



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 stocks 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 Stock Exchange of Hong Kong Limited (SEHK).

Index Name	Launch Date	Constituents
CRIC Leading Mainland Property Developer	18-03-2019	Consists of the 40 largest Hong Kong-listed mainland Chinese property stocks 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 Index

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

3. Index Eligibility

3.1 Index Universe

The index universe for CRIC Leading Mainland Property Developer is comprised of stocks 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 SEHK, and classified as “Property Developer” 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 centre 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:

- **Listing History Screen.** The stock has been listed for more than three months as at the Review Cutoff Date unless the daily average total market capitalisation of the stock from the fourth trading day to the Review Cutoff Date is ranked within the top 10 of all SEHK listed stocks;
- **Price Screen.** Exclude stocks with daily average closing price in the most recent year of less than 1.0 HKD;
- **Liquidity Screen.** Exclude stocks with daily average 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 stocks with daily average total market capitalization in the most recent year of less than 2 billion HKD. Following the screens above, the top 40 stocks by daily average total market capitalisation[^] are chosen for inclusion in the index.

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

4. Index Calculation

The CRIC Leading Mainland Property Developer is calculated according to the formula below:

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

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

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 CRIC Leading Mainland Property Developer is adjusted semi-annually. The index reconstitution is implemented on the next trading day after the second 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 and float share of each constituent is adjusted. The effective date is next trading day after the second Friday of each March, June, September and December. The Weight Factor stays the same until next rebalancing day.

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 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



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and index maintenance rules are usually published two weeks before the effective date.

Contact Us

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