

# FTSE VALUE-STOCKS INDICES

## FTSE Value-Stocks China Index Review Changes Overview - September 2011

### FTSE Research September 2011

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*China Merchants Bank (H) (03968), Renhe Commercial Holdings (01387) and Shimao Property Holdings (00813) will account for 9.82 per cent, 2.04 per cent and 1.91 per cent of the turnover of the FTSE Value-Stocks China Index respectively*

*China Mobile (Red Chip) (00941), China Overseas Land & Inv (Red Chip) (00688) and China Citic Bank (H) (00998) before the Index rebalance accounted for 19.85 per cent, 6.29 per cent and 4.37 per cent of the FTSE Value-Stocks China Index respectively*

### Review Overview

The FTSE Value-Stocks China 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 25 quality value stocks amongst liquid and tradable Chinese companies listed on the Stock Exchange of Hong Kong (SEHK) including H Shares, Red Chips and P Chips.

The following changes will be made to the FTSE Value-Stocks China Index after the September review. Effective on Monday 19th September 2011, China Merchants Bank (H) (03968), Renhe Commercial Holdings (01387), Shimao Property Holdings (00813) and 8 other companies will be included in the FTSE Value-Stocks China Index, replacing 11 existing constituents, including China Mobile (Red Chip) (00941), China Overseas Land & Inv (Red Chip) (00688) and China Citic Bank (H) (00998). The total two-way index turnover is estimated to be 83.72 per cent.

Key changes are highlighted below:

**Table One: FTSE Value-Stocks China 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	00883	CNOOC (Red Chip)	Exploration & Production	12.99	15.00	2.01	2.01
2	00386	China Petroleum & Chemical (H)	Integrated Oil & Gas	12.55	15.00	2.45	2.45
3	03988	Bank of China (H)	Banks	12.49	15.00	2.51	2.51
4	03968	China Merchants Bank (H)	Banks	-	9.82	9.82	9.82
5	03328	Bank of Communications (H)	Banks	4.74	7.57	2.82	2.82
6	00489	Dongfeng Motor Group (H)	Automobiles	3.20	5.10	1.90	1.90
7	01988	China Minsheng Banking (H)	Banks	2.68	4.28	1.60	1.60
8	00148	Kingboard Chemical Holdings	Specialty Chemicals	1.71	2.75	1.05	1.05
9	02338	Weichai Power (H)	Industrial Machinery	1.63	2.60	0.97	0.97
10	03377	Sino-Ocean Land Holdings (Red Chip)	Real Estate Holding & Development	1.39	2.22	0.83	0.83
11	01387	Renhe Commercial Holdings	Real Estate Holding & Development	-	2.04	2.04	2.04
12	02333	Great Wall Motor Company (H)	Automobiles	1.22	1.94	0.72	0.72
13	00813	Shimao Property Holdings	Real Estate Holding & Development	-	1.91	1.91	1.91
14	02007	Country Garden Holdings	Real Estate Holding & Development	1.09	1.75	0.65	0.65
15	00656	Fosun International	Iron & Steel	1.03	1.64	0.61	0.61
16	00639	Shougang Fushan Resources Group	Coal	-	1.53	1.53	1.53
17	00751	Skyworth Digital Holdings	Consumer Electronics	-	1.34	1.34	1.34
18	00175	Geely Automobile Holdings	Automobiles	-	1.26	1.26	1.26
19	00682	Chaoda Modern Agriculture (Holdings)	Farming & Fishing	0.77	1.20	0.44	0.44
20	00119	Poly (Hong Kong) Investments (Red Chip)	Real Estate Holding & Development	-	1.15	1.15	1.15
21	00425	Mint Group	Auto Parts	-	1.11	1.11	1.11
22	00658	China High Speed Transmission Equipment Group	Renewable Energy Equipment	0.64	1.02	0.38	0.38
23	00189	Dongyue Group	Specialty Chemicals	-	0.97	0.97	0.97
24	01893	China National Materials (H)	Industrial Machinery	-	0.91	0.91	0.91
25	02314	Lee & Man Paper Manufacturing	Paper	-	0.88	0.88	0.88
-	00941	China Mobile (Red Chip)	Mobile Telecommunications	19.85	-	-19.85	19.85
-	00688	China Overseas Land & Inv (Red Chip)	Real Estate Holding & Development	6.29	-	-6.29	6.29
-	00998	China Citic Bank (H)	Banks	4.37	-	-4.37	4.37
-	01898	China Coal Energy (H)	Coal	4.04	-	-4.04	4.04
-	02899	Zijin Mining Group (H)	Gold Mining	2.09	-	-2.09	2.09
-	02238	Guangzhou Automobile Group (H)	Automobiles	1.91	-	-1.91	1.91
-	03383	Agile Property Holdings	Real Estate Holding & Development	1.27	-	-1.27	1.27
-	00152	Shenzhen International Holdings (Red Chip)	Transportation Services	0.64	-	-0.64	0.64
-	00604	Shenzhen Investment (Red Chip)	Real Estate Holding & Development	0.52	-	-0.52	0.52
-	03818	China Dongxiang Group	Apparel Retailers	0.49	-	-0.49	0.49
-	01393	Hidili Industry International Development	Coal	0.40	-	-0.40	0.40
		<b>Totals</b>		<b>100.00</b>	<b>100.00</b>	<b>-</b>	<b>83.72</b>

Note: New additions after the September 2011 review are highlighted in blue, and deletions are highlighted in red  
Source: FTSE Group, data as at 9th September 2011

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## FTSE Value-Stocks China Index Review Changes Overview - September 2011



Table Two: FTSE Value-Stocks China Index Sector Breakdown

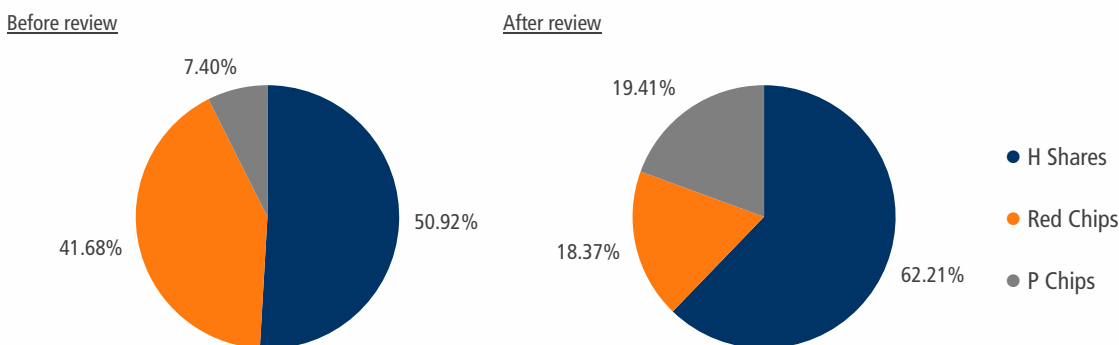
ICB Industry / Sector	Number of Constituents after change	Change in Constituents	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
Oil & Gas	3	0	26.19	31.02	4.84	4.84
Oil & Gas Producers	2	0	25.54	30.00	4.46	4.46
Alternative Energy	1	0	0.64	1.02	0.38	0.38
Basic Materials	5	0	9.27	7.78	-1.49	11.57
Chemicals	2	1	1.71	3.72	2.02	2.02
Forestry & Paper	1	1	0.00	0.88	0.88	0.88
Industrial Metals & Mining	1	0	1.03	1.64	0.61	0.61
Mining	1	-2	6.53	1.53	-5.00	8.07
Industrials	2	0	2.27	3.51	1.24	2.51
Industrial Engineering	2	1	1.63	3.51	1.88	1.88
Industrial Transportation	0	-1	0.64	0.00	-0.64	0.64
Consumer Goods	6	2	7.09	11.96	4.86	8.69
Automobiles & Parts	4	1	6.33	9.41	3.08	6.91
Food Producers	1	0	0.77	1.20	0.44	0.44
Leisure Goods	1	1	0.00	1.34	1.34	1.34
Consumer Services	0	-1	0.49	0.00	-0.49	0.49
General Retailers	0	-1	0.49	0.00	-0.49	0.49
Telecommunications	0	-1	19.85	0.00	-19.85	19.85
Mobile Telecommunications	0	-1	19.85	0.00	-19.85	19.85
Financials	9	0	34.85	45.73	10.89	35.77
Banks	4	0	24.28	36.66	12.38	21.12
Real Estate Investment & Services	5	0	10.56	9.07	-1.49	14.65
<b>Totals</b>	<b>25</b>	<b>22</b>	<b>100.00</b>	<b>100.00</b>	<b>-</b>	<b>83.72</b>

Banks will see the largest change in Index weighting, up 12.38 per cent to 36.66 per cent

Mobile Telecommunications will see the largest fall in Index weighting, down 19.85 per cent

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

Chart One: FTSE Value-Stocks China Index Share Class Breakdown



P Chips will see the largest rise in index weighting, up 12.02 per cent to 19.41 per cent

Red Chips will see the largest fall in index weighting, down 23.31 per cent to 18.37 per cent

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

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