

FTSE TWSE TAIWAN INDEX SERIES

FTSE TWSE Taiwan 50 Index Review Changes Overview - September 2011

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Yulon Motor Co. (2201) and Taiwan Glass Industrial (1802) will account for 0.65 per cent and 0.57 per cent of the turnover of the FTSE TWSE Taiwan 50 Index respectively

Review Overview

The FTSE TWSE Taiwan 50 Index is the headline index of the FTSE TWSE Taiwan Index Series representing the top 50 companies by market capitalisation on the Taiwan Stock Exchange. The FTSE TWSE Taiwan Index Series is reviewed quarterly in March, June, September and December to ensure the Indices remain representative of the underlying Taiwan market.

Following the September review, the FTSE TWSE Taiwan Index Series Advisory Committee has approved the following changes to the FTSE TWSE Taiwan Index Series. Effective on Monday 19th September 2011, Yulon Motor Co. (2201) and Taiwan Glass Industrial (1802) will be included in the FTSE TWSE Taiwan 50 Index, replacing Epistar Corp (2448) and EVA Airways (2618). The total two-way index turnover is estimated to be 5.15 per cent.

The FTSE TWSE Taiwan 50 Index Reserve List contains the next 5 highest ranked companies by full market capitalisation – MStar Semiconductor (3697), China Petrochemical Development (1314), Taishin Financial Holdings (2887), E.Sun Financial Holding (2884) and Far Eastern Department Store (2903).

Key changes are highlighted below:

Table One: FTSE TWSE Taiwan 50 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 | 2330 | Taiwan Semiconductor Manufacturing | Semiconductors | 16.58 | 16.24 | -0.34 | 0.34 |
| 2 | 2317 | Hon Hai Precision Industry | Electrical Components & Equipment | 7.18 | 7.03 | -0.15 | 0.15 |
| 3 | 2498 | HTC Corporation | Telecommunications Equipment | 6.42 | 6.35 | -0.07 | 0.07 |
| 4 | 1303 | Nan Ya Plastics | Commodity Chemicals | 4.90 | 4.80 | -0.10 | 0.10 |
| 5 | 1301 | Formosa Plastics Corp | Commodity Chemicals | 4.81 | 4.71 | -0.10 | 0.10 |
| 6 | 2412 | Chunghwa Telecom | Fixed Line Telecommunications | 3.53 | 3.46 | -0.07 | 0.07 |
| 7 | 1326 | Formosa Chemicals & Fibre | Commodity Chemicals | 3.36 | 3.29 | -0.07 | 0.07 |
| 8 | 2002 | China Steel | Iron & Steel | 2.99 | 3.11 | 0.11 | 0.11 |
| 9 | 2454 | MediaTek | Semiconductors | 2.87 | 2.81 | -0.06 | 0.06 |
| 10 | 2882 | Cathay Financial Holding | Life Insurance | 2.69 | 2.63 | -0.05 | 0.05 |
| 11 | 2881 | Fubon Financial Holdings | Life Insurance | 2.45 | 2.40 | -0.05 | 0.05 |
| 12 | 2891 | Chinatrust Financial Holding | Banks | 2.07 | 2.03 | -0.04 | 0.04 |
| 13 | 2886 | Mega Financial Holding | Banks | 1.90 | 1.86 | -0.04 | 0.04 |
| 14 | 1216 | Uni-president Enterprises | Food Products | 1.77 | 1.74 | -0.04 | 0.04 |
| 15 | 2308 | Delta Electronics | Electronic Equipment | 1.31 | 1.71 | 0.40 | 0.40 |
| 16 | 2357 | Asustek Computer Inc | Computer Hardware | 1.73 | 1.70 | -0.04 | 0.04 |
| 17 | 2311 | Advanced Semiconductor Engineering | Semiconductors | 1.26 | 1.65 | 0.39 | 0.39 |
| 18 | 2474 | Catcher Technology | Industrial Machinery | 1.11 | 1.56 | 0.45 | 0.45 |
| 19 | 2382 | Quanta Computer | Computer Hardware | 1.52 | 1.49 | -0.03 | 0.03 |
| 20 | 6505 | Formosa Petrochemical | Exploration & Production | 1.47 | 1.44 | -0.03 | 0.03 |
| 21 | 2303 | United Microelectronics | Semiconductors | 1.36 | 1.34 | -0.03 | 0.03 |
| 22 | 3045 | Taiwan Mobile | Mobile Telecommunications | 1.36 | 1.34 | -0.03 | 0.03 |
| 23 | 2885 | Yuanta Financial Holding | Investment Services | 1.34 | 1.31 | -0.03 | 0.03 |
| 24 | 2912 | President Chain Store | Food Retailers & Wholesalers | 1.32 | 1.29 | -0.03 | 0.03 |
| 25 | 1101 | Taiwan Cement | Building Materials & Fixtures | 1.29 | 1.26 | -0.03 | 0.03 |
| 26 | 1402 | Far Eastern Textile | Clothing & Accessories | 1.22 | 1.19 | -0.02 | 0.02 |
| 27 | 2105 | Cheng Shin Rubber Industry | Tires | 1.21 | 1.18 | -0.02 | 0.02 |
| 28 | 2354 | Foxconn Technology | Electronic Equipment | 1.18 | 1.17 | -0.01 | 0.01 |
| 29 | 2324 | Compal Electronics | Computer Hardware | 1.19 | 1.17 | -0.02 | 0.02 |
| 30 | 3673 | TPK Holding Co Ltd | Electronic Equipment | 1.14 | 1.12 | -0.02 | 0.02 |
| 31 | 2892 | First Financial Holding | Banks | 1.08 | 1.09 | 0.01 | 0.01 |
| 32 | 2409 | AU Optronics | Computer Hardware | 1.05 | 1.03 | -0.02 | 0.02 |
| 33 | 2347 | Synnex Technology International | Computer Hardware | 1.05 | 1.02 | -0.02 | 0.02 |
| 34 | 2883 | China Development Financial Holdings | Specialty Finance | 1.00 | 0.98 | -0.02 | 0.02 |
| 35 | 2880 | Hua Nan Financial Holdings | Banks | 0.94 | 0.92 | -0.02 | 0.02 |
| 36 | 2353 | Acer | Computer Hardware | 0.93 | 0.91 | -0.02 | 0.02 |

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

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Table One: FTSE TWSE Taiwan 50 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 | 5854 | Taiwan Cooperative Bank | Banks | 0.89 | 0.87 | -0.02 | 0.02 |
| 38 | 3481 | Chimei Innolux | Computer Hardware | 0.87 | 0.78 | -0.08 | 0.08 |
| 39 | 1102 | Asia Cement | Building Materials & Fixtures | 0.79 | 0.77 | -0.02 | 0.02 |
| 40 | 2325 | Siliconware Precision Industries | Semiconductors | 0.78 | 0.77 | -0.02 | 0.02 |
| 41 | 3008 | Largan Precision | Recreational Products | 0.78 | 0.76 | -0.02 | 0.02 |
| 42 | 2801 | Chang Hwa Commercial Bank | Banks | 0.73 | 0.72 | -0.01 | 0.01 |
| 43 | 4904 | Far EasTone Telecommunications | Mobile Telecommunications | 0.70 | 0.69 | -0.01 | 0.01 |
| 44 | 2890 | SinoPac Financial Holdings Co. Ltd. | Banks | 0.69 | 0.68 | -0.01 | 0.01 |
| 45 | 3231 | Wistron Corp | Computer Hardware | 0.69 | 0.67 | -0.01 | 0.01 |
| 46 | 2301 | Lite-On Technology | Electrical Components & Equipment | 0.67 | 0.65 | -0.01 | 0.01 |
| 47 | 2201 | Yulon Motor Co. | Automobiles | - | 0.65 | 0.65 | 0.65 |
| 48 | 1722 | Taiwan Fertilizer | Specialty Chemicals | 0.59 | 0.58 | -0.01 | 0.01 |
| 49 | 1802 | Taiwan Glass Industrial | Building Materials & Fixtures | - | 0.57 | 0.57 | 0.57 |
| 50 | 2888 | Shin Kong Financial Holding | Life Insurance | 0.51 | 0.50 | -0.01 | 0.01 |
| - | 2448 | Epistar Corp | Semiconductors | 0.44 | - | -0.44 | 0.44 |
| - | 2618 | EVA Airways | Airlines | 0.28 | - | -0.28 | 0.28 |
| Totals | | | - | 100.00 | 100.00 | - | 5.15 |

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

Epistar Corp (2448) and EVA Airways (2618) before the Index rebalance accounted for 0.44 per cent and 0.28 per cent of the FTSE TWSE Taiwan 50 Index respectively

Table Two: FTSE TWSE Taiwan 50 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 | 1 | 0 | 1.47 | 1.44 | -0.03 | 0.03 |
| Oil & Gas Producers | 1 | 0 | 1.47 | 1.44 | -0.03 | 0.03 |
| Basic Materials | 5 | 0 | 16.65 | 16.49 | -0.17 | 0.39 |
| Chemicals | 4 | 0 | 13.66 | 13.38 | -0.28 | 0.28 |
| Industrial Metals & Mining | 1 | 0 | 2.99 | 3.11 | 0.11 | 0.11 |
| Industrials | 9 | 1 | 14.67 | 15.85 | 1.19 | 1.65 |
| Construction & Materials | 3 | 1 | 2.07 | 2.60 | 0.53 | 0.62 |
| Electronic & Electrical Equipment | 5 | 0 | 11.48 | 11.69 | 0.21 | 0.59 |
| Industrial Engineering | 1 | 0 | 1.11 | 1.56 | 0.45 | 0.45 |
| Consumer Goods | 5 | 1 | 4.98 | 5.53 | 0.55 | 0.75 |
| Automobiles & Parts | 2 | 1 | 1.21 | 1.83 | 0.63 | 0.68 |
| Food Producers | 1 | 0 | 1.77 | 1.74 | -0.04 | 0.04 |
| Leisure Goods | 1 | 0 | 0.78 | 0.76 | -0.02 | 0.02 |
| Personal Goods | 1 | 0 | 1.22 | 1.19 | -0.02 | 0.02 |
| Consumer Services | 1 | -1 | 1.60 | 1.29 | -0.31 | 0.31 |
| Food & Drug Retailers | 1 | 0 | 1.32 | 1.29 | -0.03 | 0.03 |
| Travel & Leisure | 0 | -1 | 0.28 | 0.00 | -0.28 | 0.28 |
| Telecommunications | 3 | 0 | 5.60 | 5.48 | -0.11 | 0.11 |
| Fixed Line Telecommunications | 1 | 0 | 3.53 | 3.46 | -0.07 | 0.07 |
| Mobile Telecommunications | 2 | 0 | 2.07 | 2.02 | -0.04 | 0.04 |
| Financials | 12 | 0 | 16.29 | 15.99 | -0.30 | 0.32 |
| Banks | 7 | 0 | 8.30 | 8.16 | -0.14 | 0.15 |
| Life Insurance | 3 | 0 | 5.64 | 5.53 | -0.12 | 0.12 |
| Financial Services | 2 | 0 | 2.34 | 2.30 | -0.05 | 0.05 |
| Technology | 14 | -1 | 38.74 | 37.93 | -0.81 | 1.59 |
| Technology Hardware & Equipment | 14 | -1 | 38.74 | 37.93 | -0.81 | 1.59 |
| Totals | 50 | 4 | 100.00 | 100.00 | - | 5.15 |

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

Automobiles & Parts will see the largest change in Index weighting, up 0.63 per cent to 1.83 per cent

Technology Hardware & Equipment will see the largest fall in Index weighting, down 0.81 per cent to 37.93 per cent

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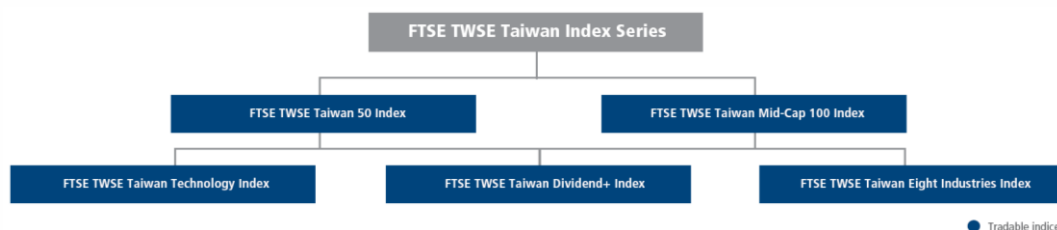
After the FTSE TWSE Taiwan 50 Index review changes have been applied, the estimated tracking error and estimated correlation to the FTSE Taiwan Index will be 1.39 per cent and 0.9987 respectively

Table Three: FTSE TWSE Taiwan 50 Index Estimates Data

| Index | Estimated Volatility (%) | Estimated Correlation | Estimated Tracking Error (%) | Estimated Beta |
|---------------------------|--------------------------|-----------------------|------------------------------|----------------|
| FTSE TWSE Taiwan 50 Index | 26.61 | 0.9987 | 1.39 | 0.99 |
| FTSE Taiwan Index | 26.90 | 1.0000 | - | 1.00 |

Source: FTSE Group / Estimates data provided by emapplications.com, data as at 9th September 2011

Family Tree



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