

FTSE XINHUA HONG KONG INDEX SERIES



In anticipation of the Chinese Government allowing domestic Chinese institutional investors to invest internationally in equities, FTSE Xinhua Index has created the FTSE Xinhua Hong Kong Index Series. This series is the first to be designed specifically for Chinese pension plans and insurance companies that want to capitalise on the new opportunity of investing in companies listed on the Hong Kong Stock Exchange.

FEATURES

- Provides coverage of Large/Mid stocks listed on the Hong Kong stock exchange
- The series includes total return indices
- Stocks are free-float weighted to ensure that only the investable opportunity set is included within the indices
- Stocks are liquidity screened to ensure that the indices are tradable
- The indices are calculated in accordance with the Industry Classification Benchmark (ICB), a global standard developed in partnership between FTSE Group and Dow Jones Indexes

INDEX COMPOSITION

Index	Ordinary HK	H-Shares	Red Chips	HSBC
FTSE Xinhua Hong Kong Index	✓	✓	✓	✓
FTSE Xinhua Hong Kong ex H Share Index	✓		✓	✓
FTSE Xinhua H Share Index*		✓		

*Constituents are capped at 15% of the total index

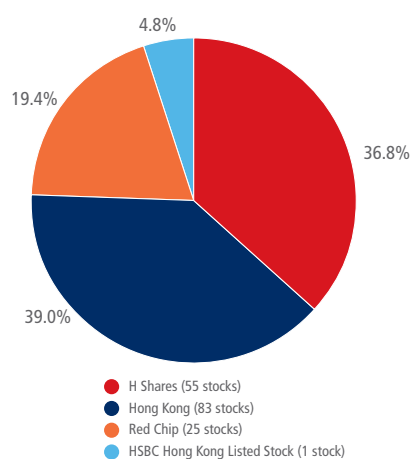
TOP 10 CONSTITUENTS: FTSE XINHUA HONG KONG INDEX

Rank	Local Code	Constituent	Full Market Cap (HKDm)	Investable Market Cap (HKDm)	Weight in index (%)
1	00941	China Mobile (Red Chip)	2,107,176	632,153	9.27
2	00005	HSBC Holdings	1,634,878	326,976	4.79
3	02628	China Life Insurance (H)	280,160	280,160	4.11
4	00013	Hutchison Whampoa	330,624	247,968	3.63
5	00857	Petrochina (H)	2,040,839	244,901	3.59
6	01398	Industrial and Commercial Bank of China (H)	421,927	210,964	3.09
7	00001	Cheung Kong (Hldgs)	265,664	199,248	2.92
8	00016	Sun Hung Kai Props	259,070	194,303	2.85
9	00939	China Construction Bank (H)	1,467,220	176,066	2.58
10	02318	Ping An of China (H)	207,506	155,630	2.28
		Total	9,015,065	2,668,368	39.11

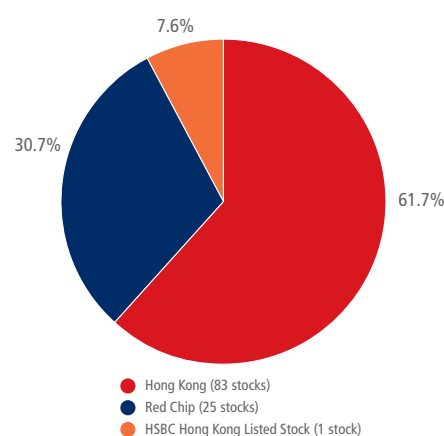
Source: FTSE Group, data as at 31 August 2007

SHARE CLASSES

FTSE Xinhua Hong Kong Index



FTSE Xinhua Hong Kong ex H Share Index



Source: FTSE Group, data as at 31 August 2007

TOP 10 CONSTITUENTS: FTSE XINHUA HONG KONG EX H SHARE INDEX

Rank	Local Code	Constituent	Full Market Cap (HKDm)	Investable Market Cap (HKDm)	Weight in index (%)
1	00941	China Mobile (Red Chip)	2,107,176	632,153	14.65
2	00005	HSBC Holdings	1,634,878	326,976	7.58
3	00013	Hutchison Whampoa	330,624	247,968	5.75
4	00001	Cheung Kong (Hldgs)	265,664	199,248	4.62
5	00016	Sun Hung Kai Props	259,070	194,303	4.50
6	00388	Hong Kong Exchanges & Clearing	153,360	153,360	3.55
7	00883	CNOOC (Red Chip)	412,910	123,873	2.87
8	00330	Esprit Holdings	139,631	104,723	2.43
9	00002	CLP Holdings	130,249	97,687	2.26
10	00011	Hang Seng Bank	233,818	93,527	2.17
Total			5,667,381	2,173,818	50.38

Source: FTSE Group, data as at 31 August 2007

TOP 10 CONSTITUENTS: FTSE XINHUA H SHARE INDEX

Rank	Local Code	Constituent	Full Market Cap (HKDm)	Investable Market Cap (HKDm)	Weight in index (%)
1	02628	China Life Insurance (H)	280,160	280,160	11.17
2	00857	Petrochina (H)	2,040,839	244,901	9.76
3	01398	Industrial and Commercial Bank of China (H)	421,927	210,964	8.41
4	00939	China Construction Bank (H)	1,467,220	176,066	7.02
5	02318	Ping An of China (H)	207,506	155,630	6.20
6	00386	China Petroleum & Chemical (H)	142,634	142,634	5.69
7	01088	China Shenhua Energy (H)	611,429	122,286	4.88
8	03988	Bank of China (H)	304,841	121,936	4.86
9	03968	China Merchants Bank (H)	77,997	77,997	3.11
10	01800	China Communications Construction (H)	249,950	74,985	2.99
Total			5,804,503	1,607,558	64.09

Source: FTSE Group, data as at 31 August 2007

ICB SECTOR BREAKDOWN: FTSE XINHUA HONG KONG INDEX SERIES

Industry code	ICB Industry	FTSE Xinhua Hong Kong Index		FTSE Xinhua Hong Kong ex H Share Index		FTSE Xinhua H Share Index	
		No. of Cons	Weight in Index (%)	No. of Cons	Weight in Index (%)	No. of Cons	Weight in Index (%)
0500	Oil & Gas	5	7.99	2	3.1	3	16.4
1000	Basic Materials	14	6.81	3	1.6	11	15.8
2000	Industrials	31	14.23	17	15.8	14	11.5
3000	Consumer Goods	17	3.95	14	5.5	3	1.3
4000	Health Care	1	0.03	0	0.0	1	0.1
5000	Consumer Services	21	4.95	16	6.4	5	2.4
6000	Telecommunications	7	12.11	6	17.5	1	2.9
7000	Utilities	9	4.94	5	6.4	4	2.4
8000	Financials	51	43.16	40	41.0	11	46.8
9000	Technology	8	1.83	6	2.6	2	0.4
Total		164	100.0	109	100.0	55	100.0

* The total amount of H shares varies between FTSE Xinhua Hong Kong Index and FTSE Xinhua H Share Index due to different review periods.

Source: FTSE Group, data as at 31 August 2007

INFORMATION
Index Universe

FTSE Developed Hong Kong Index & FTSE China Index

Base Date

01.12.2004

Base Value

5000

Investability Screens

Free float adjusted and liquidity screened

Index Calculation

Real-time and end-of-day basis

End-of-Day Distribution

Indices available at 12:00 UK Time GMT or 13:00 BST. Real-time indices available every 15 seconds, FTSE Xinhua H Share Index available every 600 seconds

Currency

Calculated and published in real-time in Hong Kong Dollars (HKD). Also available end of day in Renminbi (CNY) and US Dollars (USD)

Review Dates

Annually in March, in line with the FTSE Global Equity Index Series (GEIS). The FTSE Xinhua H Share Index is re-capped in March, June, September and December

Index Rules

Available at www.ftsexinhua.com

Vendor Codes

Available at www.ftsexinhua.com

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