

FTSE QUALITY OF MARKETS CRITERIA (ASIA PACIFIC) as at September 2008

CRITERIA	DEV	COUNTRY NAMES																							
		Australia	Hong Kong	Japan	New Zealand	Singapore	South Korea	DEV WATCH	ADV EMG	Taiwan	SEC EMG	China B	China H	India	Indonesia	Malaysia	Pakistan	Philippines	Thailand	EMG WATCH	China A	FRONT	Bangladesh	Sri Lanka	Vietnam
World Bank GNI Per Capita Rating, 2007		High	High	High	High	High	High			High		Lower Middle	Lower Middle	Lower Middle	Lower Middle	Upper Middle	Low	Lower Middle	Lower Middle		Lower Middle		Low	Lower Middle	Low
Market and Regulatory Environment																									
Formal stock market regulatory authorities actively monitor market (e.g. SEC, FSA, SFC)	X	Pass	Pass	Pass	Pass	Restricted	Pass	X	X	Pass	X	Restricted	Pass	Pass	Restricted	Pass	Pass	Pass	Pass	X	Restricted	X	Pass	Pass	Pass
Fair and non-prejudicial treatment of minority shareholders	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass		Not Met	Pass	Not Met	Not Met	Pass	Pass	Pass	Pass		Not Met		Restricted	Restricted	Restricted
Non or selective incidence of foreign ownership restrictions	X	Pass	Pass	Restricted	Restricted	Pass	Pass	X	X	Pass		Not Met	Pass	Not Met	Pass	Restricted	Pass	Pass	Pass		Not Met		Pass	Restricted	Restricted
No objection to or significant restrictions or penalties applied on the repatriation of capital and income	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Restricted	X	Not Met	X	Pass	Pass	Pass
Free and well-developed equity market	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass		Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass		Pass		Restricted	Restricted	Restricted
Free and well-developed foreign exchange market	X	Pass	Pass	Pass	Pass	Pass	Restricted	X	X	Restricted		Not Met	Pass	Not Met	Pass	Not Met	Restricted	Pass	Pass		Not Met		Not Met	Not Met	Restricted
Non or simple registration process for foreign investors	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass		Pass	Pass	Restricted	Pass	Pass	Pass	Pass	Pass		Not Met		Restricted	Restricted	Restricted
Custody and Settlement																									
Settlement - Rare incidence of failed trades	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	X	Pass	Pass	Pass
Custody - Sufficient competition to ensure high quality custodian services	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass		Pass	Pass	Pass
Clearing & settlement - T + 3 , T + 7 for Frontier	X	T+3	T+2	T+3	T+3	T+3	T+3	X	X	Restricted	X	T+3	T+3	T+2	T+3	T+2	T+3	T+3	T+3	X	T+3	X	T+1, T+3	T+3	T+3
Stock Lending is permitted	X	Pass	Pass	Pass	Pass	Pass	Pass	X		Restricted		Not Met	Restricted	Pass	Pass	Restricted	Restricted	Pass	Pass		Not Met		Not Met	Not Met	Pass
Settlement - Free delivery available	X	Pass	Pass	Pass	Pass	Pass	Pass	X		Pass		Pass	Pass	Pass	Restricted	Pass	Pass	Pass	Pass		Not Met		Not Met	Not Met	Not Met
Custody - Omnibus account facilities available to international investors	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass		Pass	Pass	Not Met	Pass	Pass	Restricted	Pass	Pass		Pass		Not Met	Not Met	Pass
Dealing Landscape																									
Brokerage - Sufficient competition to ensure high quality broker services	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass		Pass	Pass	Pass
Liquidity - Sufficient broad market liquidity to support sizeable global investment	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass		Not Met	Not Met	Restricted
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	X	Pass	Pass	Pass	Restricted	Pass	Pass	Pass	Pass	X	Pass		Pass	Pass	Pass
Short sales permitted	X	Pass	Restricted	Restricted	Pass	Pass	Pass	X		Restricted		Not Met	Restricted	Pass	Pass	Restricted	Restricted	Not Met	Pass		Not Met		Not Met	Not Met	Not Met
Off-exchange transactions permitted	X	Pass	Pass	Pass	Pass	Pass	Restricted	X		Restricted		Not Met	Pass	Not Met	Pass	Pass	Pass	Pass	Pass		Not Met		Not Met	Not Met	Pass
Efficient trading mechanism	X	Pass	Pass	Pass	Pass	Pass	Pass	X		Pass		Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass		Pass		Restricted	Restricted	Restricted
Transparency - market depth information / visibility and timely trade reporting process	X	Pass	Pass	Pass	Pass	Pass	Pass	X	X	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	X	Pass	Pass	Pass
Derivatives																									
Developed Derivatives Market	X	Pass	Pass	Pass	Pass	Pass	Pass	X		Pass		Not Met	Pass	Restricted	Not Met	Not Met	Not Met	Not Met	Not Met		Not Met		Not Met	Not Met	Not Met
Size of Market																									
Market Capitalisation \$mn (as at 31st Dec 2007)		1,298,315	2,654,416	4,543,100#	47,486	539,177	1,122,606			663,716				*3,479,197	211,693	325,290	70,262	102,853	197,129				10,822	7,553	23,117
Total Number of Listed Companies (as at 31st Dec 2007)		1,998	1,241	2891#	178	762	1,757			703				*6,217	383	986	654	244	523				280	236	128

Based on combined figures from Tokyo & Osaka Stock Exchanges

* Based on combined figures from Mumbai & National Stock Exchange of India