

FTSE CHINA A INDEX SERIES

FTSE China A50 Index Review Changes Overview - December 2011

FTSE Research December 2011

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Hua Xia Bank (A) (600015) will account for 1.30 per cent of the turnover of the FTSE China A50 Index

Review Overview

The FTSE China A50 Index is the headline index of the FTSE China A Index Series representing the top 50 companies by market capitalisation on the Shanghai and Shenzhen stock exchanges. The FTSE China A Index Series is reviewed quarterly in March, June, September and December to ensure the Indices remain representative of the underlying China market.

Following the December review, the Advisory Committee has approved the following changes to the FTSE China A Index Series. Effective on Monday 19th December 2011, Hua Xia Bank (A) (600015) will be included in the FTSE China A50 Index, replacing Shandong Gold-Mining (A) (600547). The total two-way index turnover is estimated to be 5.30 per cent.

The FTSE China A50 Index Reserve List contains the next 5 highest ranked companies by full market capitalisation – China Oilfield Services (A) (601808), Bank of Beijing (A) (601169), Huaneng Power International (A) (600011), CSR Corporation (A) (601766) and Shanxi Lu'an Environmental Energy Development (A) (601699).

Key changes are highlighted below:

Table One: FTSE China A50 Index Constituent Weightings

Rank	Local Code	Constituent Name	ICB Subsector	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
1	601318	Ping An Insurance (A)	Life Insurance	7.99	7.87	-0.13	0.13
2	600036	China Merchants Bank (A)	Banks	6.94	6.83	-0.11	0.11
3	600000	Shanghai Pudong Development Bank (A)	Banks	5.35	5.27	-0.08	0.08
4	601328	Bank of Communications (A)	Banks	4.98	4.90	-0.08	0.08
5	600016	China Minsheng Banking (A)	Banks	4.51	4.44	-0.07	0.07
6	601166	Industrial Bank (A)	Banks	4.46	4.39	-0.07	0.07
7	600519	Kweichow Moutai (A)	Distillers & Vintners	3.65	3.59	-0.06	0.06
8	600030	Citic Securities (A)	Investment Services	3.61	3.52	-0.09	0.09
9	000002	China Vanke (A)	Real Estate Holding & Development	3.21	3.16	-0.05	0.05
10	000858	Wuliangye Yibin (A)	Distillers & Vintners	2.96	2.92	-0.05	0.05
11	601398	Industrial and Commercial Bank of China (A)	Banks	2.89	2.84	-0.05	0.05
12	601288	Agricultural Bank of China (A)	Banks	2.34	2.31	-0.04	0.04
13	600837	Haitong Securities (A)	Investment Services	2.26	2.22	-0.04	0.04
14	601601	China Pacific Insurance Group (A)	Life Insurance	2.12	2.08	-0.03	0.03
15	601088	China Shenhua Energy (A)	Coal	2.04	2.00	-0.03	0.03
16	601939	China Construction Bank (A)	Banks	2.02	1.99	-0.03	0.03
17	600031	Sany Heavy Industry (A)	Commercial Vehicles & Trucks	2.02	1.98	-0.03	0.03
18	601006	Daqin Railway (A)	Railroads	1.95	1.92	-0.03	0.03
19	600050	China United Network Communications (A)	Mobile Telecommunications	1.93	1.90	-0.03	0.03
20	002024	Suning Appliance (A)	Specialty Retailers	1.88	1.85	-0.03	0.03
21	000001	Shenzhen Development Bank (A)	Banks	1.79	1.76	-0.03	0.03
22	601857	PetroChina (A)	Integrated Oil & Gas	1.72	1.69	-0.03	0.03
23	000063	ZTE (A)	Telecommunications Equipment	1.65	1.62	-0.03	0.03
24	600104	Saic Motor Corporation (A)	Automobiles	0.82	1.61	0.79	0.79
25	000157	Zoomlion Heavy Industry Sci & Tech (A)	Commercial Vehicles & Trucks	1.08	1.60	0.52	0.52
26	601668	China State Construction Engineering (A)	Heavy Construction	1.63	1.60	-0.03	0.03
27	601899	Zijin Mining Group (A)	Gold Mining	1.47	1.44	-0.02	0.02
28	600900	China Yangtze Power (A)	Alternative Electricity	1.39	1.37	-0.02	0.02
29	600028	China Petroleum & Chemical (A)	Integrated Oil & Gas	1.37	1.34	-0.02	0.02
30	600015	Hua Xia Bank (A)	Banks	-	1.30	1.30	1.30
31	601600	Aluminum Corp of China (A)	Aluminum	1.29	1.27	-0.02	0.02
32	600585	Anhui Conch Cement (A)	Building Materials & Fixtures	1.20	1.18	-0.02	0.02
33	000983	Shanxi Xishan Coal and Electricity Power (A)	Coal	1.19	1.17	-0.02	0.02
34	601989	China Shipbuilding Industry (A)	Commercial Vehicles & Trucks	1.19	1.17	-0.02	0.02
35	601628	China Life Insurance (A)	Life Insurance	1.15	1.13	-0.02	0.02
36	600019	Baoshan Iron & Steel (A)	Iron & Steel	1.13	1.11	-0.02	0.02

Source: FTSE Group, data as at 9th December 2011

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Table One: FTSE China A50 Index Constituent Weightings continued

Rank	Local Code	Constituent Name	ICB Subsector	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
37	000776	GF Securities (A)	Investment Services	1.02	1.01	-0.02	0.02
38	601988	Bank of China (A)	Banks	1.00	0.99	-0.02	0.02
39	601818	China Everbright Bank (A)	Banks	1.00	0.98	-0.02	0.02
40	600362	Jiangxi Copper (A)	Nonferrous Metals	0.89	0.87	-0.01	0.01
41	601998	China Citic Bank (A)	Banks	0.86	0.85	-0.01	0.01
42	002304	Jiangsu Yanghe Brewery Joint-Stock (A)	Distillers & Vintners	0.78	0.82	0.04	0.04
43	000792	Qinghai Salt Lake Industry (A)	Specialty Chemicals	0.82	0.81	-0.01	0.01
44	601898	China Coal Energy (A)	Coal	0.72	0.71	-0.01	0.01
45	601390	China Railway Group (A)	Heavy Construction	0.65	0.64	-0.01	0.01
46	601919	China COSCO Holdings (A)	Marine Transportation	0.58	0.57	-0.01	0.01
47	601111	Air China (A)	Airlines	0.49	0.48	-0.01	0.01
48	600188	Yanzhou Coal Mining (A)	Coal	0.42	0.42	-0.01	0.01
49	600018	Shanghai International Port (A)	Transportation Services	0.30	0.29	0.00	0.00
50	601727	Shanghai Electric Group (A)	Industrial Machinery	0.22	0.21	0.00	0.00
-	600547	Shandong Gold-Mining (A)	Gold Mining	1.10	-	-1.10	1.10
Totals				100.00	100.00	-	5.30

Source: FTSE Group, data as at 9th December 2011

Table Two: FTSE China A50 Index Sector Breakdown

ICB Industry / Sector	Number of Constituents after change	Change in Constituents	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
Oil & Gas	2	0	3.09	3.04	-0.05	0.05
Oil & Gas Producers	2	0	3.09	3.04	-0.05	0.05
Basic Materials	9	-1	11.07	9.81	-1.26	1.26
Chemicals	1	0	0.82	0.81	-0.01	0.01
Industrial Metals & Mining	3	0	3.30	3.25	-0.05	0.05
Mining	5	-1	6.94	5.75	-1.19	1.19
Industrials	10	0	10.80	11.16	0.36	0.67
Construction & Materials	3	0	3.47	3.42	-0.05	0.05
Industrial Engineering	4	0	4.50	4.97	0.46	0.57
Industrial Transportation	3	0	2.82	2.78	-0.04	0.04
Consumer Goods	4	0	8.21	8.94	0.73	0.94
Automobiles & Parts	1	0	0.82	1.61	0.79	0.79
Beverages	3	0	7.39	7.33	-0.06	0.15
Consumer Services	2	0	2.37	2.33	-0.04	0.04
General Retailers	1	0	1.88	1.85	-0.03	0.03
Travel & Leisure	1	0	0.49	0.48	-0.01	0.01
Telecommunications	1	0	1.93	1.90	-0.03	0.03
Mobile Telecommunications	1	0	1.93	1.90	-0.03	0.03
Utilities	1	0	1.39	1.37	-0.02	0.02
Electricity	1	0	1.39	1.37	-0.02	0.02
Financials	20	1	59.51	59.83	0.32	2.27
Banks	13	1	38.15	38.85	0.70	1.90
Life Insurance	3	0	11.26	11.08	-0.18	0.18
Real Estate Investment & Services	1	0	3.21	3.16	-0.05	0.05
Financial Services	3	0	6.89	6.74	-0.15	0.15
Technology	1	0	1.65	1.62	-0.03	0.03
Technology Hardware & Equipment	1	0	1.65	1.62	-0.03	0.03
Totals	50	2	100.00	100.00	-	5.30

Source: FTSE Group, data as at 9th December 2011

Table Three: FTSE China A50 Index Estimates Data

Index	Estimated Volatility (%)	Estimated Correlation	Estimated Tracking Error (%)	Estimated Beta
FTSE China A50 Index	33.30	0.8970	15.65	0.85
FTSE China A All-Share Index	35.19	1.0000	-	1.00

Source: FTSE Group / Estimates data provided by emapplications.com, data as at 9th December 2011

Shandong Gold-Mining (A) (600547) before the Index rebalance accounted for 1.10 per cent of the FTSE China A50 Index

Automobiles & Parts will see the largest rise in Index weighting, up 0.79 per cent to 1.61 per cent

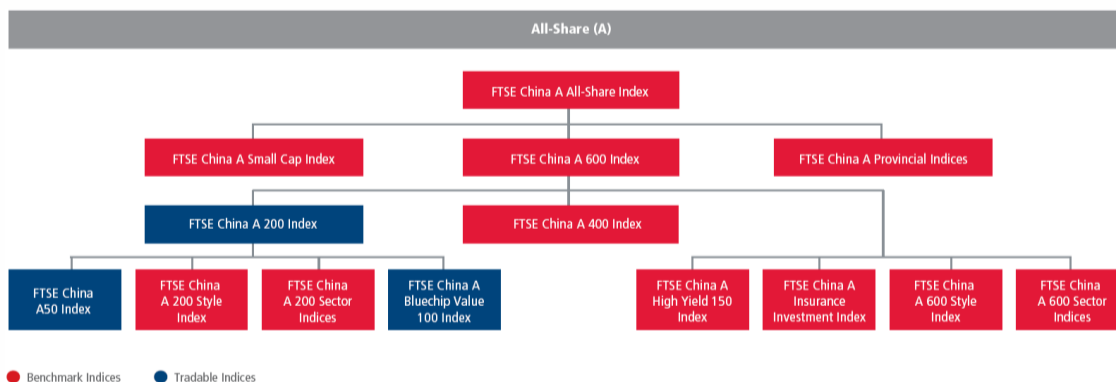
Mining will see the largest fall in Index weighting, down 1.19 per cent to 5.75 per cent

After the FTSE China A50 Index review changes have been applied, the estimated tracking error and estimated correlation to the FTSE China A All-Share Index will be 15.65 per cent and 0.8970 respectively

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Family Tree



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