics	Electronic & Electrical Equip	1.70	1.70	0.00	0.00
18	Uni-president Enterprises	Food Producers	1.69	1.69	0.00	0.00
19	Siliconware Precision Industries	Tech Hardware & Equip	1.51	1.51	0.00	0.00
20	Mega Financial Holding	General Financial	1.44	1.44	0.00	0.00
21	Yuanta Financial Holding	General Financial	1.36	1.36	0.00	0.00
22	InnoLux Display	Tech Hardware & Equip	1.35	1.34	0.00	0.00
23	United Microelectronics	Tech Hardware & Equip	1.32	1.32	0.00	0.00
24	Taiwan Mobile	Mobile Telecommunications	1.31	1.31	0.00	0.00
25	Far Eastern Textile	Personal Goods	1.30	1.30	0.00	0.00
26	Hua Nan Financial Holdings	General Financial	1.30	1.30	0.00	0.00
27	First Financial Holding	General Financial	1.22	1.22	0.00	0.00
28	China Dev Financial Holdings	General Financial	1.21	1.20	0.00	0.00
29	Foxconn Technology	Tech Hardware & Equip	1.07	1.07	0.00	0.00
30	Compal Electronics	Tech Hardware & Equip	1.05	1.05	0.00	0.00

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Table One: TSEC Taiwan 50 Index Constituent Weightings continued

Cheng Shin Rubber Industry Co Ltd will account for 0.35 per cent of the turnover for the TSEC Taiwan 50 Index

Inotera Memories Inc before the Index rebalance accounted for 0.15 per cent of the TSEC Taiwan 50 Index

Rank	Constituent Name	Subsector Name	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
31	Taiwan Cooperative Bank	Banks	1.04	1.03	0.00	0.00
32	Chi Mei Optoelectronics	Tech Hardware & Equip	0.94	0.94	0.00	0.00
33	Quanta Computer	Tech Hardware & Equip	0.93	0.93	0.00	0.00
34	Far EasTone Telecommunications	Mobile Telecommunications	0.90	0.90	0.00	0.00
35	Advanced Semiconductor Eng	Tech Hardware & Equip	0.84	0.83	0.00	0.00
36	SinoPac Financial Holdings Co. Ltd.	General Financial	0.77	0.77	0.00	0.00
37	Lite-On Technology	Tech Hardware & Equip	0.75	0.75	0.00	0.00
38	Taiwan Cement	Construction & Materials	0.71	0.71	0.00	0.00
39	Chang Hwa Commercial Bank	Banks	0.71	0.71	0.00	0.00
40	Pou Chen	Personal Goods	0.68	0.68	0.00	0.00
41	Synnex Technology International	Tech Hardware & Equip	0.67	0.67	0.00	0.00
42	Asia Cement	Construction & Materials	0.66	0.66	0.00	0.00
43	Taiwan Fertilizer	Chemicals	0.66	0.66	0.00	0.00
44	Wistron Corp	Tech Hardware & Equip	0.64	0.64	0.00	0.00
45	Shin Kong Financial Holding	General Financial	0.59	0.59	0.00	0.00
46	President Chain Store	Food & Drug Retailers	0.45	0.45	0.00	0.00
47	Evergreen Marine	Industrial Transportation	0.38	0.38	0.00	0.00
48	Nanya Technology	Tech Hardware & Equip	0.35	0.35	0.00	0.00
49	Cheng Shin Rubber Industry	Automobiles & Parts	0.00	0.35	0.35	0.35
50	Nan Ya Printed Circuit Board	Electronic & Electrical Equip	0.27	0.27	0.00	0.00
-	Inotera Memories	Tech Hardware & Equip	0.15	0.00	-0.15	0.15
	Total	-	100.00	100.00	-	0.69

Source: FTSE Group, data as at 9th January 2009

Table Two: Sector Breakdown

Automobiles & Parts will see the largest change in Index weighting, up 0.35 per cent due to the addition of Cheng Shin Rubber Industry

Technology Hardware & Equipment will see the largest fall in Index weighting, down -0.24 partially due to the removal of Inotera Memories

Industry/Sector Name	Number of Constituents after inclusion	Change in Constituents	Weight in Index before inclusion (%)	Weight in Index after inclusion (%)	Change in Weight (%)	Turnover (2-Way) (%)
Oil & Gas	1	0	2.02	2.01	0.00	0.00
Oil & Gas Producers	1	0	2.02	2.01	0.00	0.00
Basic Materials	5	0	14.87	14.84	-0.03	0.03
Chemicals	4	0	11.41	11.39	-0.02	0.02
Industrial Metals	1	0	3.46	3.45	-0.01	0.01
Industrials	6	0	11.44	11.42	-0.02	0.02
Construction & Materials	2	0	1.38	1.37	0.00	0.00
Electronic & Electrical Equipment	3	0	9.69	9.67	-0.02	0.02
Industrial Transportation	1	0	0.38	0.38	0.00	0.00
Consumer Goods	4	1	3.67	4.01	0.34	0.35
Automobiles & Parts	1	1	0.00	0.35	0.35	0.35
Food Producers	1	0	1.69	1.69	0.00	0.00
Personal Goods	2	0	1.98	1.98	0.00	0.00
Consumer Services	1	0	0.45	0.45	0.00	0.00
Food & Drug Retailers	1	0	0.45	0.45	0.00	0.00
Telecommunications	3	0	6.90	6.89	-0.01	0.01
Fixed Line Telecommunications	1	0	4.69	4.68	-0.01	0.01
Mobile Telecommunications	2	0	2.21	2.20	0.00	0.00
Financials	12	0	16.37	16.34	-0.03	0.03
Banks	2	0	1.74	1.74	0.00	0.00
General Financial	10	0	14.63	14.60	-0.03	0.03
Technology	18	-1	44.27	44.03	-0.24	0.24
Technology Hardware & Equipment	18	-1	44.27	44.03	-0.24	0.24
Total	50	2	100.00	100.00	-	0.69

Source: FTSE Group, data as at 9th January 2009

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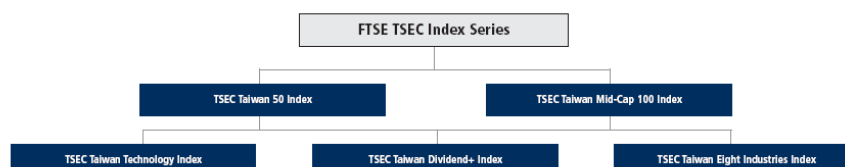
Table Three: TSEC Taiwan 50 Index Estimates Data

Index	Estimated Volatility (%)	Estimated Correlation	Estimated Tracking Error (%)	Estimated Beta
TSEC Taiwan 50 Index	23.90	0.9890	3.67	0.96
FTSE Taiwan All Cap Index	24.64	1.0000	-	1.00

Source: FTSE Group / Estimates data provided by emapplications.com, data as at 9th January 2009

After the TSEC Taiwan 50 Index review changes have been applied, the estimated tracking error and estimated correlation to the FTSE Taiwan All Cap Index will be 3.67 per cent and 0.9890 respectively

TSEC Taiwan Index Series Family Tree



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