
ANNOUNCEMENTS

Oct 11, 2023

Changes of CES Innovative Pharmaceuticals Index Methodology

China Exchanges Services Company Limited (CESC) today announces changes to the CES Innovative Pharmaceuticals Index methodology to enhance their representativeness and investability.

CES Innovative Pharmaceuticals Index: (1) The index universe will include Stocks listed in Shanghai or Shenzhen whose main business scope belongs to innovative medicine related fields. (2) The candidate selection method will exclude stocks with daily average turnover velocity in the most recent half year ranked in the bottom 10%, as well as stocks whose R&D expenditures as a percentage of operating revenue in the last three years ranked in the bottom 10%. The top 30 stocks, determined by daily average market capitalization in the last half year, will be selected. (4) The weight limit will be adjusted to ensure that the weight of individual constituents does not exceed 15%, and the combined weights of the top 5 constituents do not exceed 60%. All other aspects of the above-mentioned index methodology remain unchanged.

The changes will take effect on 12 Oct 2023.

Index Methodology:

[CES Innovative Pharmaceuticals Index Methodology](#)

Index Constituents:

[CES Innovative Pharmaceuticals Index](#)

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About CESC

CESC is a joint venture formed and equally owned by Hong Kong Exchanges and Clearing Limited, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. Its aim is to contribute to the development of China's capital markets. Registered and incorporated in Hong Kong, CESC was officially launched in September 2012 and commenced operations on 30 October. CESC's principal businesses include compiling cross-border indices based on products traded on the Hong Kong and Mainland securities markets, developing industry classifications for listed companies, and developing information standards and information products. CESC also develops financial products to link the Mainland and Hong Kong markets with global investors.

For further information on CESC, please visit the website at www.cesc.com.

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