



FTSE XINHUA INDEX SERIES

China Indices | Global Standards



FTSE Xinhua Index 

STRATEGIC ALLIANCE

FTSE Xinhua Index (FXI) was established in 2000 as an innovative joint venture between Xinhua Finance and FTSE Group.

FTSE Group

FTSE Group (FTSE) is a world leader in the creation and management of market indices. With offices in Beijing, Boston, Frankfurt, Hong Kong, London, Madrid, New York, Paris, San Francisco, Shanghai and Tokyo, FTSE Group services clients in 77 countries worldwide. It calculates and manages the FTSE Global Equity Index Series, which includes world-recognised indices ranging from the FTSE All-World Index to the FTSE4Good Series and the FTSEurofirst Index Series, as well as regional indices such as the prestigious FTSE 100. The company has collaborative arrangements with the AMEX, Athens, Cyprus, Euronext, Johannesburg, London, Madrid, NASDAQ and Taiwan exchanges, as well as Nomura Securities and Xinhua Finance of China. FTSE also has a collaborative agreement with Dow Jones Indexes, under which they have jointly developed a single sector classification system for global investors - Industry Classification Benchmark (ICB).

FTSE indices are used extensively by investors worldwide for investment analysis, performance measurement, asset allocation, portfolio hedging and index-tracking fund construction. Independent committees of senior fund managers, derivatives experts, actuaries and other experienced practitioners review and approve all changes to the indices to ensure that they are made objectively and without bias.

For more information, please visit:
www.ftse.com

Xinhua Finance

Since establishment in 1999, Xinhua Finance has been the trusted source for financial information and media services in China. Its integrated financial information solutions platform applies the highest international standards of disclosure, analysis, and computation to China's emerging financial markets.

Xinhua Finance empowers financial, media, and corporate enterprises and individuals to execute their China strategies with confidence and efficiency through essential support in four core service lines: Indices, Ratings, Financial News and IR Services. At the same time, it also fulfils the growing need among Chinese enterprises and investors for cross-border capital market and media support.

Elements of Xinhua Finance's value-added content and investment-critical information are also disseminated across multiple distribution channels and combined into highly-customisable integrated solutions, granting the investment community critical insight into the increasingly sophisticated business and regulatory environment of China.

A truly China-focused company with global capabilities, the Xinhua Finance network spans 19 office locations & 20 news bureaus and includes over 1000 employees worldwide. It is listed on the Mothers Board of the Tokyo Stock Exchange (symbol: 9399) (OTC ADRs: XHFNY).

For more information, please visit:
www.xinhuafinance.com

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FTSE XINHUA INDEX OVERVIEW

FTSE Xinhua Index Limited (FXI) was established in 2000 as an innovative joint venture between Xinhua Finance and FTSE Group. This strategic alliance has combined FTSE's award-winning index construction methodology and indexing expertise with Xinhua Finance's local Chinese market knowledge and data capabilities.

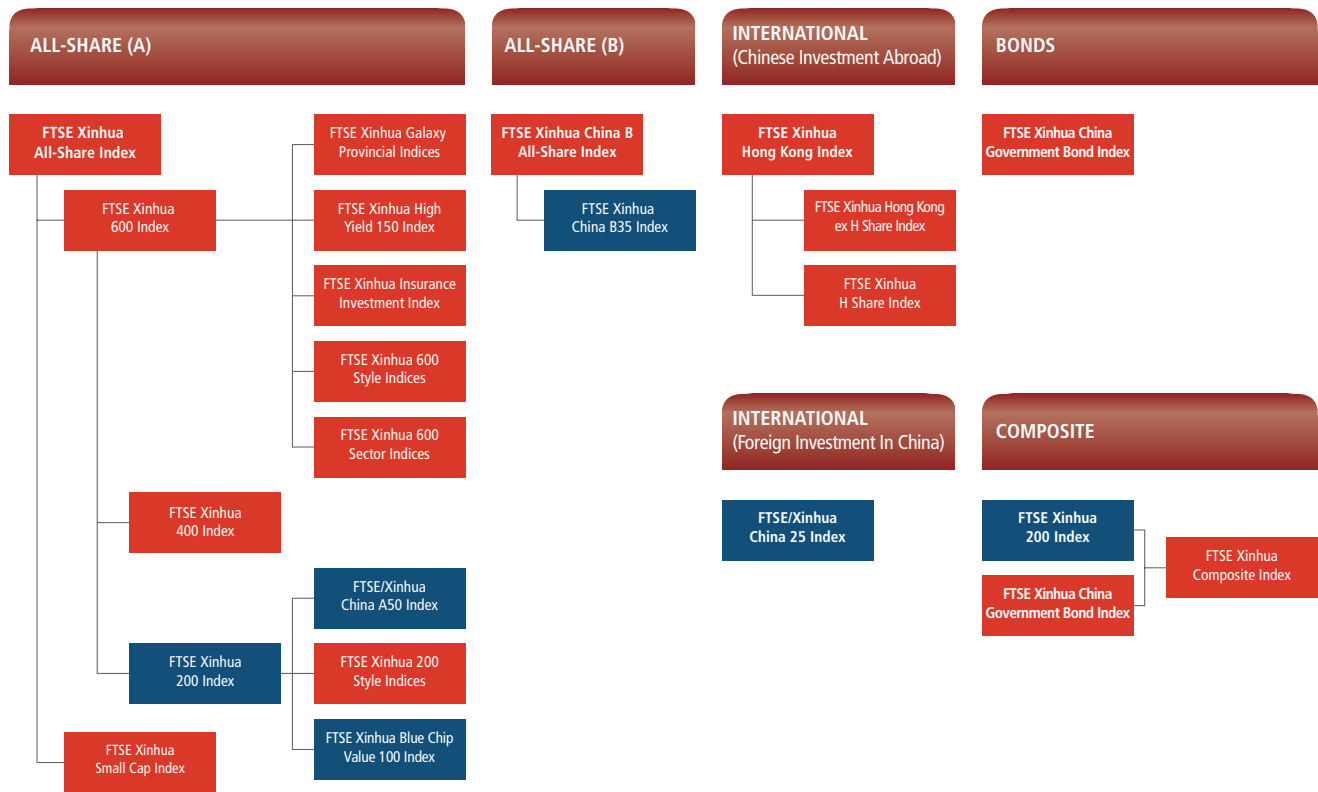
FXI specialises in creating, managing and developing innovative indices for the Chinese market. The FTSE Xinhua Index Series has fast become recognised as the leading set of indices covering the Chinese investment landscape, catering to both international and domestic audiences. FXI was the first independent company to apply globally recognised standards to a set of China indices, thereby offering investors transparent, comprehensive tools with which to unlock the opportunities in China.

FXI indices cover the full spectrum of asset classes and Chinese share types to suit any domestic or international mandate. This comprehensive family of indices includes stocks listed on the Shanghai, Shenzhen and Hong Kong stock exchanges, with constituents classified by asset class, sector, region and value/growth style characteristics.

FTSE Xinhua Index works with clients and with key market players to continually evaluate the product suite. Since inception, one of its greatest strengths has always been the ability to address and anticipate clients' evolving requirements. FXI has been at the forefront in launching successful products in response to market demand, as evidenced by the rollout of indices categorised by region, style investing, and regulatory constraints. FXI is uniquely positioned to capture the tremendous opportunities arising from the evolving Chinese markets, particularly as anticipated under the Qualified Foreign Institutional Investor (QFII) and Qualified Domestic Institutional Investor (QDII) programmes.

FXI indices are designed for use as performance benchmarks and serve as a basis for index funds, ETFs, derivatives, and other structured products traded in nearly every major market worldwide. Leading investment companies have launched ETFs on FXI indices for listing in North America, Europe and Asia. As of July 2006, the total assets under management for related products listed globally reached USD 15 billion.

PRODUCT SUITE



● Benchmark Indices ● Tradable Indices

Indices as at August 2006

METHODOLOGY - INTERNATIONAL INDEX STANDARDS APPLIED

All FXI indices are designed in accordance with FTSE Group's internationally-acclaimed index calculation methodology. The methodology encompasses free float adjustment, liquidity screening, ICB-standard industry and independent committee governance, which ensure index investability and trackability.

Free Float Adjustment

All FXI indices are free-float adjusted to provide an accurate representation of available shares, as a percentage of market capitalisation. Therefore, subject to periodic review, FXI constituent weightings are adjusted to reflect changes in strategic shareholdings, as well as foreign ownership or corporate events.

Definitions of Restricted Free Float

- Trade investments in an index constituent either by another constituent (i.e. cross-holdings) or non-constituent company or entity
- Significant long-term holdings by founders, directors and/or their families
- Employee share schemes (if restricted)
- Government holdings
- Foreign ownership limits
- Portfolio investments subject to lock-in clauses (for the duration of that clause).

FXI Free Float Bandings

FXI applies a free float banding structure to companies in order to determine eligibility for inclusion within an index (as shown in the table below). Bandings are narrow at the lower end of the scale (where greater sensitivity is required for accurate representation) and broader at the higher end in order to minimise fluctuation in the weightings of larger companies except in the case where a significant corporate event occurs.

Precise Free Float	FXI Free Float Band
< 5%	Ineligible for inclusion in FXI indices
> 5% to 15%	Actual - Companies' actual free float rounded up to the nearest integer
> 15% to 20%	20%
> 20% to 30%	30%
> 30% to 40%	40%
> 40% to 50%	50%
> 50% to 75%	75%
> 75% to 100%	100%

Liquidity Screening

All FXI indices are designed to ensure that there is sufficient liquidity in their underlying stocks. Each stock is liquidity tested before entering an index, removing companies that are difficult to buy and sell. This increases tradability, encourages narrower spreads and lower costs.

To **enter** an index a company must have a minimum percentage turnover of its free-float adjusted shares in issue in at least ten

of the twelve months prior to the index review (the percentage is index specific). To **remain** within an index a company must have a minimum percentage turnover of its free-float adjusted shares in issue in at least eight of the twelve months prior to the index review (this percentage is index specific).

Industry Benchmark Classification (ICB)

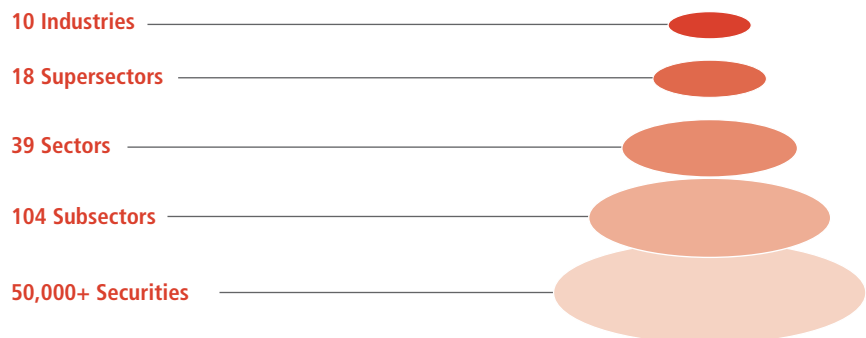
FTSE Group and Dow Jones Indexes have created the Industry Classification Benchmark (ICB), a definitive global industry classification standard. It is the market's most comprehensive, relevant and user-friendly industry classification standard for trading and investment decision-making.

Key ICB Benefits

- Supported by a database offering coverage of 40,000 companies and 50,000 securities worldwide
- Provides a standardised base for analysis, stock selection and performance measurement
- Correlates with investment research and analysis, numerous exchange-traded products, analytical data vendors and leading exchanges.

Structure

- Managed on a transparent and rules-driven basis
- Contains four classification levels
- Facilitates comparison of companies across all levels
- Based upon a logical and concise four digit coding system
- Updated daily.



Index Rules

The FTSE Xinhua Index Series is managed according to a transparent and publicly available set of index rules. Any changes made to the indices must comply with these rules and be disclosed to the market as soon as is practicable. This enables market users to better anticipate index adjustments.

Index Committee & Reviews

FXI indices are governed by an independent advisory committee, which comprises a group of local and international independent financial market experts who ensure that the indices are managed in accordance with the published index rules. Index

reviews ensure that a continuous and accurate representation of the market is maintained and that index rules are upheld. At review, index constituents are assessed to ensure that the addition or deletion of stocks to or from the indices takes effect in accordance with the index rules. The stocks are checked either annually, semi-annually or quarterly (dependent upon index specific rules) for continued conformity with the FXI screening criteria (liquidity, investability and free float). To view index specific rules, please visit www.ftsexinhua.com.

FTSE/XINHUA CHINA 25 INDEX

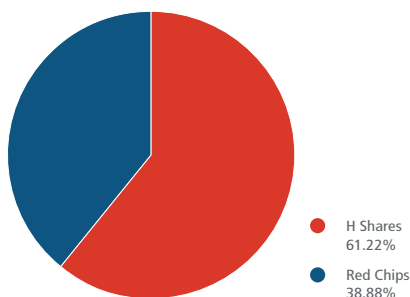
H SHARES & RED CHIPS

FTSE/Xinhua China 25 Index is a real-time tradable index, designed to meet the investment requirements of the international investor.

The FTSE/Xinhua China 25 Index offers the optimal representation of China blue chip stocks. It includes the largest 25 Chinese companies comprising H Shares and Red Chips, ranked by total market capitalisation. Index constituents are capped at 10% of the total index.

The index can be used as the basis for index funds, ETFs, derivatives and other structured products traded in nearly every major market worldwide.

SHARE ALLOCATION



Source: FXI, data as at 30 June 2006

INTERNATIONAL (Foreign Investment In China)

FTSE/Xinhua China 25 Index

● Tradable Index
Indices as at August 2006

PERFORMANCE: FTSE/XINHUA CHINA 25 INDEX VS. FTSE XINHUA HONG KONG INDEX



INDEX INFORMATION

Overview	FTSE/Xinhua China 25 Index
Exchange	Hong Kong
Base date	16/03/2001
Base value	5000
Currency	HKD
Review dates	Quarterly: Jan/Apr/July/Oct
Calculation frequency	Every 15 seconds
Hours of calculation	10:00-16:15 (local time)
Historical data from	31/12/1998

FTSE XINHUA HONG KONG INDEX SERIES

INTERNATIONAL
(Chinese Investment Abroad)

FTSE Xinhua
Hong Kong Index

FTSE Xinhua Hong Kong
ex H Share Index

FTSE Xinhua
H Share Index

● Benchmark Indices

Indices as at August 2006

H SHARES, RED CHIPS & ORDINARY HONG KONG SHARES

The FTSE Xinhua Hong Kong Indices have been created to meet both the needs of the international investor and the anticipated needs of the domestic Chinese

institutional investor, authorised to make overseas equity investments (as expected under the QDII programme).

INDICES

FTSE Xinhua Hong Kong Index

A benchmark index comprising companies from FTSE's Global Equity Index Series. The index includes Red Chips, ordinary Hong Kong listed stocks from the FTSE Hong Kong Index (Large/Mid cap), H share constituents from the FTSE China Index (Large/Mid cap) and HSBC. Unlike the FTSE/Xinhua China 25 Index, no capping is applied, HSBC shares are included and the index is reviewed on an annual basis, not quarterly.

FTSE Xinhua Hong Kong ex H Share Index

A benchmark index comprising solely Red Chip constituents and ordinary Hong Kong listed stocks from the FTSE Developed Hong Kong Index (Large/Mid cap) within FTSE GEIS.

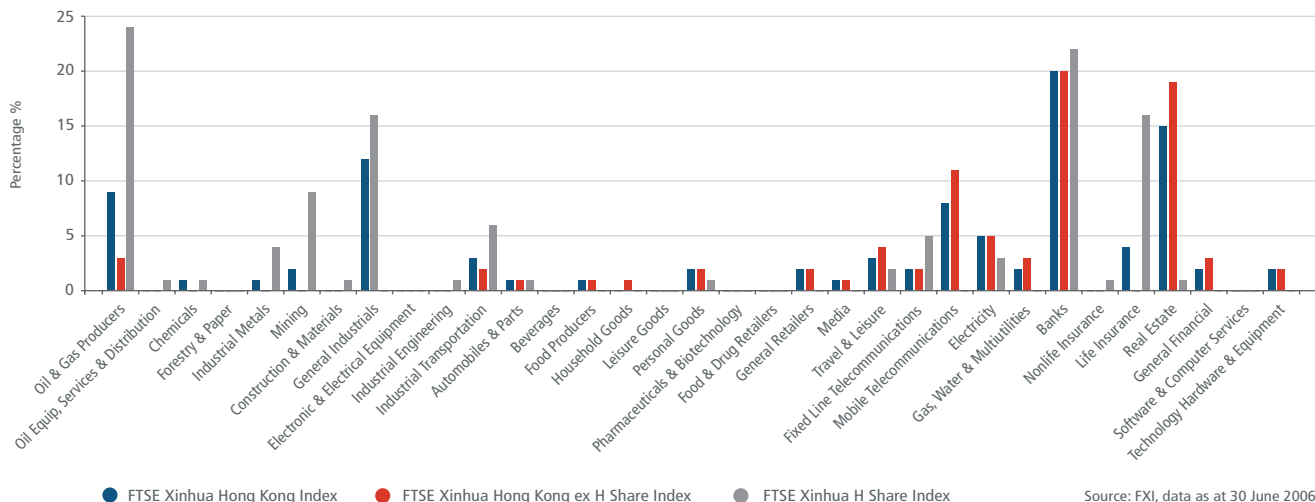
FTSE Xinhua H Share Index

A benchmark index comprising solely H share constituents from the FTSE China Index (Large/Mid Cap). Constituents are capped at 15% of the total index.

INDEX INFORMATION

Overview	FTSE Xinhua Hong Kong Index Series
Exchange	Hong Kong
Base date	01/12/04
Base value	5000
Currency	HKD, USD, CNY
Review dates	Annually: March
Capping	FTSE Xinhua H Share Index: Mar/Jun/Sept/Dec
Calculation frequency	Every 60 seconds (FTSE Xinhua H Share Index) & every 15 seconds (remaining indices)
Hours of calculation	10:00-16:00, end of day 16:15 (local)

INDUSTRY CLASSIFICATION BENCHMARK (ICB) SECTOR BREAKDOWN



Source: FXI, data as at 30 June 2006

FTSE XINHUA A SHARE INDEX SERIES

A SHARES

Regulations

Initially, A shares were traded exclusively by domestic investors. However, this market was opened to foreign investment via the QFII scheme in 2002, with a designated quota of USD 4 billion. As of mid 2006, the quota has increased to approximately USD 7 billion.

Currently, G share reform is underway, with all A shares to undergo equity restructuring. Under this programme, companies convert non-tradable shares into tradable shares via a series of compensation arrangements between the listed firms and their controlling shareholders and public investors.

These changes have fuelled investor interest in the A share market both at a domestic and an international level.

Index Series Overview

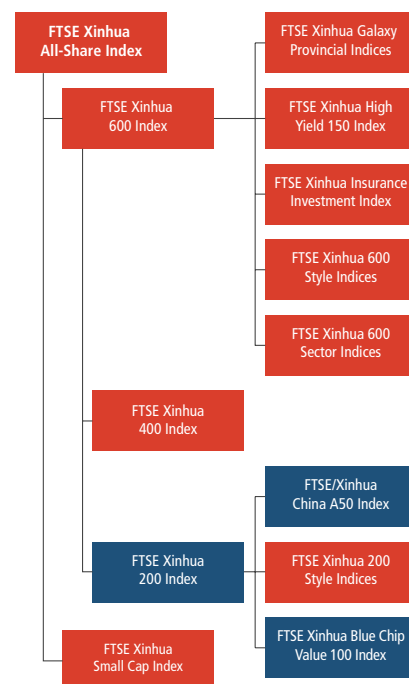
The FTSE Xinhua A Share Index Series is designed for domestic Chinese investors and Qualified Foreign Institutional Investors (QFIIs).

As the first series of indices developed by an independent index provider to cover the Chinese market, the FTSE Xinhua A Share Index Series is able to provide investors with a solid tracking history of over six years.

This index series was also the first overseen by an index committee of both international and domestic market specialists.

The indices cover shares listed on both the Shanghai and Shenzhen stock exchanges and can be used as the basis for tracker funds, mutual funds, derivatives and other structured products as well as a performance benchmark.

ALL-SHARE (A)



● Benchmark Indices ● Tradable Indices

Indices as at August 2006

CORE A SHARE INDICES

MARKET CAP COVERAGE OF CHINA A SHARE UNIVERSE

	Full Market Cap (CNY Billion)	Percentage of Universe (%)
FTSE/Xinhua China A50 Index	1586	37
FTSE Xinhua 200 Index	2479	58
FTSE Xinhua 400 Index	984	23
FTSE Xinhua 600 Index	3463	81
FTSE Xinhua Small Cap Index	454	11
FTSE Xinhua All-Share Index	3917	91
Ineligible Stocks	372	9
Total Universe	4289	100

Source: FXI, data as at 30 June 2006

INDICES

FTSE Xinhua All-Share Index

The benchmark index in the FTSE Xinhua A Share Index Series. It includes all eligible A shares in China and aims to represent 95% of the full market value of that market.

FTSE/Xinhua China A50 Index

A real-time, tradable index comprising the largest 50 A Share companies by full market capitalisation. Designed to meet the needs of QFIIs, it can be used as a basis for both on-exchange and OTC derivative products, mutual funds and ETFs. The FTSE/Xinhua China A50 Index offers the optimal balance between representiveness and tradability for China's A share market.

FTSE Xinhua 200 Index

The Large cap tradable index in the FTSE Xinhua A Share Index Series. It includes the top 200 companies in the FTSE Xinhua A Share Index Series, ranked by market capitalisation.

FTSE Xinhua 400 Index

The Mid cap index in the FTSE Xinhua A Share Index Series. It includes the next 400 companies in China, after the top 200, ranked by market capitalisation.

FTSE Xinhua 600 Index

The index combines stocks from the FTSE Xinhua 200 and 400 indices, with no overlap. It comprises the largest 600 companies in China, ranked by market capitalisation.

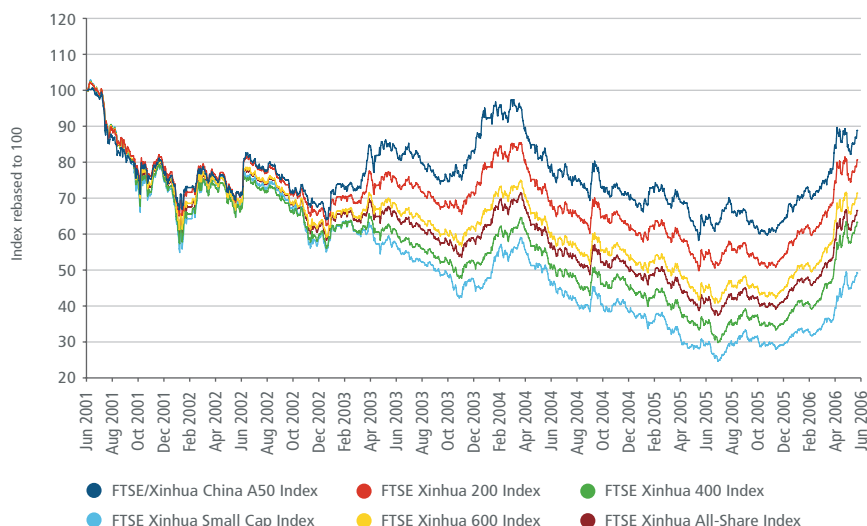
FTSE Xinhua 600 Sector Indices

A range of benchmark indices, which are constructed using the sector definitions of the Industry Classification Benchmark (ICB).

FTSE Xinhua Small Cap Index

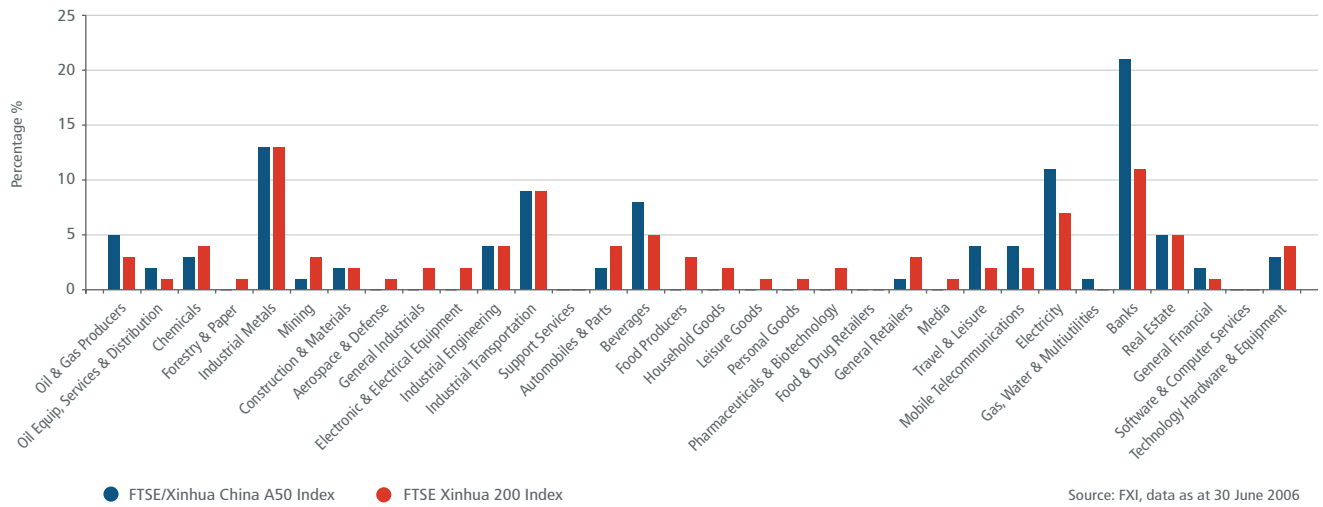
The Small cap index in the FTSE Xinhua A Share Index Series. It consists of the companies within the FTSE Xinhua All-Share Index which do not meet the market capitalisation eligibility requirement of the FTSE Xinhua 600 Index.

PERFORMANCE: CORE A SHARE INDICES



Source: FXI, data as at 30 June 2006

INDUSTRY CLASSIFICATION BENCHMARK (ICB) SECTOR BREAKDOWN: FTSE/XINHUA CHINA A50 INDEX & FTSE XINHUA 200 INDEX



INDEX INFORMATION

Overview	FTSE/Xinhua China A50 Index	FTSE Xinhua 200 Index	FTSE Xinhua 400 Index	FTSE Xinhua 600 Index	FTSE Xinhua Small Cap Index	FTSE Xinhua All-Share Index
Exchanges	Shanghai & Shenzhen	Shanghai & Shenzhen	Shanghai & Shenzhen	Shanghai & Shenzhen	Shanghai & Shenzhen	Shanghai & Shenzhen
Base date	21/07/2003	18/06/2001	18/06/2001	18/06/2001	18/06/2001	18/06/2001
Base value	5000	5000	5000	5000	5000	5000
Currency	CNY* CNY&USD**	CNY* CNY&USD**	CNY* CNY&USD**	CNY* CNY&USD**	CNY* CNY&USD**	CNY* CNY&USD**
Review dates	Jan/Apr/Jul/Oct	Jan/Apr/Jul/Oct	Jan/Apr/Jul/Oct	Jan/Apr/Jul/Oct	Jan/Apr/Jul/Oct	Jan/Apr/Jul/Oct
Calculation frequency	Every 15 seconds	Every minute	Every minute	Every minute	Every minute	Every minute
Hours of calculation	09:30-15:15, end of day 16:30 (local time)	09:30-15:15, end of day 16:30 (local time)	09:30-15:15, end of day 16:30 (local time)	09:30-15:15, end of day 16:30 (local time)	09:30-15:15, end of day 16:30 (local time)	09:30-15:15, end of day 16:30 (local time)
Historical data from	31/12/1998	31/12/1998	31/12/1998	31/12/1998	31/12/1998	19/06/2001

* Real Time **End of Day

STYLE INDICES

The FTSE Xinhua Style Indices apply the latest thinking in the field of value and growth investment management to the Chinese equity market. The value indices are designed for use by investors seeking to capture the performance of stocks that are considered undervalued relative to their fundamentals. The growth indices are

intended for investors seeking to capture the performance of stocks that exhibit strong growth characteristics. The FTSE Xinhua Style Indices uses the FTSE Xinhua 600 Index as their universe and then measures each constituent against seven fundamental style variables. These variables are then combined to determine

their allocation into the value and growth indices. FTSE Xinhua Style Indices are therefore an ideal tool to enable investors to measure the performance over the market cycle of companies that demonstrate different style characteristics.

INDICES

FTSE Xinhua 200 Style Indices

A range of benchmark indices calculated for the FTSE Xinhua 200 Index. The indices enable investors to identify value and growth companies by their distinguishable patterns of return.

FTSE Xinhua 600 Style Indices

A range of benchmark indices calculated for the FTSE Xinhua 600 Index. The indices enable investors to identify value and growth companies by their distinguishable patterns of return.

STYLE INDEX VARIABLES

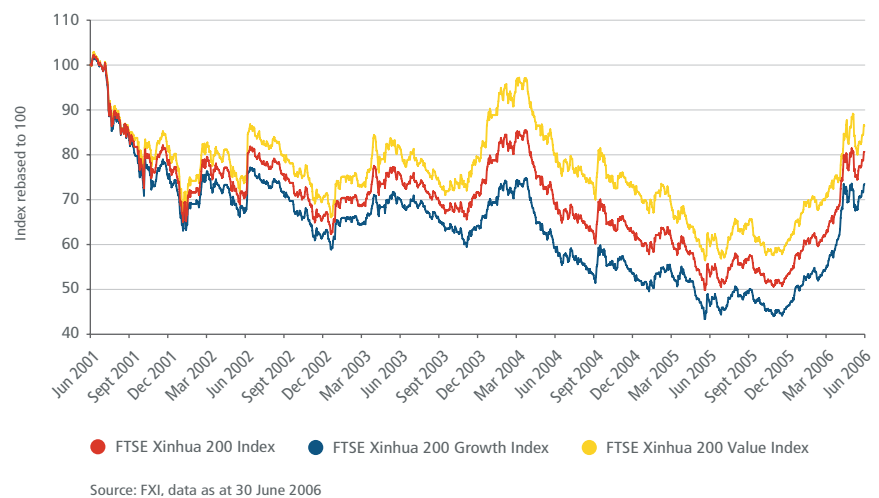
VALUE

- Book-to-price
- Sales-to-price
- Dividend Yield
- Cashflow-to-price

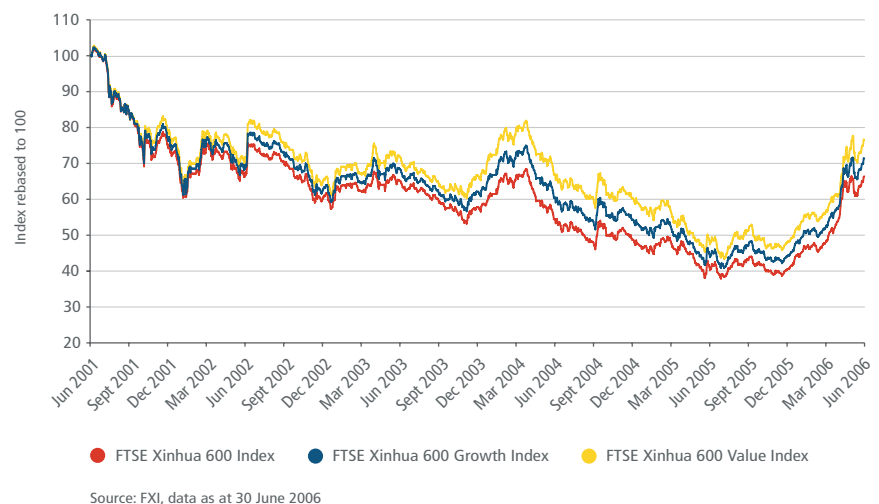
GROWTH

- 3 Year Historical Sales Growth
- 3 Year Historical EPS Growth
- ROE (1 - Payout Ratio)

PERFORMANCE: FTSE XINHUA 200 STYLE INDICES



PERFORMANCE: FTSE XINHUA 600 STYLE INDICES



DIVERSIFIED PRODUCTS

Our product offerings are continually expanding as financial innovations are introduced to China. Driven by our understanding of the market and client demand, we have constructed several specialised indices which supplement the core indices. These indices serve as a testament to our depth of knowledge, flexibility and responsiveness to changing regulatory and market conditions. Examples of our diverse range of indices are highlighted below:

INDICES

FTSE Xinhua Blue Chip Value 100 Index

A tradable index comprising A share constituents from the FTSE Xinhua 200 Index. The index introduces four value factors - Book to Price, Sales to Price, Dividend Yield and Cash Flow to Price - as the criteria for score-based screening.

FTSE Xinhua Galaxy Provincial Indices

A range of benchmark indices created in conjunction with China Galaxy Securities, one of the largest investment brokerages in China, and calculated and managed by FTSE Xinhua Index. Derived from the FTSE Xinhua All-Share Index, the series comprises 32 regional indices for all Chinese provinces and the municipalities Beijing, Chongqing, Shanghai, Tianjin and Shenzhen.

FTSE Xinhua High Yield 150 Index

A benchmark index comprising the top 150 A share companies possessing the highest historical yields. It is weighted by dividend yield, and components are selected on the consistency of dividend payments over the past three years, subject to a liquidity screening.

FTSE Xinhua Insurance Investment Index

A benchmark index comprising 200 constituents that comply with both the performance requirements and equity investment regulations as set by the China Insurance Regulatory Commission (CIRC). It is the first index to be expressly designed to meet the investment needs of the Chinese insurance industry.

INDEX INFORMATION

Overview	FTSE Xinhua Blue Chip Value 100 Index	FTSE Xinhua Insurance Investment Index	FTSE Xinhua High Yield 150 Index	FTSE Xinhua Galaxy Provincial Indices
Exchanges	Shanghai & Shenzhen	Shanghai & Shenzhen	Shanghai & Shenzhen	Shanghai & Shenzhen
Base date	18/06/2001	15/04/2005	31/12/04	01/12/2003
Base value	5000	5000	5000	5000
Currency	CNY	CNY	CNY	CNY
Review dates	Semi-annually: Jun/Dec	Quarterly: Jan/Apr/July/Oct	Annually: Jan	Annually: Jan
Calculation frequency	Every minute & end of day	Every minute & end of day	End of day	End of day
Hours of calculation	09:30-15:15, & 16:30 (local time)	09:30-15:15, & 16:30 (local time)	16:30 (local time)	16:30 (local time)

FTSE XINHUA B SHARE INDEX SERIES

ALL-SHARE (B)

FTSE Xinhua China B All-Share Index

FTSE Xinhua China B35 Index

● Benchmark Index ● Tradable Index

Indices as at August 2006

B SHARES

FTSE Xinhua B Share Index Series is designed for international investors (including QFII) and domestic Chinese investors with the obligatory foreign currency accounts.

These indices include Shanghai and Shenzhen listed constituents and are used as the basis for tracker funds, mutual funds, derivatives, and structured products, as well as a performance benchmark.

INDICES

FTSE Xinhua China B All-Share Index

The large cap benchmark index in the FTSE Xinhua B Share Index Series. It is designed to represent the performance of B share companies incorporated and with core operations in China and includes 99% of the eligible B share market.

FTSE Xinhua China B35 Index

A large cap real-time tradable index, designed to represent the performance of the 35 largest capitalised B share China companies.

MARKET CAP COVERAGE OF CHINA B SHARE UNIVERSE

	Full Market Cap (USD Billion)	Percentage of Universe (%)
FTSE Xinhua China B35 Index	8413	60
FTSE Xinhua China B All-Share Index	13965	99
Ineligible Stocks	162	1
Total Universe	14127	100

Source: FXI, data as at 30 June 2006

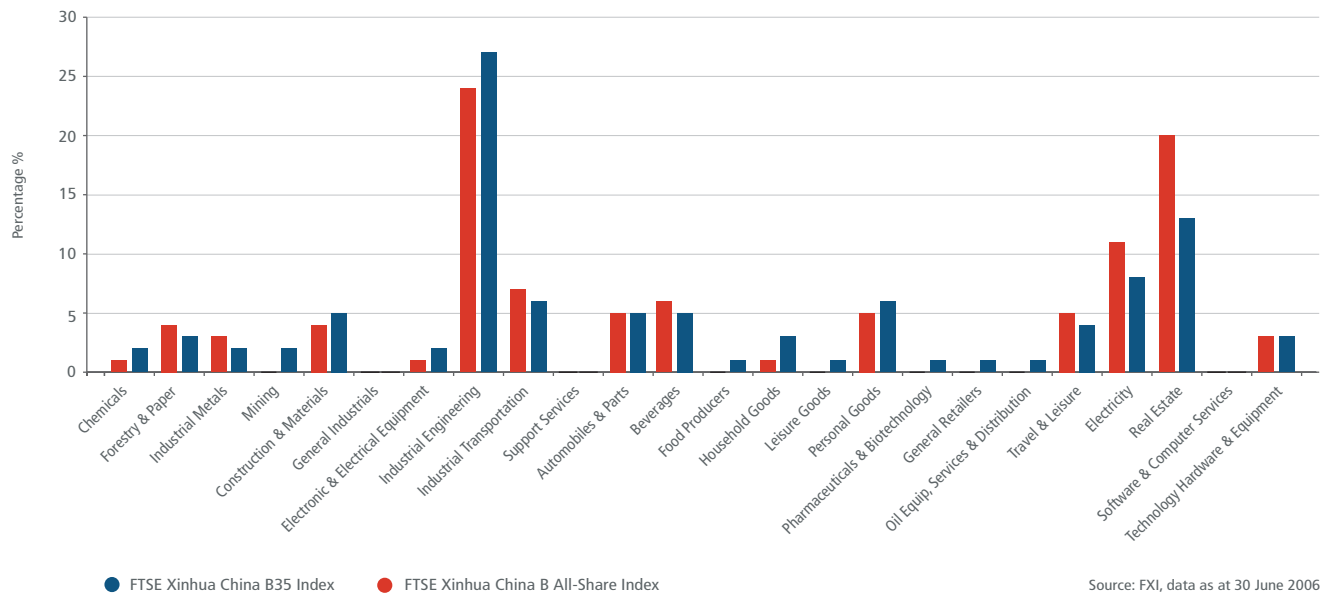
PERFORMANCE: FTSE XINHUA CHINA B35 INDEX VS. FTSE XINHUA CHINA B ALL-SHARE INDEX



● FTSE Xinhua China B35 Index ● FTSE Xinhua China B All-Share Index

Source: FXI, data as at 30 June 2006

INDUSTRY CLASSIFICATION BENCHMARK (ICB) SECTOR BREAKDOWN: FTSE XINHUA CHINA B35 INDEX & FTSE XINHUA CHINA B ALL-SHARE INDEX



INDEX INFORMATION

Overview	FTSE Xinhua China B35 Index	FTSE Xinhua China B All-Share Index
Exchanges	Shanghai & Shenzhen	Shanghai & Shenzhen
Base date	18/06/2001	18/06/2001
Base value	5000	5000
Currency	USD	USD
Review dates	Quarterly: Jan/Apr/July/Oct	Annually: July
Calculation frequency	Every minute	Every minute
Hours of calculation	09:30 - 15:15, end of day 16:30 (local)	09:30 - 15:15, end of day 16:30 (local)
Historical data from	31/12/1998	18/06/2001

FTSE XINHUA BOND & COMPOSITE INDICES

BONDS

FTSE Xinhua China
Government Bond Index

COMPOSITE

FTSE Xinhua
200 Index

FTSE Xinhua
Composite Index

FTSE Xinhua China
Government Bond Index

● Benchmark Indices ● Tradable Indices

Indices as at August 2006

BOND & COMPOSITE

The FXI Bond and Composite indices are relevant, accurate and user-friendly benchmarks for the fixed income markets.

INDICES

FTSE Xinhua China Government Bond Index

An index designed to represent the performance of Mainland China Government bonds. It includes the Government bonds that trade on the Shanghai and Shenzhen stock exchanges. Both Capital and Total Return indices are calculated for this index.

FTSE Xinhua 200 Composite Index

An index designed to reflect the combined performance of the domestic equity and bond markets of Mainland China. It is weighted 25% toward the FTSE Xinhua China Government Bond Index and 75% toward the FTSE Xinhua 200 Index. Both Capital and Total Return Indices are calculated for this index.

INDEX INFORMATION

Overview	FTSE Xinhua China Government Bond Index	FTSE Xinhua 200 Composite Index
Exchanges	Shanghai & Shenzhen	Shanghai & Shenzhen
Base date	01/01/2003	01/01/2003
Base value	5000	5000
Currency	USD	USD
Re-balance dates	End of month	Quarterly: Jan/Apr/July/Oct
Calculation frequency	Every minute	Every minute
Hours of calculation	09:30 - 15:15, end of day 16:30 (local)	09:30 - 15:15, end of day 16:30 (local)
Historical data from	01/01/2003	01/01/2003

CUSTOM SOLUTIONS

FXI Custom Solutions provide customised benchmark indices from a database of over 40,000 companies across 48 countries. We typically customise indices which include or exclude specific countries, industries and individual stocks, also modifying calculation for currency hedging and taxation concerns.

The FXI Custom Solutions team works with clients to (1) define requirements, (2) design and construct the custom benchmark and

(3) manage the delivery and provide on-going maintenance and support. Customised products provide clients with the best fit solutions to meet an exact mandate in a timely and cost effective manner.

PRODUCT PACKAGES & LICENCES

FXI products and services are used by investors worldwide for analysis, benchmarking, trading and product creation. Our products and services are listed below:

End of Day Data Packages

FXI product packages provide detailed constituent and index level data for hundreds of indices. The data products offer an array of service options to meet all requirements.

Structured on a file-by-file basis, investors can access the packages via FTP directly from FXI or from one of FXI's third party distributors. Files are available on a one-off, daily or monthly basis. Package options are outlined below:

Index Valuation Service

This service provides index level data in Renminbi (CNY), Hong Kong dollars (HKD) and US dollars (USD) for the following indices:

- FTSE Xinhua A Share Index Series (including FTSE/Xinhua China A50 Index)
- FTSE/Xinhua China 25 Index
- FTSE Xinhua B Share Index Series
- FTSE Xinhua China Government Bond Index
- FTSE Xinhua Hong Kong Index Series

Constituent Service

This service provides index constituent data including market capitalisation, free float factor and index weightings on a daily basis.

Tracker Service

This service highlights corporate actions, dividend activity and other constituency changes on a daily basis.

Real-Time Data

A range of real-time indices to support tradable products. The indices are available direct from FXI or via one of our vendors (See appendix: index data vendor codes).

Data Distribution Licences

A FXI licence is required: (1) to allow investors to pass FXI data to third parties or clients; (2) to launch any product whose performance is linked to the value of a FXI index; (3) for all use of the FXI name or name of the index in the marketing of the product.

Licences can be obtained directly from FXI. Fees differ according to product type.

APPENDIX

CHINESE SHARE TYPES

A Shares

A shares are securities of companies incorporated in Mainland China that trade on the Shanghai or Shenzhen stock exchanges and are quoted in Chinese Renminbi (CNY). These shares are traded by Chinese or international investors (under the China Qualified Foreign Institutional Investors -QFII regulations).

B Shares

B shares are securities of companies incorporated in Mainland China that trade either on the Shanghai stock exchange (quoted in US dollars - USD) or on the Shenzhen stock exchange (quoted in Hong Kong Dollars - HKD). They are traded by both international investors and Chinese investors with the obligatory foreign currency accounts.

H Shares

H shares are securities of companies incorporated in Mainland China and nominated by the Chinese government for listing and trading on the Hong Kong Stock Exchange. They are quoted and traded in HKD. The only Chinese investors permitted to trade H shares are those who are approved by the Government (such as QDIIs), however there are no such restrictions on international investors.

Red Chips

Red Chips are securities of companies incorporated in Hong Kong that trade on the Hong Kong Stock Exchange and are quoted in HKD. The constituents are substantially owned, directly or indirectly, by Chinese state-owned enterprises. The only Chinese investors permitted to trade H shares are those who are approved by the Government (such as QDIIs), however, there are no such restrictions on international investors.

APPENDIX

INDEX DATA VENDOR CODES

	China Local Vendors	Data-stream	Thomson-Global Topic	Thomson One	Bloomberg	Factset	Reuters
	EOD/Real Time	Real Time	Real Time	Real Time	Real Time	EOD	Real Time
FTSE Xinhua Headline Indices							
FTSE/Xinhua China 25 Index	830008	XIN0-LN	=XIN0.FT	XIN0-LN	XIN0I	186655	.FTXIN25
FTSE/Xinhua China A50 Index	830009	XIN9-LN	=XIN9.FT	XIN9-LN	XIN9I	XIN9X000	.FTXIN9
FTSE Xinhua A Share Indices							
FTSE Xinhua All-Share Index	830002	XIN7-LN	=XIN7.FT	XIN7-LN	XIN7I	161560	.FTXIN7
FTSE Xinhua 200 Index	830001	XIN3-LN	=XIN3.FT	XIN3-LN	XIN3I	160160	.FTXIA200
FTSE Xinhua 400 Index	830004	XIN5-LN	=XIN5.FT	XIN5-LN	XIN5I	160162	.FTXA400
FTSE Xinhua 600 Index	830003	XIN4-LN	=XIN4.FT	XIN4-LN	XIN4I	160161	.FTXIA600
FTSE Xinhua Small Cap Index	830005	XIN6-LN	=XIN6.FT	XIN6-LN	XIN6I	161559	.FTXIN6
FTSE Xinhua Insurance Investment Index	830222	-	=XICL.FT	XICL-LN	XICL	-	.FTXICL
FTSE Xinhua Blue Chip Value 100 Index	830223	XINBV-LN	=XINBV.FT	XINBV-LN	XINBV	-	.FTXINBV
FTSE Xinhua 600 Sector Indices							
FTSE Xinhua 600 Index - Aerospace & Defence	834271	XINAAER	=XIN42710.FT	XIN42710-LN	XIN42710	160178	.FTXIAD
FTSE Xinhua 600 Index - Automobile & Parts	834335	XINAAUT	=XIN43350.FT	XIN43350-LN	XIN43350	160183	.FTXIAM
FTSE Xinhua 600 Index - Banks	834835	XINABAN	=XIN48350.FT	XIN48350-LN	XIN48350	160208	.FTXIBK
FTSE Xinhua 600 Index - Basic Materials	834100	XINABIN	=XIN41000.FT	XIN41000-LN	XIN41000	160166	.FTXIBI
FTSE Xinhua 600 Index - Beverages	834353	XINABEV	=XIN43530.FT	XIN43530-LN	XIN43530	160186	.FTXIBEV
FTSE Xinhua 600 Index - Chemicals	834135	XINACHE	=XIN41350.FT	XIN41350-LN	XIN41350	160167	.FTXICH
FTSE Xinhua 600 Index - Construction & Materials	834235	XINACON	=XIN42350.FT	XIN42350-LN	XIN42350	160168	.FTXICB
FTSE Xinhua 600 Index - Consumer Goods	834300	XINACCO	=XIN43000.FT	XIN43000-LN	XIN43000	160182	.FTXICCG
FTSE Xinhua 600 Index - Consumer Services	834500	XINACSE	=XIN45000.FT	XIN45000-LN	XIN45000	160193	.FTXICYC
FTSE Xinhua 600 Index - Electricity	834753	XINAELE	=XIN47530.FT	XIN47530-LN	XIN47530	160204	.FTXIE
FTSE Xinhua 600 Index - Electronic & Electrical Equipment	834273	XINAELE	=XIN42730.FT	XIN42730-LN	XIN42730	160180	.FTXIEE
FTSE Xinhua 600 Index - Equity Investment Instruments	834898	XINAINV	=XIN48980.FT	XIN48980-LN	XIN48980	160211	.FTXIINV
FTSE Xinhua 600 Index - Financials	834800	XINAFIN	=XIN48000.FT	XIN48000-LN	XIN48000	160207	.FTXIFIN
FTSE Xinhua 600 Index - Food & Drug Retailers	834533	XINADRU	=XIN45330.FT	XIN45330-LN	XIN45330	160201	.FTXIFDR
FTSE Xinhua 600 Index - Food Producers	834357	XINAFOO	=XIN43570.FT	XIN43570-LN	XIN43570	160187	.FTXIFP
FTSE Xinhua 600 Index - Forestry & Paper	834173	XINAFOR	=XIN41730.FT	XIN41730-LN	XIN41730	160169	.FTXIFO
FTSE Xinhua 600 Index - Gas & Water Multiutilities	834757	XINAUTL	=XIN47570.FT	XIN47570-LN	XIN47570	140070	.FTXIUO
FTSE Xinhua 600 Index - General Financial	834877	XINASPE	=XIN48770.FT	XIN48770-LN	XIN48770	160213	.FTXISF
FTSE Xinhua 600 Index - General Industrials	834272	XINAGEN	=XIN42720.FT	XIN42720-LN	XIN42000	160177	.FTXIGI
FTSE Xinhua 600 Index - General Retailers	834537	XINAGRE	=XIN45370.FT	XIN45370-LN	XIN45370	160195	.FTXIGR
FTSE Xinhua 600 Index - Health Care	834400	XINANCO	=XIN44000.FT	XIN44000-LN	XIN44000	160185	.FTXINCCG

INDEX DATA VENDOR CODES CONTINUED

	China Local Vendors	Data-stream	Thomson-Global Topic	Thomson One	Bloomberg	Factset	Reuters
	EOD/Real Time	Real Time	Real Time	Real Time	Real Time	EOD	Real Time
FTSE Xinhua 600 Index - Health Care Equipment & Services	834453	XINAHEA	=XIN44530.FT	XIN44530-LN	XIN44530	160188	.FTXIH
FTSE Xinhua 600 Index - Household Goods	834372	XINAHOU	=XIN43720.FT	XIN43720-LN	XIN43720	160183	.FTXIHG
FTSE Xinhua 600 Index - Personal Goods	834376	XINAPER	=XIN43760.FT	XIN43760-LN	XIN43760	160190	.FTXIPC
FTSE Xinhua 600 Index - Industrial Engineering	834275	XINAENG	=XIN42750.FT	XIN42750-LN	XIN42750	160181	.FTXIEM
FTSE Xinhua 600 Index - Industrial Metals	834175	XINASTE	=XIN41750.FT	XIN41750-LN	XIN41750	160170	.FTXISM
FTSE Xinhua 600 Index - Industrial Transportation	834277	XINATRA	=XIN42770.FT	XIN42770-LN	XIN42770	160199	.FTXITR
FTSE Xinhua 600 Index - Industrials	834200	XINADIV	=XIN42000.FT	XIN42000-LN	XIN42720	160179	.FTXIDIV
FTSE Xinhua 600 Index - Life Insurance	834857	XINALIF	=XIN48570.FT	XIN48570-LN	XIN48570	-	.FTXILA
FTSE Xinhua 600 Index - Media	834555	XINAMED	=XIN45550.FT	XIN45550-LN	XIN45550	160197	.FTXIMED
FTSE Xinhua 600 Index - Mining	834177	XINAMIN	=XIN41770.FT	XIN41770-LN	XIN41770	160164	.FTXIMINE
FTSE Xinhua 600 Index - Mobile Telecommunications	834657	XINATEL	=XIN46570.FT	XIN46570-LN	XIN46530	160202	.FTXITN
FTSE Xinhua 600 Index - Nonlife Insurance	834853	XINAINS	=XIN48530.FT	XIN48530-LN	XIN48530	-	.FTXII
FTSE Xinhua 600 Index - Oil & Gas	834001	XINARES	=XIN40001.FT	XIN40001-LN	XIN40001	160163	.FTXIRES
FTSE Xinhua 600 Index - Oil & Gas Producers	834053	XINAOIL	=XIN40530.FT	XIN40530-LN	XIN40530	160165	.FTXIOIL
FTSE Xinhua 600 Index - Pharmaceuticals & Biotechnology	834457	XINAPHA	=XIN44570.FT	XIN44570-LN	XIN44570	160191	.FTXIPH
FTSE Xinhua 600 Index - Real Estate	834873	XINAREA	=XIN48730.FT	XIN48730-LN	XIN48730	160212	.FTXIRE
FTSE Xinhua 600 Index - Software & Computer Services	834953	XINASOF	=XIN49530.FT	XIN49530-LN	XIN49530	160216	.FTXISCS
FTSE Xinhua 600 Index - Support Services	834279	XINASUP	=XIN42790.FT	XIN42790-LN	XIN42790	160198	.FTXISS
FTSE Xinhua 600 Index - Technology	834900	XINAITE	=XIN49000.FT	XIN49000-LN	XIN49000	160214	.FTXIINF
FTSE Xinhua 600 Index - Technology Hardware & Equipment	834957	XINAITH	=XIN49570.FT	XIN49570-LN	XIN49570	160215	.FTXIITH
FTSE Xinhua 600 Index - Telecommunications	834600	XINANSE	=XIN46000.FT	XIN46000-LN	XIN46000	160200	.FTXINCYC
FTSE Xinhua 600 Index - Tobacco	834378	XINATOB	=XIN43780.FT	XIN43780-LN	XIN43780	-	.FTXIT
FTSE Xinhua 600 Index - Travel & Leisure	834575	XINALEI	=XIN45750.FT	XIN45750-LN	XIN45750	160196	.FTXILEH
FTSE Xinhua 600 Index - Utilities	834700	XINAUTL	=XIN47000.FT	XIN47000-LN	XIN47000	160203	.FTXIU
FTSE Xinhua B Share Indices							
FTSE Xinhua China B35 Index	830006	XIN1-LN	=XIN1.FT	XIN1-LN	XIN1I	160158	.FTXIB35
FTSE Xinhua China B All-Share Index	830007	XIN2-LN	=XIN2.FT	XIN2-LN	XIN2I	160159	.FTXBAS
FTSE Xinhua Hong Kong Indices							
FTSE Xinhua H Share Index	830310	XINH-LN	=XINH.FT	XINH-LN	XINH	-	.FTXINH
FTSE Xinhua Hong Kong Index	830301	-	-	-	QDII1	-	.FTQDII1
FTSE Xinhua Hong Kong ex H Share Index	830302	-	-	-	QDII2	-	.FTQDII2

APPENDIX

FTSE WATCH LIST INDICES

The series is designed to help international investors prepare for significant shifts in global investment allocations that may result when China A shares become eligible for inclusion in global indices, this includes the assessment of: the influence of turnover, investment flows and country weightings.

The indices provide an interim view of current market conditions in Asia Pacific portfolios, if China A shares were already eligible for inclusion.

Name	Share Classes					Market	
	China A	China B	China H	Red Chip	Hong Kong Ordinary	Taiwan	Korea
FTSE China Index (Watch List)	✓	✓	✓	✓			
FTSE China ex A Share Index (Watch List)		✓	✓	✓			
FTSE All China Index (Watch List)	✓	✓	✓	✓	✓		
FTSE All China ex A Share Index (Watch List)		✓	✓	✓	✓		
FTSE Greater China Index (Watch List)	✓	✓	✓	✓	✓	✓	
FTSE Asia Pacific ex Japan Index (Watch List)	✓	✓	✓	✓	✓	✓	✓
FTSE Emerging incl. China A ex Korea & Taiwan Index (Watch List)	✓	✓	✓		✓		
FTSE Developed All Cap incl. Korea & Taiwan Index (Watch List)				✓	✓	✓	✓
FTSE Emerging All Cap ex Korea & Taiwan Index (Watch List)		✓	✓	✓	✓		

NOTE: the creation of the FTSE Watch List Indices is not confirmation of the promotion/deletion of any market within the FTSE Global Equity Index Series.

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