

FTSE China A All Cap Index Series

v2.9



**FTSE
RUSSELL**

An LSEG Business

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Section 1

Introduction

1. Introduction

1.1 The FTSE China A All Cap Index Series is designed to represent the performance of the China A shares that are available to international and domestic Chinese investors.

1.2 The FTSE China A All Cap Index Series is adjusted for free float. Within the series, there are two versions. The standard version takes into account the foreign ownership limit (where applicable to international investors). The free version excludes the foreign ownership limit (where applicable to domestic investors).

	Standard version	Free version
Large and mid cap	FTSE China A Index	FTSE China A Free Index
Large, mid and small cap	FTSE China A All Cap Index	FTSE China A All Cap Free Index
Industry, super-sector, and sector	FTSE China A Sector Indices	FTSE China A Sector Free Indices
SOE	FTSE China A SOE Index	FTSE China A Free SOE Index
Non-SOE	FTSE China A Non-SOE Index	FTSE China A Free Non-SOE Index
Northbound Stock Connect	FTSE China A Stock Connect Indices	
STAR market and ChiNext market	FTSE China A Innovative Enterprises Indices	
Top 200	FTSE China A 200 Index	
A 200 minus A50	FTSE China A 150 Index	
Next 400	FTSE China A 400 Index	
A 200 + A 400	FTSE China A 600 Index	
Dividend yield	FTSE China A High Yield 150 Index	

1.3 Standard version (takes into account the foreign ownership limit)

1.3.1 FTSE China A Index

This index comprises the large and mid cap A-Share constituents that meet the eligibility requirements as stated in section 7 periodic review of constituents in the FTSE Global Equity Index Series Ground Rules.

1.3.2 FTSE China A All Cap Index

This index comprises the large and mid cap A-share constituents that meet the eligibility requirements as stated in section 7 periodic review of constituents in the FTSE Global Equity Index Series Ground Rules.

Individual large, mid and small cap indices are also calculated.

1.3.3 FTSE China A Sector Indices

Industry, super sector and Sector indices are calculated for the FTSE China A and FTSE China A All Cap Indices using the Industry Classification Benchmark (ICB).

1.3.4 FTSE China A SOE Index

The FTSE China A SOE Index includes constituents of the FTSE China A Index that are classified as state-owned enterprises ("SOEs") as defined in section 4.2 in this Ground Rules.

1.3.5 FTSE China A Non-SOE Index

The FTSE China A Non-SOE Index includes constituents of the FTSE China A Index that are not classified as SOEs as defined in section 4.2 in this Ground Rules.

1.3.6 FTSE China A Stock Connect Indices

These indices are designed to represent the performance of constituents of the FTSE China A Indices that are eligible under the Northbound China Stock Connect Scheme Buy-and-Sell List. Two index versions (FTSE China A Stock Connect CNH Indices and FTSE China A Stock Connect CNY Indices) are available with index constituent prices denominated in CNH and CNY respectively.

1.3.7 FTSE China A Innovative Enterprises Indices

These indices are designed to represent the performance of constituents of the FTSE China A All Cap Index listed on the Shenzhen Stock Exchange ChiNext market and Shanghai Stock Exchange STAR market.

1.3.8 FTSE China A 200 Index

This index comprises the 200 largest companies by full market capitalisation of the FTSE China A All Cap Index. Sector indices are also calculated based on the ICB.

1.3.9 FTSE China A 150 Index

This index comprises the constituents of the FTSE China A 200 Index, but excluding the constituents of the FTSE China A50 Index. The FTSE China A50 Index comprises the 50 largest companies by full market capitalisation in the China A shares market. Ground Rules for the FTSE China A50 Index can be found using the following link:

[FTSE China A50 Index Ground Rules English.pdf](#)

1.3.10 FTSE China A 400 Index

This index comprises the next 400 largest companies after the top 200 largest companies by full market capitalisation.

1.3.11 FTSE China A 600 Index

This index combines the constituents of the FTSE China A 200 Index and FTSE China A 400 Index. Sector indices are also calculated based on the ICB.

1.3.12 FTSE China A High Yield 150 Index

This index comprises the top 150 constituents of the FTSE China A 600 Index when ranked by dividend yield.

1.4 Free version (excludes/free of the foreign ownership limit)

1.4.1 FTSE China A Free Index

Free float adjusted version mirroring FTSE China A Index listed in rule 1.3.1, but excludes foreign ownership restrictions applied to each index constituent.

1.4.2 FTSE China A All Cap Free Index

Free float adjusted version mirroring FTSE China A All Cap Index listed in rule 1.3.2, but excludes foreign ownership restrictions applied to each index constituent.

Individual Large, Mid and Small Cap Free Indices are also calculated.

1.4.3 FTSE China A Sector Free Indices

Free float adjusted version mirroring FTSE China A Sector Indices listed in rule 1.3.3, but excludes foreign ownership restrictions applied to each index constituent.

1.4.4 FTSE China A Free SOE Index

Free float adjusted version mirroring FTSE China A SOE Index listed in rule 1.3.4, but excludes foreign ownership restrictions applied to each index constituent.

1.4.5 FTSE China A Free Non-SOE Index

Free float adjusted version mirroring FTSE China A Non-SOE Index listed in rule 1.3.5, but excludes foreign ownership restrictions applied to each index constituent.

1.5 The FTSE Global Equity Index Series incorporates the FTSE China A Stock Connect Indices listed in Rule 1.3.6 to form the China A Shares component of those indices. The Ground Rules of the FTSE Global Equity Index Series are available at www.lseg.com/en/ftse-russell/.

1.6 The FTSE Global China A Inclusion Index Series incorporates the respective FTSE China A Indices listed in rules 1.3.1 and 1.3.2 to form the China A Shares component of those indices. The Ground Rules of the FTSE Global China A Inclusion Index Series are available at www.lseg.com/en/ftse-russell/.

1.7 The FTSE China A All Cap Index Series does not take account of ESG factors in its index design.

1.8 The FTSE China A All Cap Index Series is calculated in Renminbi (Chinese Yuan), US Dollars, Euros, UK Pounds Sterling and Japanese Yen. The FTSE China A Stock Connect Indices are also calculated in CNH and CNY.

1.9 Price, total return and net of tax indices will be calculated on an end-of-day basis. The total return index is based on ex-dividend adjustments. The total return indices include income based on ex-dividend adjustments. All dividends are applied as declared.

1.10 A series of net of tax total return indices are also calculated based on the maximum withholding tax rates applicable to dividends received by institutional investors who are not resident in the same country as the remitting company and who do not benefit from double taxation treaties.

Withholding tax rates used in the net-of-tax indices can be accessed using the following link:

[Withholding Tax Service](#)

Please also refer to the FTSE Russell Withholding Tax Guide, which can be accessed using the following link:

[FTSE Russell Withholding Tax Guide.pdf](#)

1.11 Selected indices of the FTSE China A All Cap Index Series are calculated and disseminated on a real-time basis.

1.12 FTSE Russell

FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, FTSE (Beijing) Consulting Limited, Refinitiv Benchmark Services (UK) Limited, Refinitiv Limited and Beyond Ratings.

1.13 Index objective and intended use

1.13.1 The indices and index statistics are intended to reflect the investment markets included in the index definitions and to facilitate the detailed analysis of such markets.

1.13.2 FTSE Russell hereby notifies users of the index series that it is possible that factors, including external factors beyond the control of FTSE Russell, may necessitate changes to, or the cessation, of the index series and therefore, any financial contracts or other financial instruments that reference the index series or investment funds which use the index series to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index series.

1.13.3 Index users who choose to follow this index or to buy products that claim to follow this index should assess the merits of the index's rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell for any losses, damages, claims and expenses suffered by any person as a result of:

- any reliance on these Ground Rules; and/or
- any inaccuracies in these Ground Rules; and/or
- any non-application or misapplication of the policies or procedures described in these Ground Rules; and/or
- any inaccuracies in the compilation or any constituent data in the Index.

1.14 IOSCO

1.14.1 FTSE Russell considers that the FTSE China A All Cap Index Series meets the IOSCO Principles for Financial Benchmarks as published in July 2013.

Full details can be accessed at www.iosco.org

Details of FTSE Russell's Statement of Compliance with respect to the IOSCO Principles can be accessed using the following link:

[IOSCO Statement of Compliance](#)

Section 2

Management responsibilities

2. Management responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series¹.

2.1.2 FTSE is responsible for the daily calculation, production and operation of the Index Series, and will:

- maintain records of the index weightings of all constituents;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out the periodic index reviews of the Index Series and apply the changes from the reviews as required by the Ground Rules;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews;
- disseminate the indices.

2.2 Amendments to these Ground Rules

2.2.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they continue to best reflect the aims of the index. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Index Governance Board before approval is granted.

2.2.2 As provided for in the Statement of Principles for FTSE Russell Equity Indices, where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules or to set a precedent for future action, but FTSE Russell will consider whether the Rules should subsequently be updated to provide greater clarity.

¹ The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

Section 3

FTSE Russell index policies

3. FTSE Russell index policies

These Ground Rules should be read in conjunction with the following policy documents, which can be accessed using the links below:

3.1 FTSE Global Equity Index Guide to Calculation Methods

The aim of the guide is to describe how the indices are calculated, to facilitate users, replication of the indices in order to support their investment and trading activities and to assist users in understanding the factors that influence the performance of the indices.

[FTSE Global Equity Index Series Guide to Calc.pdf](#)

3.2 Corporate Actions and Events Guide

3.2.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

[Corporate Actions and Events Guide.pdf](#)

3.3 Statement of Principles for FTSE Russell Equity Indices (the Statement of Principles)

Indices need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the Statement of Principles, which summarises the ethos underlying FTSE Russell's approach to index construction. The Statement of Principles, is reviewed annually and any changes proposed by FTSE Russell are presented to the FTSE Russell Policy Advisory Board for discussion before approval by the FTSE Russell Index Governance Board.

The Statement of Principles can be accessed using the following link:

[Statement of Principles.pdf](#)

3.4 Queries and Complaints

[FTSE Russell Benchmark Determination Complaints Handling Policy.pdf](#)

3.5 Index Policy for Trading Halts and Market Closures

3.5.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

[Index Policy for Trading Halts and Market Closures.pdf](#)

3.6 Index Policy in the Event Clients are Unable to Trade a Market or a Security

3.6.1 Details of FTSE Russell's treatment can be accessed using the following link:

[Index Policy in the Event Clients are Unable to Trade a Market or a Security.pdf](#)

3.7 Recalculation Policy and Guidelines

- 3.7.1 Where an inaccuracy is identified, FTSE Russell will follow the steps set out in the FTSE Russell Index Recalculation Guidelines when determining whether an index or index series should be recalculated and/or associated data products reissued. Users of the FTSE China A All Cap Index Series will be notified through appropriate media.

For further information, refer to the FTSE Russell Recalculation Policy and Guidelines document, which is available from the FTSE Russell website using the link below or by contacting info@ftserussell.com.

[Recalculation Policy and Guidelines Equity Indices.pdf](#)

3.8 Policy for Benchmark Methodology Changes

- 3.8.1 Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

3.9 FTSE Russell Governance Framework

To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks², the European benchmark regulation³ and the UK benchmark regulation⁴. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

3.10 Real Time Status Definitions

- 3.10.1 Please refer to the following guide for details of real time status definitions for indices which are calculated in real time.

[Real Time Status Definitions.pdf](#)

² IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds

⁴ The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019

Section 4

Inclusion criteria

4. Inclusion criteria

- 4.1 The large, mid and small cap China A-share constituents that are selected as the result of the FTSE Global Equity Index Series China region review constitute the FTSE China A All Cap Index Series (also see rule 5.4.2). Please refer to FTSE Global Equity Index Series Ground Rules for further details.
- 4.2 Constituents of the FTSE China A Index and FTSE China A Free Index are eligible for inclusion in the FTSE China A SOE Index and the FTSE China A Free SOE Index respectively if such constituents satisfy the SOE criteria as defined below.
- To be assessed as an SOE, a company must satisfy at least one of the following criteria:
 - i. the actual controller of the company (if available) is a Chinese state entity; or
 - ii. the company is controlled by Chinese state entities through strategic holding which total more than 30 per cent in aggregate.
 - An existing SOE which meets one or more of the following criteria will cease to be classified as an SOE:
 - i. the actual controller of the company (if available) is not a Chinese state entity; or
 - ii. the aggregate holding of Chinese state entities through strategic holding has fallen below 25 per cent.
- 4.2.1 The list of stocks with SOE status will be reviewed by FTSE Russell annually in September.
- 4.2.2 The constituents of the FTSE China A Index and FTSE China A Free Index that do not satisfy the SOE criteria will be included in the FTSE China A Non-SOE Index and the FTSE China A Free Non-SOE Index, respectively.

Section 5

Periodic review of constituents

5. Periodic review of constituents

5.1 Review dates

- 5.1.1 If not specified in rules 5.1.2 and 5.1.3, the selection of the large, mid and small cap China A share constituents in the FTSE China A All Cap Index Series will follow the constituent review of the FTSE Global All Cap Indices.
- 5.1.2 For the FTSE China A 200 Index, FTSE China A 400 Index, FTSE China A 600 Index and FTSE China A 150 Index, review will take place quarterly in March, June, September and December. The constituents will be reviewed using data from the close of business on the Monday following the third Friday in February, May, August and November. Where there is a market holiday in either China or Hong Kong on the Monday following the third Friday, the close of business on the last trading day prior to the Monday after the third Friday, where both markets are open, will be used. Any constituent changes will be implemented after the close of business on the third Friday of March, June, September and December.
- 5.1.3 For the FTSE China A High Yield 150 Index, review will take place annually in March. The constituents will be reviewed using data from the close of business on the Monday following the third Friday in February. Where there is a market holiday in either China or Hong Kong on the Monday following the third Friday, the close of business on the last trading day prior to the Monday after the third Friday, where both markets are open, will be used. Any constituent changes will be implemented after the close of business on the third Friday of March.
- 5.1.4 Quarterly changes for the FTSE China A 200 Index, FTSE China A400 Index, FTSE China A 600 Index, FTSE China A150 index and FTSE China A High Yield 150 Index are published after the close of business on the Wednesday before the first Friday of March, June, September and December to give users of the index sufficient notification of the changes before their implementation.

5.2 Rules for addition and deletion at the quarterly and annual review (for indices listed in rules 5.1.2. and 5.1.3)

- 5.2.1 A non-constituent of the relevant index will be inserted at the periodic review if it rises above the position stated below for the relevant index when the eligible constituent in the FTSE China A All Cap Index are ranked by full market capitalisation.
- | | | |
|------------------|---|-------------------------|
| FTSE China A 200 | – | risen to 160th or above |
| FTSE China A 400 | – | risen to 520th or above |
- 5.2.2 A constituent will be deleted at the periodic review if it falls below the position stated below for the relevant index when the eligible constituent in the FTSE China A All Cap Index are ranked by market capitalisation.
- | | | |
|------------------|---|--------------------------|
| FTSE China A 200 | – | fallen to 241st or below |
| FTSE China A 400 | – | fallen to 681st or below |

- 5.2.3 The constituents of the FTSE China A 150 Index are derived by selecting the remaining constituents of the FTSE China A 200 Index after excluding the constituents of the FTSE China A50 Index.
- Ground Rules for the FTSE China A50 Index can be found using the following link:
[FTSE China A50 Index Ground Rules English.pdf](#)
- 5.2.4 Companies deleted from the FTSE China A 200 Index at the periodic review will normally be included in the FTSE China A 400 Index. Companies added to the FTSE China A 200 Index at the periodic review will be deleted from the FTSE China A 400 Index.
- 5.2.5 Changes made to the FTSE China A 200 Index and the FTSE China A 400 Index at the periodic review will be made automatically to the FTSE China A 600 Index.
- 5.2.6 A constant number of constituents will be maintained for the FTSE China A 200 Index, the FTSE China A 400 Index and the FTSE China A 600 Index. Where a greater number of companies qualify to be inserted in an index than those qualifying to be deleted, the lowest ranking constituents presently included in the index will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted, the securities of the highest-ranking companies, which are presently not included in the index, will be inserted to match the number of companies being deleted at the periodic review.
- 5.2.7 FTSE China A High Yield 150 Index Review process is as follows:
- at the review, all the constituents of the FTSE China A 600 Index with a dividend yield above 0 are ranked by the dividend yield in descending order;
 - only stocks with a three-year continuous dividend payment record will be selected at the review;
 - the selected stocks are tested for liquidity. A CNY 1 billion portfolio is used, each stock is allocated according to its weighting. The daily average traded market value of each stock in the past 12 months is collated. Only stocks that trade their investable index weight in less than one day are considered to have passed the liquidity test; and
 - following the above tests, the resulting list of eligible stocks are considered for inclusion in the index. Current constituents that are on the list will remain in the index. Current constituents that are not on the list will be deleted. Then, the highest ranking non-constituents on the list will be selected until the index is rebalanced to 150 constituents.
- 5.2.8 Reserve lists
- FTSE Russell is responsible for publishing the 10 highest-ranking securities that are not constituents of the FTSE China A 200 Index and 15 highest-ranking securities that are not constituents of the FTSE China A 400 Index at the time of each quarterly review. These reserve lists will be used in the event that one or more constituents is deleted from the FTSE China A 200 Index or the FTSE China A 400 Index during the period up to the next quarterly review. Companies on the reserve lists are constituents of the FTSE China A All Cap Index.
- In the event that only five reserve list stocks remain available for the FTSE China A 200 Index or only seven reserve list stocks remain available for the FTSE China A 400 Index, FTSE Russell will publish an additional five or eight reserve list stocks for each index respectively. The companies will be selected using the rankings determined at the previous quarterly review, but will be re-ranked using prices two days prior to the deletion of a constituent.
- 5.3 FTSE China A Stock Connect Indices**
- 5.3.1 On a quarterly basis in March, June, September and December, using data as at the close of business on the Thursday four weeks prior to the third Friday of the review month, constituents of the FTSE China A All Cap Index that are eligible under the Northbound China Stock Connect Scheme Buy-and-Sell List will constitute the FTSE China A Stock Connect Indices.

5.4 FTSE China A Free Indices

- 5.4.1 The FTSE China A Free Indices are the free float adjusted versions (i.e. excluding foreign ownership adjustments) of the FTSE China A Indices.
- 5.4.2 As part of the FTSE Global Equity Index Series China regional review, companies with a free float of 5% or below that exceed 10 times the FTSE Global Equity Index Series China region inclusion percentage level by investable market capitalisation will be eligible for inclusion in the FTSE China A Free Indices.

Section 6

Corporate actions and events

6. Corporate actions and events

- 6.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

[Corporate Actions and Events Guide.pdf](#)

A corporate 'Action' is an action on shareholders with a prescribed ex-date. The share price will be subject to an adjustment on the ex date. These include the following:

- capital repayments;
- rights issues/entitlement offers;
- stock conversion;
- splits (sub-division)/reverse splits (consolidation); and
- scrip issues (capitalisation or bonus issue).

A corporate 'event' is a reaction to company news (event) that may impact the index depending on the index rules. For example, a company announces a strategic shareholder is offering to sell their shares (secondary share offer) – this could result in a free float weighting change in the index. Where an index adjustment is required, FTSE Russell will provide notice advising of the timing of the change.

6.2 Shares in issue

Changes to the number of shares in issue for constituent securities are covered in the Corporate Actions and Events Guide.

6.3 Investability weightings

- 6.3.1 Changes to free float for constituent securities are covered in the Corporate Actions and Events Guide.

6.4 New issues

- 6.4.1 There will be no intra review additions for the FTSE China A All Cap Index Series. Newly issued securities will be assessed for index eligibility at the next index review.

- 6.4.2 Variable, best effort and direct listing IPOs are not considered for fast entry inclusion since FTSE Russell is:
- unable to confirm if the minimum free float requirement has been met; and
 - unable to assign an accurate free float for the purposes of the index calculation.

Variable, best effort and direct listing IPOs will be considered for index inclusion at the next quarterly review if, by the review cut-off date, a public disclosure* (which has been published post IPO) is available confirming the IPO updated shareholder structure. Index inclusion remains subject to meeting all other eligibility criteria. If the post IPO shareholder structure has not been disclosed by the review cut-off date, the evaluation of the company will be deferred to a subsequent quarterly review. If no disclosure is published prior to the cut-off date of the following quarter, the company will be evaluated during the semi-annual review process only (and inclusion will remain contingent on the above disclosures).

*A public disclosure is typically by way of a company filing, stock exchange notice or shareholding regulatory announcement.

6.5 Removal and replacement

- 6.5.1 If a constituent ceases to be an eligible constituent of the FTSE China A All Cap Index Series, is delisted, ceases to have a firm quotation is subject to a takeover or has ceased to be a viable constituent as defined by the Ground Rules, it will be removed from the list of constituents and in the case of the FTSE China A 200 Index and the FTSE China A 400 Index, be replaced by the highest ranking company by full market capitalisation eligible in the appropriate reserve list (see rule 5.2.8) as at the close of the index calculation two days prior to the deletion.
- 6.5.2 Where the company to be removed is a constituent of the FTSE China A 200 Index, the replacement company will be the highest-ranking company on the FTSE China A 200 Index Reserve List and a constituent removed from the FTSE China A 400 Index will be replaced by the highest-ranking company on the FTSE China A 400 Index reserve list.
- 6.5.3 Changes made to the FTSE China A50 Index and the FTSE China A 200 Index will simultaneously be reflected in the FTSE China A 150 Index to ensure that the FTSE China A 150 Index comprises the constituents of the FTSE China A 200 Index excluding the constituents of the FTSE China A50 Index.
- 6.5.4 Changes made to the FTSE China A 200 Index and FTSE China A 400 Index will be made automatically to the FTSE China A 600 Index.
- 6.5.5 If the effect of a merger or takeover is that one constituent in the FTSE China A 200 Index or the FTSE China A 400 Index is absorbed by another constituent, the resulting company will remain a constituent of the appropriate index and a vacancy will be created. This vacancy will be filled by selecting the highest-ranking security in the appropriate reserve list (see rule 5.2.8) as at the close of the index calculation two days prior to the deletion.
- 6.5.6 If a constituent company in the FTSE China A 200 Index or the FTSE China A 400 Index is taken over by a non-constituent company, the original constituent will be removed and replaced by the company resulting from the takeover if eligible. Otherwise, the highest-ranking company in the appropriate reserve list (see rule 5.2.8) will be serve as the replacement.

6.6 Spin-offs

- 6.6.1 If a constituent company in FTSE China A 200 or FTSE China A 400 Index is split so as to form two or more companies, both eligible for the FTSE China A All Cap Index Series, then the resulting companies index memberships will be re-assessed in order to rebalance the indices back to 200 or 400 companies respectively. The full market capitalisations, i.e. before the application of any investability weightings at close on the first day of trading of the spun-off company, will be used to determine the most appropriate index memberships for continued inclusion. The changes will then be applied at market close giving two days' notice. Consequently, the FTSE China A 200 and FTSE China A 400 Index may have more than 200 or 400 companies respectively for three days (or more if the spun-off company does not trade on effective date).

For illustration purposes: a FTSE China A 200 constituent splits into two eligible companies resulting in 201 companies in the index. At close on the first trading day of the split, the lowest-ranking FTSE China A 200 constituent will be selected to become a constituent of the FTSE China A 400 Index and the lowest-ranking FTSE China A 400 constituent will, in turn, be selected to be removed.

6.6.2 If a constituent company in the FTSE China A 200 or FTSE China A 400 Index is split so as to form a company eligible for the FTSE China A All Cap Index Series and a company ineligible for the FTSE China A All Cap Index Series, then the ineligible company will remain in the index for two trading days and then be deleted at market price. The eligible company will be retained in the index as the replacement company and its continued index membership will be reviewed at the next quarterly index review.

6.6.3 For the purposes of rules 6.6.1 and 6.6.2, if the market price of the company resulting from the split is unavailable it may be retained in the index for up to 20 business days and if trading has not commenced, it will be deleted at zero value.

6.7 Constituent changes to the FTSE China A High Yield 150 Index

When a constituent in the FTSE China A High Yield 150 Index is deleted due to corporate events or as a result of the FTSE China A 600 Index quarterly reviews, the constituent will not be replaced by another stock. This means the index may not always have 150 constituents. The index will be rebalanced to 150 constituents at the annual review in March.

6.8 Suspension of dealing

6.8.1 Suspension of dealing rules can be found within the Corporate Actions and Events Guide.

6.8.2 If the suspended company deleted from the indices is a constituent of the FTSE China A 200 or FTSE China A 400 Index, it will be replaced with the highest-ranking company by full market capitalisation in the appropriate reserve list (see rule 5.2.8).

6.9 Trading under the Northbound China Stock Connect Scheme Buy-and-Sell List

Constituents will be removed from FTSE China A Stock Connect Indices if they are removed from the Northbound China Stock Connect Scheme Buy-and-Sell List. The deletion will be concurrent with the Northbound China Stock Connect Scheme Buy-and-Sell List. Where limited notification has been provided of a change to the Northbound China Stock Connect Scheme Buy-and-Sell List, FTSE Russell will provide notice advising of the timing of the change.

Section 7

Algorithm and calculation method

7. Algorithm and calculation method

7.1 Prices

- 7.1.1 The FTSE China A All Cap Index Series use actual closing mid-market or last trade prices, where available, for securities with local market quotations. Further details can be accessed using the following link:

[Closing Prices Used For Index Calculation.pdf](#)

- 7.1.2 Refinitiv real-time exchange rates are used in the index calculations, which are disseminated in real time. Exchange rates used in the end-of-day calculations are WM/Refinitiv Closing Spot Rates™, at 16:00 UK time (further information on The WM/Refinitiv Closing Spot Rates service is available from The WM Company).

7.2 Calculation frequency

- 7.2.1 See the calculation schedule for the FTSE Global Equity Index Series.

7.3 Algorithm

- 7.3.1 For details on the algorithm and calculation methods used for the FTSE China A All Cap Indices, see the FTSE Global Equity Index Series Guide to Calculation Methods.

Appendix A

FTSE Russell China share descriptions

Share descriptions

For a description of Chinese share classes, please see the Guide to Chinese Share Classes document, which can be accessed using the following link:

[Guide to Chinese Share Classes.pdf](#)

The definitions these share classes are reviewed annually in September effective on the same day as the Global Equity Index Series.

Appendix B

Eligible exchanges and market segments

Please note: source of volume data for all markets is Refinitiv.

Country	Exchange location	Market section(s)
China (the People's Republic of)	Shanghai	Main board, STAR board*
	Shenzhen	Main board, ChiNext board*

* For the FTSE China A Innovative Enterprises Indices, the market section of ChiNext and STAR will comprise the eligible universe.

Appendix C

Further information

A Glossary of Terms used in FTSE Russell's Ground Rule documents can be found using the following link:
[Glossary.pdf](#)

For further information on the FTSE China A All Cap Index Series and FTSE Global Equity Index Series Ground Rules, visit www.lseg.com/en/ftse-russell/ or e-mail info@ftserussell.com. Contact details can also be found on this website.

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