

FTSE VALUE-STOCKS INDICES

FTSE Value-Stocks China A-Share Index Review Changes Overview - September 2011

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Industrial Bank (A) (601166), Shanxi Xishan Coal and Electricity Power (A) (000983) and Yangquan Coal Industry (Group) (A) (600348) will account for 8.50 per cent, 2.60 per cent and 2.40 per cent of the turnover of the FTSE Value-Stocks China A-Share Index respectively

Review Overview

The FTSE Value-Stocks China A-Share Index offers investors an exciting opportunity to access quality value stocks in the China market through a unique, transparent, and rules-based value strategy. This value-based equity index combines FTSE's globally recognised index expertise with Value Partners' proven track record in disciplined value investing. The value-based methodology is designed by Value Partners Index Services Limited and the index is calculated and maintained by FTSE Group, capturing the performance of 50 quality value stocks amongst liquid and tradable Chinese "A" Shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange.

The following changes will be made to the FTSE Value-Stocks China A-Share Index after the September review. Effective on Monday 19th September 2011, Industrial Bank (A) (601166), Shanxi Xishan Coal and Electricity Power (A) (000983), Yangquan Coal Industry (Group) (A) (600348) and 16 other companies will be included in the FTSE Value-Stocks China A-Share Index, replacing 19 existing constituents, including China State Construction Engineering (A) (601668), Zijin Mining Group (A) (601899) and Xinjiang Guanghui Industry (A) (600256). The total two-way index turnover is estimated to be 64.76 per cent.

Key changes are highlighted below:

Table One: FTSE Value-Stocks China A-Share 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	600000	Shanghai Pudong Development Bank (A)	Banks	9.47	10.00	0.53	0.53
2	601328	Bank of Communications (A)	Banks	9.72	9.12	-0.60	0.60
3	601166	Industrial Bank (A)	Banks	-	8.50	8.50	8.50
4	601398	Industrial and Commercial Bank of China (A)	Banks	5.56	5.22	-0.34	0.34
5	600837	Haitong Securities (A)	Investment Services	4.16	3.90	-0.26	0.26
6	601169	Bank of Beijing (A)	Banks	3.87	3.63	-0.24	0.24
7	601939	China Construction Bank (A)	Banks	3.72	3.49	-0.23	0.23
8	601857	PetroChina (A)	Integrated Oil & Gas	3.36	3.15	-0.21	0.21
9	000983	Shanxi Xishan Coal and Electricity Power (A)	Coal	-	2.60	2.60	2.60
10	600348	Yangquan Coal Industry (Group) (A)	Coal	-	2.40	2.40	2.40
11	600015	Hua Xia Bank (A)	Banks	2.44	2.29	-0.15	0.15
12	600019	Baoshan Iron & Steel (A)	Iron & Steel	-	2.16	2.16	2.16
13	000776	GF Securities (A)	Investment Services	2.29	2.15	-0.14	0.14
14	601818	China Everbright Bank (A)	Banks	-	1.97	1.97	1.97
15	601628	China Life Insurance (A)	Life Insurance	1.96	1.83	-0.12	0.12
16	601988	Bank of China (A)	Banks	1.95	1.83	-0.12	0.12
17	600739	Liaoning Cheng Da (A)	Specialty Retailers	-	1.69	1.69	1.69
18	002142	Bank of Ningbo (A)	Banks	1.79	1.68	-0.11	0.11
19	601009	Bank Of Nanjing (A)	Banks	1.58	1.48	-0.10	0.10
20	601898	China Coal Energy (A)	Coal	1.47	1.38	-0.09	0.09
21	601688	Huatai Securities (A)	Investment Services	-	1.36	1.36	1.36
22	000937	Jizhong Energy Resources (A)	Coal	1.42	1.33	-0.09	0.09
23	600177	Youngor Group (A)	Clothing & Accessories	1.41	1.32	-0.09	0.09
24	600999	China Merchants Securities (A)	Investment Services	-	1.32	1.32	1.32
25	600875	Dong Fang Electric(A)	Industrial Machinery	1.32	1.24	-0.08	0.08
26	000402	Financial Street Holding (A)	Real Estate Holding & Development	1.29	1.21	-0.08	0.08
27	601919	China COSCO Holdings (A)	Marine Transportation	-	1.20	1.20	1.20
28	002422	Sichuan Kelun Pharmaceutical (A)	Pharmaceuticals	-	1.20	1.20	1.20
29	000039	China International Marine Containers (A)	Containers & Packaging	1.27	1.19	-0.08	0.08
30	000528	Guangxi Liugong Machinery(A)	Commercial Vehicles & Trucks	1.25	1.17	-0.08	0.08
31	600741	Huayu Automotive Systems (A)	Auto Parts	-	1.00	1.00	1.00
32	002202	Xinjiang Goldwind Science&Technology (A)	Renewable Energy Equipment	-	0.96	0.96	0.96
33	601788	Everbright Securities (A)	Investment Services	1.02	0.95	-0.06	0.06
34	600655	Shanghai Yuyuan Tourist Mart (A)	Apparel Retailers	1.00	0.94	-0.06	0.06
35	601666	Pingdingshan Tianan Coal Mining (A)	Coal	0.99	0.93	-0.06	0.06
36	600664	Harbin Pharmaceutical Group (A)	Pharmaceuticals	0.98	0.92	-0.06	0.06

Note: New additions after the September 2011 review are highlighted in blue, and deletions are highlighted in red
Source: FTSE Group, data as at 9th September 2011

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Table One: FTSE Value-Stocks China A-Share 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	600150	China Csc Holdings (A)	Commercial Vehicles & Trucks	0.97	0.91	-0.06	0.06
38	000839	Citic Guoan Information Indus(A)	Telecommunications Equipment	-	0.90	0.90	0.90
39	600208	Xinhu Zhongbao (A)	Real Estate Holding & Development	-	0.88	0.88	0.88
40	601001	Datong Coal Industry (A)	Coal	0.89	0.84	-0.06	0.06
41	600895	Shanghai Zhangjiang High(A)	Real Estate Holding & Development	0.88	0.83	-0.05	0.05
42	600642	Shenergy (A)	Conventional Electricity	-	0.83	0.83	0.83
43	600160	Zhejiang Juhua (A)	Specialty Chemicals	0.88	0.83	-0.05	0.05
44	000783	Changjiang Securities (A)	Investment Services	0.87	0.82	-0.05	0.05
45	600216	Zhejiang Medicine (A)	Pharmaceuticals	0.84	0.79	-0.05	0.05
46	600832	Shanghai Oriental Pearl(A)	Recreational Services	0.82	0.77	-0.05	0.05
47	600600	Tsingtao Brewing (A)	Brewers	-	0.76	0.76	0.76
48	000800	FAW Car (A)	Automobiles	-	0.76	0.76	0.76
49	000939	Wuhan Kaidi Electric Power (A)	Conventional Electricity	-	0.71	0.71	0.71
50	600997	Kailuan Energy Chemical (A)	Coal	-	0.64	0.64	0.64
-	601668	China State Construction Engineering (A)	Heavy Construction	3.53	-	-3.53	3.53
-	601899	Zijin Mining Group (A)	Gold Mining	3.50	-	-3.50	3.50
-	600256	Xinjiang Guanghui Industry (A)	Real Estate Holding & Development	2.89	-	-2.89	2.89
-	601168	Western Mining (A)	Nonferrous Metals	1.99	-	-1.99	1.99
-	601998	China Citic Bank (A)	Banks	1.87	-	-1.87	1.87
-	600690	Qingdao Haier (A)	Durable Household Products	1.76	-	-1.76	1.76
-	600497	Yunnan Chihong Zinc & Germanium (A)	Nonferrous Metals	1.63	-	-1.63	1.63
-	600143	Kingfa Sci & Tech (A)	Specialty Chemicals	1.36	-	-1.36	1.36
-	000623	Jilin Aodong Medicine Industry Groups (A)	Pharmaceuticals	1.23	-	-1.23	1.23
-	600271	Aisino Corporation (A)	Electronic Equipment	1.15	-	-1.15	1.15
-	002155	Chenzhou Mining Group (A)	Gold Mining	1.10	-	-1.10	1.10
-	600970	Sinoma International Engineering (A)	Industrial Machinery	1.02	-	-1.02	1.02
-	600219	Shandong Nanshan Industrial (A)	Aluminum	0.99	-	-0.99	0.99
-	600315	Shanghai Jahwa United (A)	Personal Products	0.93	-	-0.93	0.93
-	600085	Beijing Tongrentang (A)	Pharmaceuticals	0.85	-	-0.85	0.85
-	600395	Guizhou Panjiang Refined Coal (A)	Coal	0.81	-	-0.81	0.81
-	601808	China Oilfield Services (A)	Oil Equipment & Services	0.68	-	-0.68	0.68
-	600649	Shanghai Chengtong Holding (A)	Real Estate Holding & Development	0.67	-	-0.67	0.67
-	002008	Han's Laser Technology (A)	Electronic Equipment	0.62	-	-0.62	0.62
		Totals	-	100.00	100.00	-	64.76

Note: New additions after the September 2011 review are highlighted in blue, and deletions are highlighted in red

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

Table Two: FTSE Value-Stocks China A-Share 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	4.04	4.11	0.08	1.85
Oil & Gas Producers	1	0	3.36	3.15	-0.21	0.21
Oil Equipment, Services & Distribution	0	-1	0.68	0.00	-0.68	0.68
Alternative Energy	1	1	0.00	0.96	0.96	0.96
Basic Materials	9	-3	17.03	13.11	-3.92	19.52
Chemicals	1	-1	2.24	0.83	-1.41	1.41
Industrial Metals & Mining	1	-2	4.61	2.16	-2.45	6.77
Mining	7	0	10.18	10.12	-0.06	11.34
Industrials	5	-3	11.12	5.71	-5.41	7.82
Construction & Materials	0	-1	3.53	0.00	-3.53	3.53
General Industrials	1	0	1.27	1.19	-0.08	0.08
Electronic & Electrical Equipment	0	-2	1.77	0.00	-1.77	1.77
Industrial Engineering	3	-1	4.55	3.32	-1.23	1.23
Industrial Transportation	1	1	0.00	1.20	1.20	1.20

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

China State Construction Engineering (A) (601668), Zijin Mining Group (A) (601899) and Xinjiang Guanghui Industry (A) (600256) before the Index rebalance accounted for 3.53 per cent, 3.50 per cent and 2.89 per cent of the FTSE Value-Stocks China A-Share Index respectively

Banks will see the largest change in Index weighting, up 7.25 per cent to 49.21 per cent

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Table Two: FTSE Value-Stocks China A-Share Index Sector Breakdown continued

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) (%)
Consumer Goods	4	1	4.10	3.84	-0.26	5.29
Automobiles & Parts	2	2	0.00	1.76	1.76	1.76
Beverages	1	1	0.00	0.76	0.76	0.76
Household Goods & Home Construction	0	-1	1.76	0.00	-1.76	1.76
Personal Goods	1	-1	2.34	1.32	-1.02	1.02
Health Care	3	-1	3.89	2.91	-0.99	3.39
Pharmaceuticals & Biotechnology	3	-1	3.89	2.91	-0.99	3.39
Consumer Services	3	1	1.82	3.40	1.57	1.80
General Retailers	2	1	1.00	2.62	1.62	1.75
Travel & Leisure	1	0	0.82	0.77	-0.05	0.05
Utilities	2	2	0.00	1.54	1.54	1.54
Electricity	2	2	0.00	1.54	1.54	1.54
Financials	21	2	57.99	64.47	6.48	22.65
Banks	11	1	41.97	49.21	7.25	14.76
Life Insurance	1	0	1.96	1.83	-0.12	0.12
Real Estate Investment & Services	3	-1	5.73	2.92	-2.81	4.58
Financial Services	6	2	8.34	10.50	2.16	3.19
Technology	1	1	0.00	0.90	0.90	0.90
Technology Hardware & Equipment	1	1	0.00	0.90	0.90	0.90
Totals	50	38	100.00	100.00	-	64.76

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

Construction & Materials will see the largest fall in Index weighting, down 3.53 per cent

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