



Management of China A Shares in FTSE Global Equity Indexes Series (GEIS) and FTSE China A All Cap Index

10 June 2019

FTSE Russell announces that to ensure consistency and alignment in the management of China A Share securities within FTSE Russell indexes the following steps will be implemented by September 2019:

Treatment of stocks that are either suspended or subject to breach of price limit

China A Shares (available via the Northbound China Stock Connect Scheme Buy-and-Sell List) that are current constituents of the FTSE China A All Cap Index, but are either suspended from trading or subject to the breach of price limit in advance of the June 2019 review will not be added to the FTSE Global Equity Index Series (GEIS) in conjunction with the June 2019 quarterly review.

If the suspended China A Share securities resume regular trading following the June review they will be added to FTSE GEIS in conjunction with the September 2019 semi-annual review with an inclusion factor of 15% (China A Share tranche 2 inclusion factor).

If the suspended China A Share securities do not resume trading, they will be deleted from the FTSE China A All Cap index in conjunction with the September 2019 semi-annual review.

Treatment of stocks that failed headroom

Han's Laser Technology (A) (Local Code, 002008) and Midea Group (A) (Local Code, 000333) failed the FTSE Russell minimum headroom requirement screen in March 2019 (*see Question 21 of China A Share FAQ*).

If both these securities pass the minimum headroom requirement screen in advance of the FTSE GEIS September 2019 semi-annual review, they will be added to FTSE GEIS with an inclusion factor of 15%.

If either of the securities fail the minimum headroom requirement screen in advance of the FTSE GEIS September 2019 semi-annual review, they will be deleted from the FTSE China A All Cap index in conjunction with the September review.

Treatment of stocks with different Large, Mid and Small size segments

The following securities will have different Large, Mid and Small size segments between FTSE GEIS and FTSE China A All Cap Index as of June 2019 due to the timing of their respective index review schedules. The size segments will be aligned in conjunction with the September 2019 reviews.

List of stocks:

- China Shipping Container Lines (A) (Local Code, 601866)
- Guangshen Railway (A) (Local Code, 601333)
- Hisense Kelon Electrical Holdings (A) (Local Code, 000921)

A copy of the China A Share FAQ is available on the FTSE Russell website:

https://research.ftserussell.com/products/downloads/FTSE_FAQ_Document_China_A.pdf

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