

FTSE CHINA A INDEX SERIES

FTSE China A50 Index Review Changes Overview - March 2011

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Sany Heavy Industry (600031), GF Securities (000776) and CSR Corporation (601766) will account for 2.45 per cent, 1.24 per cent and 0.87 per cent of the turnover of the FTSE China A50 Index respectively

Review Overview

The FTSE China A50 Index is the headline index of the FTSE China A Index Series representing the top 50 companies by market capitalisation on the Shanghai and Shenzhen stock exchanges. The FTSE China A Index Series is reviewed quarterly in March, June, September and December to ensure the Indices remain representative of the underlying China market.

Following the March review, the Advisory Committee has approved the following changes to the FTSE China A Index Series. Effective on Monday 21st March 2011, Sany Heavy Industry (600031), GF Securities (000776) and CSR Corporation (601766) will be included in the FTSE China A50 Index, replacing Datang International Power Generation (601991), China Merchants Securities (600999) and Huaneng Power International (600011). The total two-way index turnover is estimated to be 12.99 per cent.

The FTSE China A50 Index Reserve List contains the next 5 highest ranked companies by full market capitalisation – China Oilfield Services (601808), China Shipbuilding Industry (601989), Weichai Power (000338), Changsha Zoomlion Heavy Industry Science & Technology Development (000157) and Jinduicheng Molybdenum (601958).

Key changes are highlighted below:

Table One: FTSE China A50 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	601318	Ping An Insurance	Life Insurance	9.65	9.19	-0.46	0.46
2	600036	China Merchants Bank	Banks	7.18	6.84	-0.34	0.34
3	600000	Shanghai Pudong Development Bank	Banks	5.59	5.32	-0.27	0.27
4	601328	Bank of Communications	Banks	4.97	4.73	-0.24	0.24
5	601166	Industrial Bank	Banks	4.79	4.56	-0.23	0.23
6	600030	Citic Securities	Investment Services	4.25	4.05	-0.20	0.20
7	600016	China Minsheng Banking	Banks	3.52	3.35	-0.17	0.17
8	000002	China Vanke	Real Estate Holding & Development	3.20	3.04	-0.15	0.15
9	002024	Suning Appliance	Specialty Retailers	2.93	2.79	-0.14	0.14
10	601398	Industrial and Commercial Bank of China	Banks	2.68	2.55	-0.13	0.13
11	600031	Sany Heavy Industry	Commercial Vehicles & Trucks	-	2.45	2.45	2.45
12	600837	Haitong Securities	Investment Services	1.66	2.37	0.71	0.71
13	000858	Wuliangye Yibin	Distillers & Vintners	2.46	2.34	-0.12	0.12
14	601601	China Pacific Insurance Group	Life Insurance	2.27	2.16	-0.11	0.11
15	000063	ZTE	Telecommunications Equipment	2.21	2.10	-0.11	0.11
16	600519	Kweichow Moutai	Distillers & Vintners	2.02	1.92	-0.10	0.10
17	601006	Daqin Railway	Railroads	1.51	1.91	0.41	0.41
18	600050	China United Network Communications	Mobile Telecommunications	1.96	1.87	-0.09	0.09
19	601088	China Shenhua Energy	Coal	1.94	1.85	-0.09	0.09
20	601857	PetroChina	Integrated Oil & Gas	1.90	1.81	-0.09	0.09
21	601939	China Construction Bank	Banks	1.87	1.78	-0.09	0.09
22	600104	Saic Motor Corporation	Automobiles	1.87	1.78	-0.09	0.09
23	601288	Agricultural Bank of China	Banks	1.85	1.76	-0.09	0.09
24	601668	China State Construction Engineering	Heavy Construction	1.72	1.63	-0.08	0.08
25	601899	Zijin Mining Group	Gold Mining	1.69	1.61	-0.08	0.08
26	000983	Shanxi Xishan Coal and Electricity Power	Coal	1.68	1.60	-0.08	0.08
27	601600	Aluminum Corp of China	Aluminum	1.63	1.56	-0.08	0.08
28	600900	China Yangtze Power	Alternative Electricity	1.52	1.45	-0.07	0.07
29	600585	Anhui Conch Cement	Building Materials & Fixtures	1.51	1.44	-0.07	0.07
30	600019	Baoshan Iron & Steel	Iron & Steel	1.47	1.40	-0.07	0.07
31	601169	Bank of Beijing	Banks	1.17	1.39	0.22	0.22
32	600028	China Petroleum & Chemical	Integrated Oil & Gas	1.42	1.35	-0.07	0.07
33	600362	Jiangxi Copper	Nonferrous Metals	1.31	1.25	-0.06	0.06
34	000776	GF Securities	Investment Services	-	1.24	1.24	1.24
35	601628	China Life Insurance	Life Insurance	1.24	1.18	-0.06	0.06
36	601988	Bank of China	Banks	1.03	0.98	-0.05	0.05

Source: FTSE Group, data as at 11th March 2011

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Table One: FTSE China A50 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	601688	Huatai Securities	Investment Services	0.48	0.92	0.44	0.44
38	601919	China COSCO Holdings	Marine Transportation	0.95	0.90	-0.05	0.05
39	601390	China Railway Group	Heavy Construction	0.94	0.89	-0.04	0.04
40	601766	CSR Corporation	Commercial Vehicles & Trucks	-	0.87	0.87	0.87
41	601186	China Railway Construction	Heavy Construction	0.87	0.82	-0.04	0.04
42	601998	China Citic Bank	Banks	0.86	0.82	-0.04	0.04
43	601898	China Coal Energy	Coal	0.81	0.77	-0.04	0.04
44	601111	Air China	Airlines	0.73	0.74	0.01	0.01
45	601818	China Everbright Bank	Banks	0.43	0.59	0.16	0.16
46	002304	Jiangsu Yanghe Brewery Joint-Stock	Distillers & Vintners	0.61	0.58	-0.03	0.03
47	601618	Metallurgical Corp of China	Heavy Construction	0.52	0.49	-0.02	0.02
48	600188	Yanzhou Coal Mining	Coal	0.47	0.45	-0.02	0.02
49	600018	Shanghai International Port	Transportation Services	0.71	0.34	-0.37	0.37
50	601727	Shanghai Electric Group	Industrial Machinery	0.24	0.23	-0.01	0.01
-	000776	Datang International Power Generation	Conventional Electricity	1.13	-	-1.13	1.13
-	600188	China Merchants Securities	Investment Services	0.42	-	-0.42	0.42
-	601727	Huaneng Power International	Conventional Electricity	0.18	-	-0.18	0.18
Total			-	100.00	100.00	-	12.99

Source: FTSE Group, data as at 11th March 2011

Table Two: FTSE China A50 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	2	0	3.32	3.16	-0.16	0.16
Oil & Gas Producers	2	0	3.32	3.16	-0.16	0.16
Basic Materials	8	0	11.01	10.48	-0.53	0.53
Industrial Metals & Mining	3	0	4.42	4.21	-0.21	0.21
Mining	5	0	6.59	6.27	-0.32	0.32
Industrials	11	2	8.95	11.98	3.03	4.42
Construction & Materials	5	0	5.55	5.28	-0.27	0.27
Industrial Engineering	3	2	0.24	3.55	3.30	3.33
Industrial Transportation	3	0	3.16	3.15	-0.01	0.82
Consumer Goods	4	0	6.96	6.62	-0.33	0.33
Automobiles & Parts	1	0	1.87	1.78	-0.09	0.09
Beverages	3	0	5.09	4.85	-0.24	0.24
Consumer Services	2	0	3.65	3.52	-0.13	0.15
General Retailers	1	0	2.93	2.79	-0.14	0.14
Travel & Leisure	1	0	0.73	0.74	0.01	0.01
Telecommunications	1	0	1.96	1.87	-0.09	0.09
Mobile Telecommunications	1	0	1.96	1.87	-0.09	0.09
Utilities	1	-2	2.84	1.45	-1.39	1.39
Electricity	1	-2	2.84	1.45	-1.39	1.39
Financials	20	0	59.11	58.82	-0.29	5.81
Banks	12	0	35.94	34.68	-1.27	2.02
Life Insurance	3	0	13.15	12.52	-0.63	0.63
Real Estate Investment & Services	1	0	3.20	3.04	-0.15	0.15
Financial Services	4	0	6.81	8.57	1.76	3.01
Technology	1	0	2.21	2.10	-0.11	0.11
Technology Hardware & Equipment	1	0	2.21	2.10	-0.11	0.11
Total	50	6	100.00	100.00	-	12.99

Source: FTSE Group, data as at 11th March 2011

Datang International Power Generation (601991), China Merchants Securities (600999) and Huaneng Power International (600011) before the Index rebalance accounted for 1.13 per cent, 0.42 per cent and 0.18 per cent of the FTSE China A50 Index respectively

Industrial Engineering will see the largest change in Index weighting, up 3.30 per cent to 3.55 per cent

Electricity will see the largest fall in Index weighting, down 1.39 per cent to 1.45 per cent

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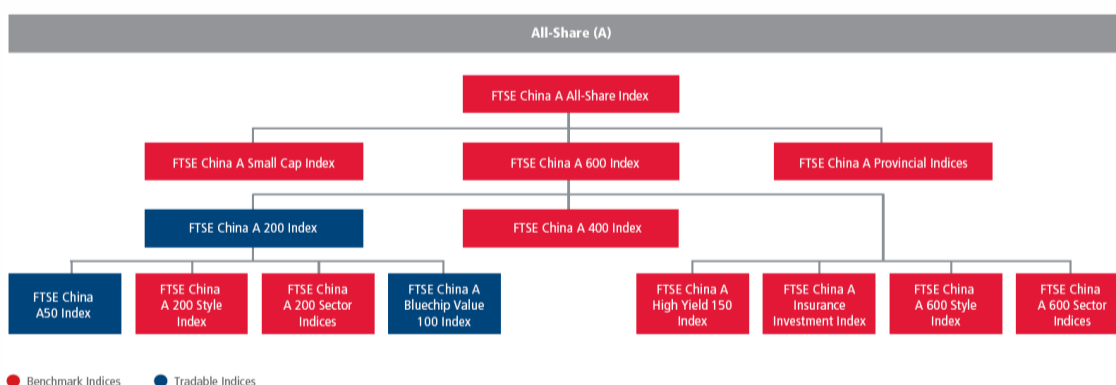
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Table Three: FTSE China A50 Index Estimates Data

Index	Estimated Volatility (%)	Estimated Correlation	Estimated Tracking Error (%)	Estimated Beta
FTSE China A50 Index	35.45	0.8825	18.07	0.82
FTSE China A All-Share Index	38.25	1.0000	-	1.00

Source: FTSE Group / Estimates data provided by emapplications.com, data as at 11th March 2011

Family Tree



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