

FTSE VALUE-STOCKS INDICES

FTSE Value-Stocks China A-Share Index Review Changes Overview - May 2011

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China Construction Bank (A) (601939), Bank of Beijing (A) (601169) and Xinjiang Guanghui Industry (A) (600256) will account for 3.73 per cent, 2.67 per cent and 2.59 per cent of the turnover of the FTSE Value-Stocks China A-Share Index respectively

Review Overview

The FTSE Value-Stocks China A-Share Index offers investors an exciting opportunity to access quality value stocks in the China market through a unique, transparent, and rules-based value strategy. This value-based equity index combines FTSE's globally recognised index expertise with Value Partners' proven track record in disciplined value investing. The value-based methodology is designed by Value Partners Index Services Limited and the index is calculated and maintained by FTSE Group, capturing the performance of 50 quality value stocks amongst liquid and tradable Chinese "A" Shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange.

The following changes will be made to the FTSE Value-Stocks China A-Share Index after the May review. Effective on Monday 23rd May 2011, China Construction Bank (A) (601939), Bank of Beijing (A) (601169), Xinjiang Guanghui Industry (A) (600256) and 20 other companies will be included in the FTSE Value-Stocks China A-Share Index, replacing 23 existing constituents, including China Minsheng Banking (A) (600016), Weichai Power (A) (000338) and Anhui Conch Cement (A) (600585). The total two-way index turnover is estimated to be 73.12 per cent.

Key changes are highlighted below:

Table One: FTSE Value-Stocks China A-Share 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	600000	Shanghai Pudong Development Bank (A)	Banks	10.53	10.00	-0.53	0.53
2	601328	Bank of Communications (A)	Banks	8.95	9.85	0.90	0.90
3	601398	Industrial and Commercial Bank of China (A)	Banks	5.10	5.45	0.35	0.35
4	600837	Haitong Securities (A)	Investment Services	4.02	4.30	0.28	0.28
5	601939	China Construction Bank (A)	Banks	-	3.73	3.73	3.73
6	601668	China State Construction Engineering (A)	Heavy Construction	3.38	3.61	0.23	0.23
7	601857	PetroChina (A)	Integrated Oil & Gas	3.19	3.40	0.22	0.22
8	601899	Zijin Mining Group (A)	Gold Mining	2.70	2.88	0.19	0.19
9	601169	Bank of Beijing (A)	Banks	-	2.67	2.67	2.67
10	600256	Xinjiang Guanghui Industry (A)	Real Estate Holding & Development	-	2.59	2.59	2.59
11	600015	Hua Xia Bank (A)	Banks	1.71	2.51	0.80	0.80
12	601628	China Life Insurance (A)	Life Insurance	2.05	2.19	0.14	0.14
13	601168	Western Mining (A)	Nonferrous Metals	1.98	2.12	0.14	0.14
14	600690	Qingdao Haier (A)	Durable Household Products	-	2.08	2.08	2.08
15	002142	Bank of Ningbo (A)	Banks	1.89	2.02	0.13	0.13
16	601988	Bank of China (A)	Banks	1.87	2.00	0.13	0.13
17	000776	GF Securities (A)	Investment Services	-	1.93	1.93	1.93
18	600497	Yunnan Chihong Zinc & Germanium (A)	Nonferrous Metals	-	1.75	1.75	1.75
19	601009	Bank Of Nanjing (A)	Banks	1.61	1.72	0.11	0.11
20	601998	China Citic Bank (A)	Banks	1.53	1.64	0.11	0.11
21	000039	China International Marine Containers (A)	Containers & Packaging	-	1.53	1.53	1.53
22	600177	Youngor Group (A)	Clothing & Accessories	1.39	1.48	0.10	0.10
23	000528	Guangxi Liugong Machinery (A)	Commercial Vehicles & Trucks	-	1.44	1.44	1.44
24	601898	China Coal Energy (A)	Coal	-	1.41	1.41	1.41
25	600875	Dong Fang Electric (A)	Industrial Machinery	1.29	1.38	0.09	0.09
26	600143	Kingfa Sci & Tech (A)	Specialty Chemicals	-	1.37	1.37	1.37
27	600664	Harbin Pharmaceutical Group (A)	Pharmaceuticals	1.26	1.34	0.09	0.09
28	000402	Financial Street Holding (A)	Real Estate Holding & Development	1.20	1.28	0.08	0.08
29	000937	Jizhong Energy Resources (A)	Coal	1.13	1.21	0.08	0.08
30	000623	Jilin Aodong Medicine Industry Groups (A)	Pharmaceuticals	1.13	1.21	0.08	0.08
31	601788	Everbright Securities (A)	Investment Services	-	1.13	1.13	1.13
32	600970	Sinoma International Engineering (A)	Industrial Machinery	1.01	1.08	0.07	0.07
33	002155	Chenzhou Mining Group (A)	General Mining	-	1.02	1.02	1.02
34	600150	China Csc Holdings (A)	Commercial Vehicles & Trucks	0.96	1.02	0.07	0.07
35	601666	Pingdingshan Tianan Coal Mining (A)	Coal	0.96	1.02	0.07	0.07
36	600655	Shanghai Yuyuan Tourist Mart (A)	Apparel Retailers	-	0.97	0.97	0.97

Note: New additions after May 2011 review are highlighted in blue, and deletions are highlighted in red
Source: FTSE Group, data as at 13th May 2011

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Table One: FTSE Value-Stocks China A-Share 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	600832	Shanghai Oriental Pearl (A)	Recreational Services	-	0.97	0.97	0.97
38	600160	Zhejiang Juhua (A)	Specialty Chemicals	-	0.94	0.94	0.94
39	600895	Shanghai Zhangjiang High (A)	Real Estate Holding & Development	0.86	0.92	0.06	0.06
40	601001	Datong Coal Industry (A)	Coal	-	0.91	0.91	0.91
41	600315	Shanghai Jahwa United (A)	Personal Products	-	0.89	0.89	0.89
42	600216	Zhejiang Medicine (A)	Pharmaceuticals	0.81	0.87	0.06	0.06
43	600271	Aisino Corporation (A)	Electronic Equipment	0.77	0.82	0.05	0.05
44	601808	China Oilfield Services (A)	Oil Equipment & Services	-	0.82	0.82	0.82
45	600395	Guizhou Panjiang Refined Coal (A)	Coal	-	0.79	0.79	0.79
46	002008	Han's Laser Technology (A)	Electronic Equipment	-	0.78	0.78	0.78
47	600085	Beijing Tongrentang (A)	Pharmaceuticals	-	0.74	0.74	0.74
48	000783	Changjiang Securities (A)	Investment Services	-	0.74	0.74	0.74
49	600649	Shanghai Chengtuo Holding (A)	Water	0.69	0.73	0.05	0.05
50	600219	Shandong Nanshan Industrial (A)	Aluminum	-	0.71	0.71	0.71
-	600016	China Minsheng Banking (A)	Banks	7.10	-	-7.10	7.10
-	000338	Weichai Power (A)	Industrial Machinery	3.23	-	-3.23	3.23
-	600585	Anhui Conch Cement (A)	Building Materials & Fixtures	2.77	-	-2.77	2.77
-	600028	China Petroleum & Chemical (A)	Integrated Oil & Gas	2.47	-	-2.47	2.47
-	600089	Thea (A)	Electrical Components & Equipment	1.91	-	-1.91	1.91
-	000792	Qinghai Salt Lake Industry (A)	Specialty Chemicals	1.91	-	-1.91	1.91
-	600348	Shanxi Guoyang New Energy (A)	Coal	1.88	-	-1.88	1.88
-	000069	Shenzhen Overseas Chinese Town Holdings (A)	Recreational Services	1.58	-	-1.58	1.58
-	600309	Yantai Wanhua Polyurethane (A)	Commodity Chemicals	1.33	-	-1.33	1.33
-	600881	Jilin Yatai Group (A)	Building Materials & Fixtures	1.12	-	-1.12	1.12
-	600660	Fuyao Glass Group Industries (A)	Auto Parts	1.11	-	-1.11	1.11
-	000778	Xinxing Ductile Iron Pipes (A)	Iron & Steel	1.08	-	-1.08	1.08
-	600009	Shanghai International Airport (A)	Transportation Services	0.98	-	-0.98	0.98
-	600741	Huayu Automotive Systems (A)	Auto Parts	0.97	-	-0.97	0.97
-	600642	Shenergy (A)	Conventional Electricity	0.96	-	-0.96	0.96
-	000839	Citic Guoan Information Indus (A)	Telecommunications Equipment	0.95	-	-0.95	0.95
-	600208	Xinhu Zhongbao (A)	Real Estate Holding & Development	0.88	-	-0.88	0.88
-	000800	FAW Car (A)	Automobiles	0.83	-	-0.83	0.83
-	000680	Shantui Construction Machinery (A)	Commercial Vehicles & Trucks	0.78	-	-0.78	0.78
-	000488	Shandong Chenming Paper (A)	Paper	0.63	-	-0.63	0.63
-	600018	Shanghai International Port (A)	Transportation Services	0.62	-	-0.62	0.62
-	601588	Beijing North Star (A)	Real Estate Holding & Development	0.57	-	-0.57	0.57
-	002028	Siyuan Electric (A)	Electrical Components & Equipment	0.38	-	-0.38	0.38
		Totals	-	100.00	100.00	-	73.12

Note: New additions after May 2011 review are highlighted in blue, and deletions are highlighted in red

Source: FTSE Group, data as at 13th May 2011

Table Two: FTSE Value-Stocks China A-Share 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	2	0	5.65	4.23	-1.43	3.51
Oil & Gas Producers	1	-1	5.65	3.40	-2.25	2.69
Oil Equipment, Services & Distribution	1	1	0.00	0.82	0.82	0.82
Basic Materials	12	3	13.59	16.15	2.56	16.20
Chemicals	2	0	3.23	2.32	-0.91	5.55
Forestry & Paper	0	-1	0.63	0.00	-0.63	0.63
Industrial Metals & Mining	3	1	3.06	4.58	1.52	3.68
Mining	7	3	6.66	9.25	2.59	6.34

Source: FTSE Group, data as at 13th May 2011

China Minsheng Banking (A) (600016), Weichai Power (A) (000338) and Anhui Conch Cement (A) (600585) before the Index rebalance accounted for 7.10 per cent, 3.23 per cent and 2.77 per cent of the FTSE Value-Stocks China A-Share Index respectively

Financial Services will see the largest change in Index weighting, up 4.08 per cent to 8.10 per cent

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Table Two: FTSE Value-Stocks China A-Share Index Sector Breakdown continued

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) (%)
Industrials	8	-5	19.20	11.66	-7.53	16.04
Construction & Materials	1	-2	7.26	3.61	-3.65	4.11
General Industrials	1	1	0.00	1.53	1.53	1.53
Electronic & Electrical Equipment	2	-1	3.06	1.60	-1.46	3.12
Industrial Engineering	4	-1	7.28	4.92	-2.35	5.68
Industrial Transportation	0	-2	1.60	0.00	-1.60	1.60
Consumer Goods	3	-1	4.30	4.45	0.15	5.97
Automobiles & Parts	0	-3	2.91	0.00	-2.91	2.91
Household Goods & Home Construction	1	1	0.00	2.08	2.08	2.08
Personal Goods	2	1	1.39	2.37	0.98	0.98
Health Care	4	1	3.20	4.16	0.96	0.96
Pharmaceuticals & Biotechnology	4	1	3.20	4.16	0.96	0.96
Consumer Services	2	1	1.58	1.94	0.36	3.53
General Retailers	1	1	0.00	0.97	0.97	0.97
Travel & Leisure	1	0	1.58	0.97	-0.61	2.55
Utilities	1	-1	1.65	0.73	-0.91	1.01
Electricity	0	-1	0.96	0.00	-0.96	0.96
Gas, Water & Multiutilities	1	0	0.69	0.73	0.05	0.05
Financials	18	3	49.89	56.68	6.79	24.95
Banks	10	1	40.30	41.58	1.29	16.55
Life Insurance	1	0	2.05	2.19	0.14	0.14
Real Estate Investment & Services	3	-1	3.52	4.80	1.28	4.18
Financial Services	4	3	4.02	8.10	4.08	4.08
Technology	0	-1	0.95	0.00	-0.95	0.95
Technology Hardware & Equipment	0	-1	0.95	0.00	-0.95	0.95
Totals	50	46	100.00	100.00	-	73.12

Construction & Materials will see the largest fall in Index weighting, down 3.65 per cent to 3.61 per cent

Source: FTSE Group, data as at 13th May 2011

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