



中華證券交易服務有限公司

CHINA EXCHANGES SERVICES
COMPANY LIMITED

CES Index Calculation and Maintenance Methodology

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

1. Index Regular Adjustment

Based on the principle of stability and dynamic tracking, unless specified in methodology, the constituents of CES indices are reviewed every 6 months in general. The constituents shall be accordingly adjusted based on the result of review.

1.1 Review Period

Unless specified in methodology, CES indices shall usually be reviewed during the last ten-days of May and November each year and adjusted semi-annually basically. The index reconstitution and float share adjustments are implemented after the market close on the second Friday of each June and December (“Review Effective Date”).

1.2 Data Used for Regular Review

Usually, the data used for periodical review in May includes trading data, financial data, etc. from May 1st of the previous year to April 30th of the review year (In case of an IPO, the data since its fourth trading day after listing are used). The data used for periodical review in November includes trading data, financial data, etc. from November 1st of the previous year to October 31st of the review year (In case of an IPO, the data since its fourth trading day after listing are used).

The data used for constituent review at other times includes trading data,

financial data, etc. within the time interval specified in the index methodology.

The above data comes from the exchange or data suppliers designated by CESC or CSIC from time to time. All the data are objectively available or can be obtained through arms-length transactions. No exercising of “Expert Judgment” with respect to the use of data. There were no disregards of input data where it conformed to the requirements of the index methodology.

1.3 Float Share Adjustments

Free float shares adjustment for CES indices is reviewed semi-annually. The adjustment will be implemented after the market close on the second Friday of June and December. See Rule 3.4: “Free Float”, Rule 3.5: “Category-Weight Method” and Section 5: “Maintenance of Constituent Shares”.

1.4 Number of Constituents to be Adjusted

For some equity indices, the number of constituents is subject to an adjustment proportion limit in each regular adjustment. The specific adjustment proportion limit can be found in respective index methodologies.

1.5 Buffer Zone

Some equity indices adopt buffer zone rules in the regular adjustment to reduce the index adjustment turnover. The specific buffer zone ratio can be found in respective index methodologies.

1.6 Reserve List

In order to enhance the predictability and transparency of non-regular index reconstitution, certain CES indices adopt a reserve list policy (if applicable) which is used to implement non-regular index reconstitution between regular

reviews.

- The reserve list (if applicable) is created for each regular review of index constituents.
- If non-regular index reconstitution is required (due to delisting, merger, etc.) leading to a vacancy in constituent stocks, the highest ranking stock on the reserve list (if applicable) will be added to the index.
- When the number of stocks on the reserve list (if applicable) is less than 50% of the original number, candidate stocks will be added to the respective reserve list (if applicable). CESC and CSIC will then publish the new reserve list (if applicable) in a timely manner.
- The number of securities in the reserve list can be found in respective index methodologies.

1.7 Long Suspension Stocks

Generally, for index constituents of A shares, in the periodic review of their eligibility:

- Constituents that have been suspended for more than 25 trading days and have not resumed trading as of the deadline of data used for constituents eligibility review, if listed on the candidate deletion list, will be classified as priority deletion securities in principle.
- Constituents that have been suspended close to 25 trading days as of the deadline of data used for constituents eligibility review, CESC and CSIC will discuss and decide whether they should be classified as candidate deletion securities.
- In principle, the suspended old constituent will be removed from the indices at its closing market price. If the deleted security is under suspension and the reason for the suspension is significant negative

event, then the constituent will be removed from the indices at the price of 0.00001 Yuan. In the event that such securities under long suspension resume trading at least one trading day prior to the effective date, then CESC and CSIC will amend the deletion price to market price and release announcements.

- Securities that are under suspension and without clear expectation about trading resumption as of the deadline of data used for constituents eligibility review, will not be able to be selected as candidate new additions in principle.
- Securities that have been suspended for more than 25 trading days during the data period used for constituents review can be included in the index only if they have been resumed trading for 3 months except in special circumstances approved by CESC and CSIC.
- For new additions suspended between the announcement date and the effective date of the periodical review, CESC and CSIC will decide whether to adjust the addition or not.

For index constituents of Non A-shares, CESC and CSIC shall determine whether to remove it from the index based on its suspension reasons.

1.8 Securities Subject to Risk Warning

In principle, as of the deadline of data used for constituents eligibility review, A shares of which risk warning has been removed for less than 3 months are not eligible for index universe.

1.9 Securities Experiencing Financial Losses

In principle, except securities listed in STAR MARKET, A shares that suffered losses in financial report are not eligible to be selected as candidate new additions in constituents' periodical review unless the securities have a great

impact on the representativeness of index.

1.10 Financial Reporting Requirements

In principle, the A-share securities of the company that has not disclosed its semi-annual or audited annual report within the statutory period, or whose accounting report for the recent fiscal year has been presented with disclaimer of opinion or adverse opinion are not eligible for index universe.

2. Index Temporary Adjustment

When special events or change in security eligibility occur affecting the representativeness and investability of the indices, requisite non-regular adjustments will be made to the index constituents.

2.1 Treatment of IPOs & Newly Added Eligible Securities for “Stock Connect” (Only applicable for indices adopting fast entry rule)

If the total market cap of an IPO (or newly added eligible securities for Stock Connect) meets certain conditions, CESC and CSIC shall apply the fast entry rules to some indices. For further information about the indices adopting the fast entry rules, please see respective index methodologies.

If an IPO (or newly added eligible securities for Stock Connect) meets the criteria of fast entry but the time gap between its date of listing (or date of newly added eligible securities for Stock Connect) and the next Review Effective Date is less than 20 trading days, then the fast entry rule will not apply. The IPO (or newly added eligible securities for Stock Connect) will be added to the index on the next Review Effective Date.

2.2 Merger and Acquisition

- **Two constituent companies merge, or one constituent company merges with one non-constituent company:** The security of the resulting new company shall retain constituent eligibility and remain in the index if it meets the criteria for index constituent selection. Otherwise, the security shall be deleted from the index as soon as practicable, and the vacancy shall be considered whether to be filled according to the index methodology.
- **One non-constituent company merges with one constituent company:** When one non-constituent company purchases or takes over one constituent company, if the security of the resulting new company meets the criteria for index constituent selection and ranks higher than the highest-rank security in the reserve list (if applicable), then the new security shall be added to the index. Otherwise, the security shall be deleted from the index as soon as practicable, and the vacancy shall be considered whether to be filled according to the index methodology.
- **Merger, acquisition and restructuring of non-constituents:** If the total market cap of the A-share security of the resulting new company ranks among the top 10 of all other SSE SZSE listed securities or if the total market cap of the H-share security of the resulting new company ranks among the top 10 of all other HK listed securities (and is eligible for Stock Connect, if requires) due to the above corporate events, fast entry rules shall be applied according to the respective index methodologies (if applicable). Otherwise, these corporate events shall be considered together in the index regular adjustment.

2.3 Spin-off

If a constituent company is spun off to form two or more companies, whether the resulting companies are eligible for inclusion in the index will depend on the index methodology and their rankings.

- If the resulting companies' securities meet the criteria for index constituent selection, or part or all of the resulting companies' securities rank higher than the lowest-rank constituent, then the resulting companies' securities that rank higher than the lowest-rank constituent shall be added to the index as new inclusion.
- If all the resulting companies' securities rank lower than the lowest-rank constituent, but part or all the resulting companies' securities rank higher than the highest-rank security in the reserve list (if applicable), then the highest-rank new resulting company's security shall replace the security of the former company and be added to the index as new inclusion. However, if the resulting companies' securities do not satisfy the criteria for index constituent selection, then the highest-rank company's security in the reserve list (if applicable) shall be added to the index.
- If the resulting companies' securities don't meet the criteria for index constituent selection, or all the resulting companies' securities rank lower than the lowest-rank constituent and the highest-rank security in the reserve list (if applicable), then the highest-rank company's security in the reserve list (if applicable) shall be added to the index.

2.4 Suspension

If a constituent is suspended from trading, the decision to remove it from the index will base on the reasons for suspension.

2.5 Delisting

If a constituent is delisted, it shall be removed from the index, and whether the vacancy should be filled shall depend on the index methodology.

2.6 Bankruptcy

If a constituent company enters into bankruptcy proceedings or is adjudged bankrupt, it will be removed from the index and the highest ranking stock in the reserve list (if applicable) will be added to the index.

2.7 Stock Classified as Eligible for Sell Only under “Stock Connect” (Only applicable for indices which index universe is based on Stock Connect eligible securities)

For indices comprised of eligible securities for Stock Connect, if a constituent company is classified as eligible for sell only or removed from “Stock Connect”, it will be removed from the index on the next trading day after the 2nd Friday of every month, and whether the vacancy should be filled shall depend on the index methodology.

In general, the adjustment plans will be announced two trading days prior to the effective date.

2.8 Constituents under Risk Warning Status (Only applicable for A shares)

Constituents of **A shares** which are under risk warning status or will enter risk warning status will be deleted from the indices on the next trading day after the 2nd Friday of every month. In general, the adjustment plans will be announced two trading days prior to the effective date.

2.9 Weights of Inheritance

For indices with weight restriction, if any constituent of the index is changed beyond periodical reviews, the inserted constituent will inherit the weight of the deleted constituent as of the close of one trading day before the effective date of the addition and calculate the weight factor of new security.

2.10 Deletion Price

In principle, for deletions of constituents, the deleted constituent will be removed from the indices at its closing market price. If the deleted constituent is suspended from trading and the reason for the suspension is significant negative event, then the constituent will be removed from the indices at the price of 0.00001 Yuan. In the event that such securities resume trading at least one trading day prior to the effective date, then CESC and CSIC will amend the deletion price to market price and release announcements.

2.11 Other Special Cases

In circumstances where a specific event is not covered by the rules or methodology documents, CESC and CSIC will determine the appropriate treatment.

3. Index Calculation

CES indices are calculated to 4 decimal points. CESC calculates the closing-quotation equity indices, and also some real-time equity indices. Index calculation is based on the trading data and fundamental information. All the data are objectively available or can be obtained through arms-length transactions. No exercising of “Expert Judgment” with respect to the use of data. There were no disregards of input data where it conformed to the requirements of the index methodology.

3.1 Index Calculation Formula

In principle, the price index is calculated according to the Paasche weighted composite price index formula. Generally, the calculation formula is as follows:

$$\text{Current Index} = \frac{\text{Current Total Adjusted Market Capitalization of Constituents}}{\text{Divisor}} \times \text{Base Value}$$

Where **Current Total Adjusted Market-Cap** = \sum (Security Price \times Number of Free Float Adjusted Shares \times Weight Factor \times Exchange Rate)

Number of Free Float Adjusted Shares is obtained by adjusting total shares of constituents using category-weighted method. Hence, the calculation of the number of the adjusted shares of constituents depends on two factors, namely free float and category-weighted method. Detailed contents of free float and category-weighted method could be found in Rule 3.4: “Free Float”, Rule 3.5: “Category-Weight Method” respectively. The adjusted free float market cap is calculated by multiplying the security price and the number of free float adjusted shares.

The weight factor is between 0 and 1, which is calculated from the ratio of the weight to the adjusted free float market value. Unless specified, the weight factor and exchange rate are both 1. If there are other explanations for the calculation formula in the methodology, the index methodology shall prevail. If the index weighted by free float adjusted market cap and the weight of each constituent is capped at X, the weight of the constituent whose initial weight exceeds X is adjusted to X, and the remaining constituents are allocated the remaining weight according to the free float adjusted market cap ratio. If the weight of remaining constituents exceed X, then repeat the above steps.

In the situation that the index is weighted by free float market cap, the weight of

each constituent is capped at X, and the total weight of top 5 constituents is capped at Y. If the weight of top 5 constituents does not exceed Y, the weight restriction is referred to X for each constituents. Otherwise, the total weight of the top 5 constituents is set to Y, and the weights of the top 5 constituents are allocated according to the adjusted free float market cap ratio. If the weight of the constituent with weights exceeds X after the distribution are adjusted to X, the top 5 constituents are distributed the remaining weight based on the free float adjusted market cap. If there are still constituent weights that exceed X after reallocation, repeat the above steps. The total weight of constituents other than the top 5 is 100%-Y, and the weights are allocated according to the free float adjusted market cap ratio, and the weight of the constituent is capped at the weight of the fifth largest constituent.

When there occur changes of the constituent list or the share structure, or constituents' market value changes due to non-trading factors, according to the index constituents' maintenance methodology, the Divisor Adjustment Methodology is used to adjust the original divisor to ensure the continuity of the index. For further details, please see Chapter 4 "Index Maintenance".

3.2 Index Real-time Calculation

The real-time index calculation is based on the traded price data issued by the trading systems of the relevant stock exchanges via various channels. The real-time index is calculated during the trading hours of any of the exchanges on which an index constituent is listed. Price of each constituent (X) is determined as follows:

If there is no deal in the whole trading day, X equals to the reference opening price.

Otherwise, X equals to the latest trading price.

CESC and CSIC will decide whether to continue the index calculation in case of abnormal quotations from Shanghai Stock Exchange, Shenzhen Stock Exchange and Hongkong Stock Exchange.

For real-time calculation of other equity indices, the real-time trading prices of constituents come from market quotations by data providers designated by CESC and CSIC from time to time.

3.3 Index End-Of-Day Calculation

The end-of-day index calculation is based on the traded price data issued by the trading systems of the relevant exchanges via various channels. The end-of-day index is calculated after the trading hours of all of the exchanges on which an index constituent is listed.

3.4 Free Float

To reflect the variation of the real float shares in the market, the equity indices adopt the definition of free float shares (free float) in index calculation, which exclude the restricted shares and non-free float shares due to strategic holdings or other reasons from the total shares of the constituents. The remaining shares available for trading shall be deemed as free-float shares.

For shares clearly announced as restricted by listed companies and shares that fall into the 4 types of shares below, if the holdings are 5% or greater by a shareholder or shareholders acting in concert, such shares shall be deemed as non-free float shares. The four types of shares include:

- (1) Long term holdings by founders, families, and senior executives, etc.
- (2) State-owned shares

(3) Strategic holdings

(4) Employee share plans

Free Float = Total shares of constituent - non-free float shares

CESC estimates free float based on various objectively available information
(See Appendix A).

3.5 Category-Weight Method

Unless otherwise stated, the calculation of equity indices use category-weighted method in which CSI will grant certain inclusion factor to the total shares of the constituent according to the percentage of free float shares in total shares of the constituent to ensure index stability.

Free Float Ratio = Free Float / Total Shares of Constituent

Adjusted Shares = Total Shares of Constituent × Inclusion Factor

Inclusion factor of the constituents of equity index shall be determined according to the chart below:

[Category-Weighted chart of the equity indices]

Free Float Ratio (%)	≤15	(15, 20]	(20, 30]	(30, 40]	(40, 50]	(50, 60]	(60, 70]	(70, 80]	>80
Inclusion Factor (%)	nearest higher percentage point	20	30	40	50	60	70	80	100

[Example of Category-Weight Method]

Security	Security A	Security B	Security C
Total Shares	100,000	8,000	5,000
Non-Free Float	88,800	4,500	900
Free Float = Total Shares - Non-Free Float	11,200	3,500	4,100
Free Float Ratio = Free Float / Total Shares	11.2%	43.8%	82.0%
Inclusion Factor	12%	50%	100%
Adjusted Shares	12,000	4000	5000

3.6 Total Return Index

CES indices are price return indices. Nonetheless, the daily total return index values are calculated for investors' reference. The difference between total return index and price index is that the calculation of total return index takes the reinvestment income of constituents before-tax cash dividends into consideration, which enables investors to measure index performance from different aspects.

The formula of total return index and net total return index is:

Total return index (TRI):

$$TRI_t = TRI \text{ Closing Data}_{t-1} \times \frac{\sum(\text{Sample Closing Price}_t \times \text{Adjusted Shares} \times \text{Weight Factor} \times \text{Exchange Rate})}{\sum(\text{Sample Opening Reference Price}_t \times \text{Adjusted Shares} \times \text{Weight Factor} \times \text{Exchange Rate})}$$

Where t represents any trading day, t-1 represents the previous trading day of t, Opening Reference Price refers to the opening reference price adjusted on the same day in accordance with corporate events (such as cash dividends).

The difference between the total return index and the price index is on the treatment of cash dividend. When the constituent company distributes cash dividends, the total return index shall not fall naturally.

3.7 Exchange Rates for Index calculation

Unless otherwise stated, Exchange Rate refers to the exchange rate sourced from the data providers as designated by CESC and CSI from time to time. The real-time Exchange Rate is generally used to calculate the real-time index; the Exchange Rate at index closing time or the designated time is used to calculate the closing-quotation index.

The exchange rate of RMB in index calculation will normally use on shore exchange rate (CNY). If other exchange rate of RMB is used in index calculation, such as CNH, CESC will mark this in the index methodology.

4. Index Maintenance

In the event of a change in constituent list or a capital change in the index constituents, or constituents' market value fluctuates due to non-trading factors, CESC shall adopt the Divisor Adjustment Methodology to adjust the old divisor.

4.1 Formula of Divisor Adjustment Methodology

$$\frac{\text{Adjusted Market Cap before Adjustment}}{\text{Old Divisor}} = \frac{\text{Adjusted Market Cap after Adjustment}}{\text{New Divisor}}$$

Adjusted Market Capitalization after Adjustment = Adjusted Market Capitalization before Adjustment + Adjusted Market Capitalization increase (or decrease)

The new divisor derived from this formula is used for future index calculation.

4.2 Circumstances for Index Adjustment

4.2.1 Corporate actions that may affect the price of constituents

- Ex-Dividend: No index shall be adjusted in the event of an ex-dividend (dividend payment), and its natural fall shall not be interfered. The total return index is adjusted based on the reference ex-dividend price before the ex-dividend date of the constituent.
- Ex-Right: If the bonus issue, rights issue, stock split or consolidation occurs, the index shall be adjusted the day before the ex-right day. Calculation of Adjusted Market Cap is based on new shares and prices.

Adjusted Market Cap after Adjustment = Ex-right Price × Adjusted No. of Shares + Adjusted Market Cap before Adjustment (excluding securities adjusted for bonus issue, rights issue, stock split or consolidation)

4.2.2 Other corporate events that affect the index constituents

- For other corporation events (such as secondary offering, share buyback, exercise of convertible bonds and warrants, etc.) share adjustment will be implemented immediately if accumulated share change adds up to 5% or more.

*Adjusted Market Capitalization after the Adjustment = closing price
× adjusted shares after changes*

- Share adjustment will be deferred to the next regular review if the accumulated share change is less than 5%.

4.2.3 Constituents adjustment

- Index is adjusted before the effective day of regular review or non-regular adjustment.

5. Maintenance of Constituent Shares

To ensure that CES indices reflect the trading status of related stocks, constituent shares are maintained based on the following rules:

- Constituents are maintained based on the announcements of the listed companies.
- Immediate or concentrated adjustments on prices or shares are conducted in accordance with different types of corporate events.

Immediate adjustments refer to:

Constituents' price changes due to dividend distribution shall be implemented on the ex-dividend day.

For corporate events resulting in simultaneous change in constituents' price and shares, such as bonus issue, rights issue, stock split and consolidation, etc., adjustments shall be implemented on the ex-right day.

Concentrated adjustments refer to:

Temporary or regular adjustment shall be carried out in occurrence of other corporate events such as secondary offering, debt-to-equity swap, exercise of warrants etc. The temporary adjustment shall be made to constituents' shares when the accumulated change of the total shares exceeds or reaches 5%. Otherwise, change of shares shall be implemented in the regular adjustment. Usually, the Effective Date of temporary adjustment shall be two trading days later than the new shares listing day disclosed in the announcement made by the listed company when the accumulated change of the total shares exceeds or reaches 5%. (If the announcement day is later than the new shares listing day, the next trading day after the announcement day shall be regarded as the new shares listing day.)

- Further information on the corporate events and their corresponding treatment is detailed in Appendix B.

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 indices, a stringent information disclosure policy has been adopted 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, the regular index review results and non-regular index adjustments results will be published as soon as practicable.

8. Index Dissemination

8.1 Dissemination Channels

CES indices are disseminated via various channels:

- Unless specified in methodology, broadcasted via HKEX's and CSIC's real time broadcast systems;

- Released real time globally via global information vendors;
- Published daily through the Internet at CESC's website:
<https://www.cesc.com/>.
- Published daily through the Internet at CSIC's website:
<https://www.csindex.com.cn/>.
- The total return indices are published daily after the close of trading through the Internet at CESC's website: <https://www.cesc.com/> and CSIC's website: <https://www.csindex.com.cn/>

In case of a doubt as to the index, the information published through CESC official channels shall prevail.

8.2 Dissemination Frequencies

Real-time indices are calculated every one second and disseminated every five seconds. Update frequency of the indices is subject to the INDEXPRESS and the Data Dissemination System.

End-of-day indices are calculated and disseminated after the close of trading.

Appendix A: Free Float

Some of the issued shares are almost illiquid within a specific period of time owing to sales restriction or strategic holding and so on. The investment opportunity of the index will not be truly reflected if these non-negotiable shares are included in compilation of the index. Hence, a free float market capitalization weighted method is used to calculate the index.

1. Scope of Free Float

Free float is defined as the issued shares tradable in the open stock market. The restricted shares and any holdings of shares classified under the four categories listed below will be deemed as non-free float shares:

- Long term holdings by founders, their families and senior executives of the company: Shares held by founders or founders' families as well as shares held by board members, supervisors and members of the senior management team etc.
- Government holdings: Shares held by the government or agencies.
- Strategic holdings: Shares held by strategic investors for long-term strategic interests.
- Employee share plans: Shares held by employee share plans.

2. Identification of Free Float

(1) Restricted shares subject to lock up period are deemed as non-free float.

(2) For non-restricted shares, if they belong to the four categories and the holdings of shareholders or persons acting in concert is larger than 5%, they will be defined as non-free float, and those smaller than 5% will be defined as free float.

(3) Restricted shares after the lock-up period are treated the same way as non-restricted shares.

3. Information Source

Free float is determined using all public information that is required to be disclosed by existing laws and regulations, which includes:

- Prospectus and listing notice: Information of actual owners, founders, strategic investors, employee holdings, senior executive holdings, etc.
- Regular report: Information of actual owners, founders, strategic investors, employee holdings, senior executive holdings, etc.
- Temporary announcement: Notice of Change in Shareholder's Interest, Report of Acquisition, Report of Changes in Equity, etc.

4. Adjustment of Free Float

Free float changes resulting from shareholder actions are implemented in the semi-annual index regular review. The adjustment will take effect after the market close on the second Friday of June and December.

Appendix B: Definition

1. Security – The security in this methodology refers to the stocks of listed companies and CDR.
2. Risk Warning¹ – If a listed company's financial or other conditions are abnormal, which may result in the risk of termination of listing, or if investors have difficulty in judging the company's prospects, and their investment rights and interests may be jeopardized, the stock exchange may impose a risk warning on the company's stock. If a stock is subject to a delisting risk warning, the abbreviation of the stock shall be preceded by the word "*ST"; if other risk warnings are imposed, the abbreviation of the stock shall be preceded by the word "ST". If the company is subject to both delisting risk warning and other risk warnings, the abbreviation of the stock shall be preceded by the word "*ST".
3. Northbound Trading under Shanghai Stock Connect – the trading of SSE Securities by Hong Kong and international investors through Stock Connect.
4. Northbound Trading under Shenzhen Stock Connect – the trading of SZSE Securities by Hong Kong and international investors through Stock Connect.
5. Southbound Trading under Hongkong Stock Connect – the trading of SEHK Securities by Mainland investors through the Stock Connect.
6. Total Return Index – Total Return Index takes account of the interests of dividend provided that the pre-tax dividend of the security is reinvested in the index on the ex-dividend date.
7. Stock Split or Stock Consolidation – The shares are distributed to the existing shareholders on a pro-rata basis, or if the shares held by the existing shareholders are consolidated on a pro-rata basis.

¹ Only applicable for A shares

8. Regular Adjustment – The periodical reassessment of the eligibility of index constituents and their weights, (usually performed monthly, quarterly, semi-annually, or annually). The review process ensures that the index continue to accurately represent the performance of the underlying market or market segment at the time of its construction.
9. Review Data Cutoff Date (“Review Cutoff Date”) – the cutoff date for June and December review on 30th April or 31st October as the case may be.
10. Adjusted price of ex-dividend and ex-right – The reference price published by the exchanges on the ex-right (dividend) day which is used to notify investors that the intrinsic value of the stocks have been diluted due to dividend or rights offering.

a) Dividend

$$\text{Ex-dividend price} = \text{Closing price before ex-dividend day} - \text{Dividend per share}$$

b) Bonus issue

$$\text{Ex-bonus price} = \frac{\text{Closing price before ex-bonus day}}{1 + \text{Bonus issue ratio}}$$

c) Rights issue

$$\text{Ex-right price} = \frac{\text{Closing price before ex-right day} + \text{Rights issue price} \times \text{Rights issue ratio}}{1 + \text{Rights issue ratio}}$$

d) Stock split and stock consolidation

$$\text{Ex-right price} = \text{Closing price before ex-right} \times \frac{\text{Total number of shares before ex-right day}}{\text{Total number of shares on ex-right day}}$$

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