



中華交易服務

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# CES China Private Elite Index

Driving force of economic growth  
in the Mainland



**CES China Private Elite Index (CES P Elite) is a barometer for the Mainland China's private enterprises (P Chips) with listings in Hong Kong or the US.**

## Index Description

The P Chips sector is growing stronger and becoming more influential in China's economy, and P Chips are now an important driving force in the stock market. The CES P Elite is an index tailored to reflect the sector's increasing role as well as the economic growth in the Mainland. The index's constituents are generally considered to have extraordinary strength and flexibility because they have a relatively autonomous ownership structure while enjoying strong support from the government.

## Constituent Selection

### Universe

The universe of the CES P Elite includes all of Mainland China's privately owned enterprises with a primary listing on The Stock Exchange of Hong Kong Limited, the New York Stock Exchange, the NASDAQ Stock Market or the NYSE MKT.

Mainland China's privately owned enterprises are defined as :

(a) "China" if they meet any of the following criteria :

- The enterprise is incorporated in Mainland China ; and/or
- The operating centre of the enterprise is in Mainland China ; and/or

- At least 50% of the enterprise's revenue originates in Mainland China.

(b) "Privately owned" if they meet the following criteria :

- Government ownership is less than 20% of outstanding shares ; and
- Ultimately controlled by a natural person.

Mainland China's private-owned enterprises with a listing history of less than three months will not be included in the universe.

### Screening

To be eligible for constituent selection, a stock must pass the below two screenings :

- (a) Liquidity screening : its average daily trading value for the past 12-months\* must reach at least USD500,000 ; and
- (b) Size screening : its average daily total market value (including the A-share portion, if any) for the past 12-months\* must reach at least USD500 million.

\* For newly listed stocks with a listing history of less than 12 months, the average daily trading value/market value for the liquidity and size screenings will be based on the average from the fourth trading day to the review cut-off date.

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## Constituent List

The largest 30 stocks in terms of average daily total market value will be selected as the index constituents.

## Calculation Methodology

CES P Elite is a free float-adjusted market value weighted index with a 15% cap on individual stock weighting.

## Constituent Review & Index Rebalance

Constituent reviews are conducted half-yearly with the data cut-off as at the end of April and October. Any constituent changes will be implemented on the next trading day after the second Friday of each June and December.

Existing constituents ranking within the top 36 will stay in the index while candidates ranking within the top 24 will be added to the index. In case the number of leaving constituents and the number of incoming candidates are not the same :

- (a) next lowest rank constituents will be removed, if there are more incoming candidates ; or
- (b) next highest rank candidates will be included, if there are more leaving constituents.

Adjustments to free float shares and weight factor will be implemented together with the constituent changes on the next trading day after the second Friday of each June and December.

## Index Overview

Index Abbreviation	CES P Elite
Index Code	CES CPE
Launch Date	23 January 2017
Base Date	31 December 2008
Base Value	1,000
Number of Constituents	30
Calculation and Dissemination Frequency	Once a day, after the close of trading
Review Frequency	Half-yearly
End of Day Index (Currency)	USD & HKD
Total Return Index (Currency)	USD & HKD
Information Vendor Codes	Bloomberg : CESCPE Thomson Reuters : .CSICESCPE Wind : CESCPE Great Wisdom : CESPELITE

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