

STI Dividend Index Methodology

This methodology is to be read in conjunction with the FTSE ST Index Series Ground Rules which are available at www.ftse.com.

Review Methodology

The index will represent the cumulative value of ordinary declared cash dividends announced and paid by the individual constituents of the underlying STI, calculated in terms of index points. All dividends and corporate actions are applied in the same way as in the STI.

FTSE will rebase the STI Dividend Index to 0 at the start of the first trading day of the new calendar year in January each year.

Ex-Dividend Adjustment

The ex-dividend (xd) adjustment represents the value of dividends declared by constituent companies on the xd date expressed in index points. The xd adjustment year to date is the calculation on a cumulative basis for the period between and including the first trading day in the calendar year in January to the last trading day in December of the same year. xd adjustments are based on declared dividends. The xd adjustment is calculated as follows:

$$\frac{\text{Market Value of Dividends}}{\text{Latest Index Divisor}}$$

If a company declares a dividend in a currency other than Singapore Dollar, the published Singapore Dollar equivalent will be used, if available prior to the xd-date (for clarification, where no Singapore Dollar equivalent is available prior to the xd-date then FTSE do not wait for the company to publish the Singapore Dollar rate). If there is no Singapore Dollar equivalent, the dividend will be converted to Singapore Dollar using the appropriate Singapore Domestic Indices closing rate the day before the stock goes xd.

If A plc and B plc each declared a dividend payment with an xd date of today, the following calculation would occur:

<u>Company</u>	<u>Dividend</u> (c)	<u>Shares</u> (m)	<u>Free Float</u> <u>Factor</u>	<u>Market</u> <u>Value</u> (SGDm)	<u>xd</u> <u>Adjustment</u> (points)
A plc	12.56	61,443	1.00	7,717.2	1.97
B plc	14.00	22,579	0.75	2,370.8	0.61
Total xd Adjustment for Index					2.58
Index Divisor = 3,918.36					
Index Value (t-1) = 50.00					
Index Value (t) = 52.58					

The method for calculating the xd adjustment uses the divisor as at the close of business on the preceding day after implementing any capitalisation changes. Where a company has more than one line of shares included in the indices, the xd adjustment is calculated separately for each line.