

# FTSE TWSE TAIWAN INDEX SERIES

## FTSE TWSE Taiwan 50 Index Review Changes Overview - June 2011

### FTSE Asia Research June 2011

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*Largan Precision (3008) and Catcher Technology (2474) will account for 0.78 per cent and 0.76 per cent of the turnover of the FTSE TWSE Taiwan 50 Index respectively*

### Review Overview

The FTSE TWSE Taiwan 50 Index is the headline index of the FTSE TWSE Taiwan Index Series representing the top 50 companies by market capitalisation on the Taiwan Stock Exchange. The FTSE TWSE Taiwan Index Series is reviewed quarterly in March, June, September and December to ensure the Indices remain representative of the underlying Taiwan market.

Following the June review, the FTSE TWSE Taiwan Index Series Advisory Committee has approved the following changes to the FTSE TWSE Taiwan Index Series. Effective on Monday 20th June 2011, Largan Precision (3008) and Catcher Technology (2474) will be included in the FTSE TWSE Taiwan 50 Index, replacing Pou Chen (9904) and Pegatron Corp. (4938). The total two-way index turnover is estimated to be 4.18 per cent.

The FTSE TWSE Taiwan 50 Index Reserve List contains the next 5 highest ranked companies by full market capitalisation – Yulon Motor Co Ltd (2201), Taiwan Glass Ind Corp (1802), Taishin Financial Holding Co Ltd (2887), MStar Semiconductor Inc (3697) and Evergreen Marine Corp (Taiwan) Ltd (2603).

Key changes are highlighted below:

Table One: FTSE TWSE Taiwan 50 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	2330	Taiwan Semiconductor Manufacturing	Semiconductors	15.81	15.63	-0.18	0.18
2	2317	Hon Hai Precision Industry	Electrical Components & Equipment	7.79	7.79	0.00	0.00
3	2498	HTC Corporation	Telecommunications Equipment	7.72	7.63	-0.09	0.09
4	1301	Formosa Plastics Corp	Commodity Chemicals	5.44	5.38	-0.06	0.06
5	1303	Nan Ya Plastics	Commodity Chemicals	5.16	5.10	-0.06	0.06
6	1326	Formosa Chemicals & Fibre	Commodity Chemicals	3.84	3.80	-0.04	0.04
7	2412	Chunghwa Telecom	Fixed Line Telecommunications	3.00	2.97	-0.03	0.03
8	2882	Cathay Financial Holding	Life Insurance	2.83	2.80	-0.03	0.03
9	2002	China Steel	Iron & Steel	2.82	2.79	-0.03	0.03
10	2454	MediaTek	Semiconductors	2.72	2.69	-0.03	0.03
11	2881	Fubon Financial Holdings	Life Insurance	2.18	2.15	-0.02	0.02
12	2891	Chinatrust Financial Holding	Banks	2.03	2.01	-0.02	0.02
13	3481	Chimei Innolux	Computer Hardware	1.55	1.66	0.11	0.11
14	2886	Mega Financial Holding	Banks	1.68	1.66	-0.02	0.02
15	2382	Quanta Computer	Computer Hardware	1.60	1.58	-0.02	0.02
16	2409	AU Optronics	Computer Hardware	1.59	1.57	-0.02	0.02
17	2303	United Microelectronics	Semiconductors	1.58	1.56	-0.02	0.02
18	2308	Delta Electronics	Electronic Equipment	1.53	1.51	-0.02	0.02
19	6505	Formosa Petrochemical	Exploration & Production	1.48	1.47	-0.02	0.02
20	2357	Asustek Computer Inc	Computer Hardware	1.46	1.42	-0.04	0.04
21	1216	Uni-president Enterprises	Food Products	1.39	1.38	-0.02	0.02
22	2885	Yuanta Financial Holding	Investment Services	1.32	1.31	-0.02	0.02
23	1402	Far Eastern Textile	Clothing & Accessories	1.30	1.28	-0.01	0.01
24	2311	Advanced Semiconductor Engineering	Semiconductors	1.27	1.25	-0.01	0.01
25	2324	Compal Electronics	Computer Hardware	1.23	1.21	-0.01	0.01
26	3045	Taiwan Mobile	Mobile Telecommunications	1.21	1.20	-0.01	0.01
27	1101	Taiwan Cement	Building Materials & Fixtures	1.20	1.18	-0.01	0.01
28	2354	Foxconn Technology	Electronic Equipment	1.17	1.16	-0.01	0.01
29	2353	Acer	Computer Hardware	1.10	1.10	0.00	0.00
30	2883	China Development Financial Holdings	Specialty Finance	1.07	1.04	-0.03	0.03
31	2105	Cheng Shin Rubber Industry	Tires	0.66	0.98	0.32	0.32
32	2912	President Chain Store	Food Retailers & Wholesalers	0.97	0.96	-0.01	0.01
33	2892	First Financial Holding	Banks	0.97	0.96	-0.01	0.01
34	2325	Siliconware Precision Industries	Semiconductors	0.94	0.93	-0.01	0.01
35	2880	Hua Nan Financial Holdings	Banks	0.90	0.89	-0.01	0.01
36	5854	Taiwan Cooperative Bank	Banks	0.88	0.87	-0.01	0.01

Source: FTSE Group, data as at 10th June 2011

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Table One: FTSE TWSE Taiwan 50 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	2347	Synnex Technology International	Computer Hardware	0.83	0.85	0.01	0.01
38	3231	Wistron Corp	Computer Hardware	0.84	0.83	-0.01	0.01
39	3008	Largan Precision	Recreational Products	-	0.78	0.78	0.78
40	2474	Catcher Technology	Industrial Machinery	-	0.76	0.76	0.76
41	2890	SinoPac Financial Holdings Co. Ltd.	Banks	0.73	0.72	-0.01	0.01
42	1102	Asia Cement	Building Materials & Fixtures	0.72	0.71	-0.01	0.01
43	2801	Chang Hwa Commercial Bank	Banks	0.71	0.70	-0.01	0.01
44	2301	Lite-On Technology	Electrical Components & Equipment	0.67	0.67	0.00	0.00
45	2448	Epistar Corp	Semiconductors	0.62	0.61	-0.01	0.01
46	4904	Far EasTone Telecommunications	Mobile Telecommunications	0.58	0.58	-0.01	0.01
47	2888	Shin Kong Financial Holding	Life Insurance	0.58	0.57	-0.01	0.01
48	1722	Taiwan Fertilizer	Specialty Chemicals	0.54	0.53	-0.01	0.01
49	3673	TPK Holding Co Ltd	Electronic Equipment	0.50	0.49	-0.01	0.01
50	2618	EVA Airways	Airlines	0.23	0.33	0.11	0.11
-	9904	Pou Chen	Footwear	0.64	-	-0.64	0.64
-	4938	Pegatron Corp.	Computer Hardware	0.43	-	-0.43	0.43
<b>Totals</b>			-	<b>100.00</b>	<b>100.00</b>	-	<b>4.18</b>

Source: FTSE Group, data as at 10th June 2011

*Pou Chen (9904) and Pegatron Corp. (4938) before the Index rebalance accounted for 0.64 per cent and 0.43 per cent of the FTSE TWSE Taiwan 50 Index respectively*

Table Two: FTSE TWSE Taiwan 50 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	1	0	1.48	1.47	-0.02	0.02
Oil & Gas Producers	1	0	1.48	1.47	-0.02	0.02
Basic Materials	5	0	17.80	17.60	-0.20	0.20
Chemicals	4	0	14.98	14.81	-0.17	0.17
Industrial Metals & Mining	1	0	2.82	2.79	-0.03	0.03
Industrials	8	0	14.19	14.28	0.09	0.82
Construction & Materials	2	0	1.92	1.90	-0.02	0.02
Electronic & Electrical Equipment	5	-1	12.27	11.62	-0.65	0.04
Industrial Engineering	1	1	0.00	0.76	0.76	0.76
Consumer Goods	4	0	3.99	4.42	0.43	1.77
Automobiles & Parts	1	0	0.66	0.98	0.32	0.32
Food Producers	1	0	1.39	1.38	-0.02	0.02
Leisure Goods	1	1	0.00	0.78	0.78	0.78
Personal Goods	1	-1	1.94	1.28	-0.65	0.65
Consumer Services	2	0	1.20	1.30	0.10	0.12
Food & Drug Retailers	1	0	0.97	0.96	-0.01	0.01
Travel & Leisure	1	0	0.23	0.33	0.11	0.11
Telecommunications	3	0	4.79	4.74	-0.05	0.05
Fixed Line Telecommunications	1	0	3.00	2.97	-0.03	0.03
Mobile Telecommunications	2	0	1.79	1.77	-0.02	0.02
Financials	12	0	15.87	15.67	-0.20	0.20
Banks	7	0	7.90	7.81	-0.09	0.09
Life Insurance	3	0	5.59	5.52	-0.06	0.06
Financial Services	2	0	2.39	2.34	-0.05	0.05
Technology	15	0	40.67	40.53	-0.14	1.00
Technology Hardware & Equipment	15	0	40.67	40.53	-0.14	1.00
<b>Totals</b>	<b>50</b>	<b>4</b>	<b>100.00</b>	<b>100.00</b>	-	<b>4.18</b>

Source: FTSE Group, data as at 10th June 2011

*Leisure Goods will see the largest change in Index weighting, up 0.78 per cent*

*Electronic & Electrical Equipment will see the largest fall in Index weighting, down 0.65 per cent to 11.62 per cent*

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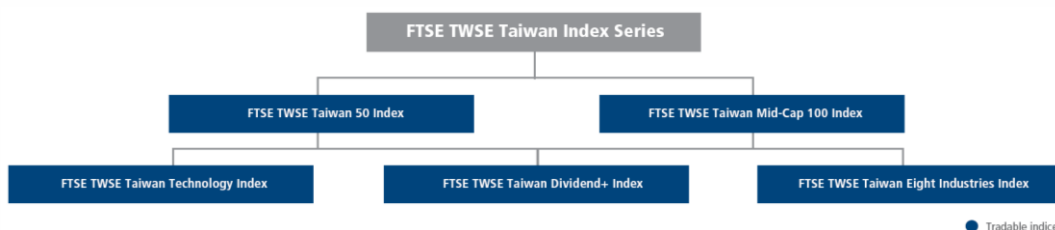
After the FTSE TWSE Taiwan 50 Index review changes have been applied, the estimated tracking error and estimated correlation to the FTSE Taiwan Index will be 1.57 per cent and 0.9984 respectively

Table Three: FTSE TWSE Taiwan 50 Index Estimates Data

Index	Estimated Volatility (%)	Estimated Correlation	Estimated Tracking Error (%)	Estimated Beta
FTSE TWSE Taiwan 50 Index	27.25	0.9984	1.57	0.99
FTSE Taiwan Index	27.51	1.0000	-	1.00

Source: FTSE Group / Estimates data provided by emapplications.com, data as at 10th June 2011

### Family Tree



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