

FTSE TWSE TAIWAN INDEX SERIES

FTSE TWSE Taiwan 50 Index Review Changes Overview - January 2011

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FTSE ASIA RESEARCH

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TPK Holding Co Ltd and EVA Airways will account for 0.37 per cent and 0.26 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 January, April, July and October to ensure the Indices remain representative of the underlying Taiwan market.

The following changes will be made to the FTSE TWSE Taiwan 50 Index after the January review. Effective on Monday 24th January 2011, TPK Holding Co Ltd and EVA Airways will be included in the FTSE TWSE Taiwan 50 Index, replacing Inotera Memories and Nan Ya Printed Circuit Board. The total two-way index turnover is estimated to be 2.92 per cent.

The FTSE TWSE Taiwan Index Series Reserve List contains the next 5 highest ranked companies by full market capitalisation – China Airlines Ltd (2610), Largan Precision Co Ltd (3008), Yulon Motor Co Ltd (2201), Evergreen Marine Corp Taiwan Ltd (2603) and Unimicron Technology Corp (3037).

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	15.56	15.88	0.32	0.32
2	2317	Hon Hai Precision Industry	Electrical Components & Equipment	9.03	8.82	-0.21	0.21
3	2498	HTC Corporation	Telecommunications Equipment	5.57	5.71	0.14	0.14
4	1303	Nan Ya Plastics	Commodity Chemicals	4.62	4.72	0.09	0.09
5	1301	Formosa Plastics Corp	Commodity Chemicals	4.65	4.69	0.05	0.05
6	2454	MediaTek	Semiconductors	3.58	3.51	-0.07	0.07
7	2882	Cathay Financial Holding	Life Insurance	3.40	3.34	-0.06	0.06
8	1326	Formosa Chemicals & Fibre	Commodity Chemicals	3.35	3.33	-0.02	0.02
9	2412	Chunghwa Telecom	Fixed Line Telecommunications	2.81	2.79	-0.02	0.02
10	2002	China Steel	Iron & Steel	2.74	2.70	-0.04	0.04
11	2881	Fubon Financial Holdings	Life Insurance	2.08	2.07	-0.02	0.02
12	2409	AU Optronics	Computer Hardware	2.06	2.03	-0.03	0.03
13	2308	Delta Electronics	Electronic Equipment	2.01	2.01	0.00	0.00
14	3481	Chimei Innolux	Computer Hardware	2.03	1.98	-0.05	0.05
15	2891	Chinatrust Financial Holding	Banks	1.89	1.88	-0.00	0.00
16	2303	United Microelectronics	Semiconductors	1.75	1.86	0.10	0.10
17	2353	Acer	Computer Hardware	1.83	1.76	-0.07	0.07
18	2885	Yuanta Financial Holding	Investment Services	1.52	1.51	-0.02	0.02
19	2886	Mega Financial Holding	Banks	1.50	1.48	-0.02	0.02
20	6505	Formosa Petrochemical	Exploration & Production	1.43	1.43	-0.00	0.00
21	1216	Uni-president Enterprises	Food Products	1.44	1.42	-0.02	0.02
22	1402	Far Eastern Textile	Clothing & Accessories	1.44	1.42	-0.02	0.02
23	2382	Quanta Computer	Computer Hardware	1.41	1.42	0.01	0.01
24	2324	Compal Electronics	Computer Hardware	1.36	1.35	-0.01	0.01
25	2357	Asustek Computer Inc	Computer Hardware	1.35	1.32	-0.03	0.03
26	2311	Advanced Semiconductor Engineering	Semiconductors	1.27	1.30	0.03	0.03
27	2883	China Development Financial Holdings	Specialty Finance	1.22	1.17	-0.05	0.05
28	2892	First Financial Holding	Banks	1.03	1.05	0.02	0.02
29	3045	Taiwan Mobile	Mobile Telecommunications	1.02	1.02	0.00	0.00
30	2354	Foxconn Technology	Electronic Equipment	1.01	1.01	-0.01	0.01
31	2325	Siliconware Precision Industries	Semiconductors	0.91	0.94	0.03	0.03
32	2880	Hua Nan Financial Holdings	Banks	0.93	0.93	0.00	0.00
33	2347	Synnex Technology International	Computer Hardware	0.95	0.93	-0.01	0.01
34	3231	Wistron Corp	Computer Hardware	0.91	0.91	-0.01	0.01
35	1101	Taiwan Cement	Building Materials & Fixtures	0.95	0.90	-0.05	0.05
36	5854	Taiwan Cooperative Bank	Banks	0.89	0.88	-0.00	0.00

Source: FTSE Group, data as at 14th January 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	2912	President Chain Store	Food Retailers & Wholesalers	0.81	0.79	-0.01	0.01
38	2890	SinoPac Financial Holdings Co. Ltd.	Banks	0.76	0.77	0.01	0.01
39	2301	Lite-On Technology	Electrical Components & Equipment	0.75	0.74	-0.00	0.00
40	2801	Chang Hwa Commercial Bank	Banks	0.72	0.72	0.00	0.00
41	2448	Epistar Corp	Electrical Components & Equipment	0.70	0.69	-0.00	0.00
42	1722	Taiwan Fertilizer	Specialty Chemicals	0.68	0.65	-0.02	0.02
43	2888	Shin Kong Financial Holding	Life Insurance	0.67	0.65	-0.02	0.02
44	9904	Pou Chen	Footwear	0.66	0.65	-0.01	0.01
45	1102	Asia Cement	Building Materials & Fixtures	0.60	0.59	-0.01	0.01
46	4904	Far EasTone Telecommunications	Mobile Telecommunications	0.55	0.55	-0.00	0.00
47	2105	Cheng Shin Rubber Industry	Tires	0.55	0.54	-0.01	0.01
48	4938	Pegatron Corp.	Computer Hardware	0.54	0.54	-0.00	0.00
49	3673	TPK Holding Co Ltd	Electronic Equipment	-	0.37	0.37	0.37
50	2618	EVA Airways	Airlines	-	0.26	0.26	0.26
-	3474	Inotera Memories	Semiconductors	0.30	-	-0.30	0.30
-	8046	Nan Ya Printed Circuit Board	Electrical Components & Equipment	0.22	-	-0.22	0.22
Total			-	100.00	100.00	-	2.92

Source: FTSE Group, data as at 14th January 2011

Table Two: FTSE TWSE Taiwan 50 Index Sector Breakdown

ICB Industry / Sector	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	1.43	1.43	0.00	0.00
Oil & Gas Producers	1	0	1.43	1.43	0.00	0.00
Basic Materials	5	0	16.04	16.09	0.05	0.22
Chemicals	4	0	13.30	13.39	0.09	0.18
Industrial Metals & Mining	1	0	2.74	2.70	-0.04	0.04
Industrials	8	0	15.27	15.14	-0.13	0.88
Construction & Materials	2	0	1.55	1.49	-0.06	0.06
Electronic & Electrical Equipment	6	0	13.71	13.64	-0.07	0.82
Consumer Goods	4	0	4.09	4.03	-0.05	0.05
Automobiles & Parts	1	0	0.55	0.54	-0.01	0.01
Food Producers	1	0	1.44	1.42	-0.02	0.02
Personal Goods	2	0	2.10	2.07	-0.03	0.03
Consumer Services	2	1	0.81	1.05	0.24	0.27
Food & Drug Retailers	1	0	0.81	0.79	-0.01	0.01
Travel & Leisure	1	1	0.00	0.26	0.26	0.26
Telecommunications	3	0	4.37	4.36	-0.02	0.02
Fixed Line Telecommunications	1	0	2.81	2.79	-0.02	0.02
Mobile Telecommunications	2	0	1.57	1.57	0.00	0.00
Financials	12	0	16.61	16.47	-0.14	0.24
Banks	7	0	7.71	7.73	0.02	0.07
Life Insurance	3	0	6.16	6.06	-0.10	0.10
Financial Services	2	0	2.74	2.68	-0.07	0.07
Technology	15	-1	41.38	41.43	0.05	1.23
Technology Hardware & Equipment	15	-1	41.38	41.43	0.05	1.23
Total	50	4	100.00	100.00	-	2.92

Source: FTSE Group, data as at 14th January 2011

Inotera Memories and Nan Ya Printed Circuit Board before the Index rebalance accounted for 0.30 per cent and 0.22 per cent of the FTSE TWSE Taiwan 50 Index respectively

Travel & Leisure will see the largest change in Index weighting, up 0.26 per cent

Life Insurance will see the largest fall in Index weighting, down 0.10 per cent to 6.06 per cent

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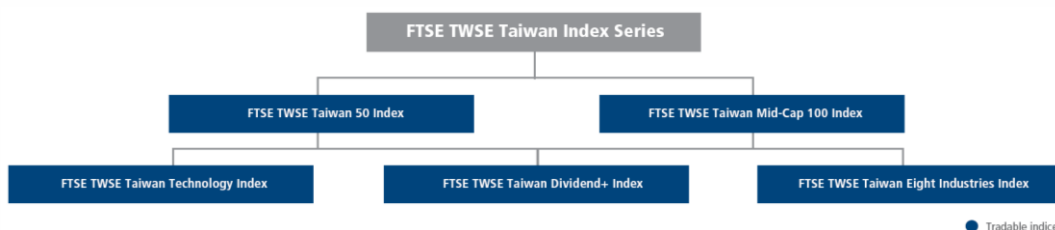
After the FTSE TWSE Taiwan 50 Index review changes have been applied, the estimated tracking error and estimated correlation to the FTSE Taiwan Index will be 1.68 per cent and 0.9982 respectively

Table Three: FTSE TWSE Taiwan 50 Index Estimates Data

Index	Estimated Volatility (%)	Estimated Correlation	Estimated Tracking Error (%)	Estimated Beta
FTSE TWSE Taiwan 50 Index	27.71	0.9982	1.68	0.99
FTSE Taiwan Index	28.04	1.0000	-	1.00

Source: FTSE Group / Estimates data provided by emapplications.com, data as at 14th January 2011

Family Tree



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