



中華證券交易服務有限公司

CHINA EXCHANGES SERVICES
COMPANY LIMITED

CES CRIC Leading Mainland Property Developer Index Methodology

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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 CRIC Leading Mainland Property Developer Index (CRIC Leading Mainland Property Developer) is a price return index provides a measure of market performance for mainland Chinese property securities that included in the list of CRIC’s top 100 mainland property developers by sales “克而瑞中国房地产企业销售排行榜 TOP100” (Top 100 Developers) and listed on the main board of HKEx.

Index Name	Launch Date	Constituents
CRIC Leading Mainland Property Developer	18-03-2019	Consists of the 40 largest Hong Kong-listed mainland Chinese property securities included in the Top 100 Developers.

1. Index Name and Code

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

2. Base Date and Base Value

The base date is March 30, 2012. The base value is 2000.

3. Index Eligibility

3.1 Index Universe

The index universe for CRIC Leading Mainland Property Developer is comprised of securities that included in the list of CRIC's Top 100 Mainland Property Developers by Sales “克而瑞中国房地产企业销售排行榜 TOP100” (Top 100 Developers), listed on the main board of HKEx, and classified as “Property Developer” according to the Industry Classification.

Eligible securities must meet any of the following three criteria:

- ◆ The listed entity is incorporated in Mainland China.
- ◆ The operation centre of the listed entity is in Mainland China.
- ◆ At least 50% of the listed entity's revenue is originated from

Mainland China.

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

3.2 Selection Criteria

The constituents are selected as follows:

- **Listing History Screen.** The security has been listed for more than three months as at the Review Cutoff Date unless the average daily total market capitalisation of the security from the fourth trading day to the Review Cutoff Date is ranked within the top 10 of all HKEx listed securities.
- **Price Screen.** Exclude securities with average daily closing price in the most recent year of less than 1.0 HKD.
- **Liquidity Screen.** Exclude securities with average daily turnover velocity (i.e. daily shares traded divided by daily total listed shares) in the most recent year of less than 0.05%.
- **Size Screen.** Exclude securities with average daily total market capitalization in the most recent year of less than 2 billion HKD. Following the screens above, the top 40 securities by average daily total market capitalisation are chosen for inclusion in the index.

For newly listed securities, the average daily turnover velocity or average daily total market capitalisation is calculated from the fourth trading day to the Review Cutoff Date.

4. Index Calculation

The index is calculated according to the following formula:

Current Index = Current Total Adjusted Market-Cap / Divisor × Base Value

Where Current Total Adjusted Market-Cap = $\sum(\text{Security Price} \times \text{Number of Free Float Adjusted Shares} \times \text{Weight Factor})$

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 the weight of each constituent is capped at 10%.

5. Periodic Review of Constituents

5.1 Periodic Review

The CRIC Leading Mainland Property Developer is adjusted semi-annually. The index reconstitution is implemented on the next trading day after the 2nd Friday of each March and September. The Review Cutoff Dates are on 31st January or 31st July respectively.

The CRIC Leading Mainland Property Developer is rebalanced quarterly. Weight Factor is assigned to each constituent at each quarterly rebalancing date and float share of each constituent is adjusted. The effective date is next trading day after the 2nd Friday of each March, June, September and December. 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 CRIC Leading Mainland Property Developer. When deletion happens, deleted securities 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:

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