



中華證券交易服務有限公司
CHINA EXCHANGES SERVICES
COMPANY LIMITED

CES China Mainland Property Developer Index Methodology

June 2023

Contents

Preface.....	- 3 -
1. Index Name and Code	- 4 -
2. Base Date and Base Index	- 4 -
3. Index Eligibility.....	- 4 -
4. Index Calculation.....	- 5 -
5. Periodic Review of Constituents.....	- 5 -
6. Amendments and Supplements to Index Methodology	- 6 -
7. Information Disclosure	- 6 -
Contact Us.....	- 8 -

Preface

China Exchanges Services Company Ltd. (CESC) has appointed China Securities Index Co., Ltd. (CSIC) for index calculation, maintenance and dissemination. The index methodology is developed by mutual agreement between CESC and CSIC.

The CES China Mainland Property Developer Index (CES China Mainland Property Developer) is a price return index that provides a measure of market performance for mainland Chinese property stocks classified as “Property Developer, Service, Management, Parks” under Hong Kong Stock Connect.

Index Name	Launch Date	Constituents
CES China Mainland Property Developer	18-03-2019	Consists of the 30 largest mainland Chinese property stocks under Hong Kong Stock Connect.

1. Index Name and Code

Index Name	Abbreviation	Index Currency	Index Code
CES China Mainland Property Developer Index	CES China Mainland Property Developer	HKD	CESCPD
CES China Mainland Property Developer Index	CES China Mainland Property Developer	CNY	CES012
CES China Mainland Property Developer Total Return Index	CES China Mainland Property Developer TR	HKD	CES212
CES China Mainland Property Developer Total Return Index	CES China Mainland Property Developer TR	CNY	CES112

2. Base Date and Base Index

The base date is Mar 30, 2012. The base point is 2000.

3. Index Eligibility

3.1 Index Universe

The index universe for CES China Mainland Property Developer Index is comprised of stocks that are under Hong Kong Stock Connect, and classified as “Property Developer, Service, Management, Parks” according to the Industry Classification.

Eligible stocks must meet any of the following three criteria:

- ☐ The listed entity is incorporated in Mainland China; or
- ☐ The operation center of the listed entity is in Mainland China; or
- ☐ At least 50% of the listed entity’s revenue is originated from Mainland China.

CESC will determine whether stocks meet the universe eligibility requirements based on publicly available information.

3.2 Selection Criteria

The constituents are selected as follows:

- **Liquidity Screen.** Exclude stocks with daily average turnover velocity in the most recent year less than 5,000,000 HKD.
- Following the screens above, the top 30 stocks by daily average market capitalization are chosen for inclusion in the index.

4. Index Calculation

The CES China Mainland Property Developer is calculated according to the formula below:

$$\text{Current index} = \frac{\text{Current adjusted market capitalization of constituents}}{\text{Divisor}} \times 2000$$

Adjusted market capitalization = $\sum(\text{Price} \times \text{Adjusted No. of shares} \times \text{Foreign Exchange Rate} \times \text{Weight Factor})$.

For the calculation of the adjusted no. of shares, please refer to CES Index Calculation and Maintenance Methodology for further details. The Weight Factor is set between 0 and 1, so that no constituent accounts for more than 10% of the index.

5. Periodic Review of Constituents

5.1 Periodic Review

The CES China Mainland Property Developer is adjusted semi-annually. The

index reconstitution is implemented on the next trading day after the second Friday of each June and December.

Weight Factor is assigned to each constituent at each rebalancing date. The effective date is the same as that of the constituent adjustment. The Weight Factor stays the same until next rebalancing date.

5.2 Ongoing Adjustment

When special events occur affecting the representativeness and investability of the index, requisite non-regular adjustments will be made to the index constituents of the CES China Mainland Property Developer. When deletion happens, deleted stocks will not be replaced until next regular review.

6. Amendments and Supplements to Index

Methodology

In response to market development and clients' feedback, CESC and CSIC will amend or supplement the Index Methodology from time to time as appropriate. Proposed changes will be announced to the market prior to implementation.

7. Information Disclosure

To maintain the objectiveness, independence and authority of the index, CESC has adopted a stringent information disclosure policy to ensure transparency, openness and fairness.

- Any personnel of CESC and CSIC are forbidden to divulge any information to any third party, including private media interviews before such information is disclosed to the public.
- Media used for information disclosure includes but not limited to

website of CESC and CSIC.

- In general, result of the regular index review is published two weeks before the effective date. Non-regular adjustment in constituents will be published as soon as practicable. Changes in index methodology and index maintenance rules are usually published two weeks before the effective date.

Contact Us

For further details, please contact:

Index licensing Enquiries

China Exchanges Services Company Limited

50/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong

Tel : 852 2803 8200

Fax : 852 2868 3770

Email : cescinfo@cesc.com

Website : <http://www.cesc.com/>

Customer Service

China Securities Index Co., Ltd.

Building B, 555 Yingchun Road, Pudong New District, Shanghai, China

Tel : 0086 21 5018 5500

Fax : 0086 21 5018 6368

Email : csindex@sse.com.cn

Website : <http://www.csindex.com.cn/>