# CSI300 Handbook



**Last updated Dec 11, 2006**

# 1. Index Overview

**(1) Index Name: CSI300 index**

**(2) Index Code**

Shanghai 000300

Shenzhen 399300

**(3) Base Day and Base Point**

Base Day: Dec 31, 2004

Base Point: 1000

# 2 Constituents Selection

**(1) Index Universe**

The index universe of CSI300 includes all the A shares listed at the two exchanges satisfying the following conditions:

- The listing time of a stock is more than three months unless the daily average total market value of a stock since its initial listing is ranked top 30 in all the A shares;
- Non-ST or *ST stocks; non-temporary suspension stocks from trading;
- A listed company should have good performance without serious financial problems or laws and regulations breaking events in the most recent year;
- No large price volatility that shows strong evidence of manipulated;
- Delete stocks considered by the Index Advisory Committee as inappropriate.

**(2) Selection Criteria**

Size and liquidity

**(3) Selection Method**

- Calculate the daily average trading value and daily average total market value during the most recent year for stocks in the index universe, or in case of a new issue, during the time that it was a public company；
- Rank the stocks in the universe by daily average trading value of the most recent year in descending order and delete the stocks ranked bottom 50%;
- Rank the rest stocks by daily average market value of the most recent year in descending order, those that rank top 300 are selected as index constituents.

# 3 Index Calculation

**(1) Calculation Method**

CSI300 is calculated using a Paasche weighted composite price index formula and is weighted by adjusted shares. CSI300 uses category-weighted method to adjust constituents' shares. Category-Weighted Method of CSI300 is indicated by the following chart:

| Negotiable Market Cap Radio (%) | ≤10 | (10，20] | (20，30] | (30，40] | (40，50] | (50，60] | (60，70) | (70，80) | >80 |
|---|---|---|---|---|---|---|---|---|---|
| Inclusion Factor (%) | Negotiable Market Cap Radio | 20 | 30 | 40 | 50 | 60 | 70 | 80 | 100 |

For example, a stock with a negotiable market share ratio (negotiable market cap /total market cap) of 7%, which is below 10%, will have an inclusion factor equals to its negotiable market capitalization ratio. A stock with a negotiable market share ratio of 35% will belong to category (30，40]. The corresponding inclusion factor is 40%, i.e. 40% of total market share will be used for index calculation.

Note: According to CSI's definition, free float is total A shares minus the following non-negotiated shares: ①Long term holdings by founders, families and senior executives;②Government holdings;③Strategic holdings;④Frozen shares;⑤Restricted employee shares;⑥Cross holdings.

**(2) Calculation Formula**

$$\text{Current index} = \frac{\text{Current adjusted market cap of constituents}}{\text{Base Period}} \times 1000$$

Adjusted market value = ∑(Price×Adjusted No. of shares).

## 4. Index Maintenance

When changes occur to constituent list or the share structure, or constituents' market value changes due to non-trading factors, the divisor is adjusted to keep the index comparable overtime, that is, CSI300 adopts the "Divisor Adjustment Methodology" to adjust the old divisor.

The formula is:

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

Adjusted Market Cap after Adjustment = Adjusted Market Cap before adjustment + Adjusted Market Cap increased or decreased

The new divisor (also called new base period) derived from this formula is used for later index calculation.

**Circumstances for Index Maintenance:**

- Dividend: For CSI300 index, no index adjustment is required for dividend payment and the index is allowed to fallback naturally.
- Right issue and bonus issue: The index is adjusted the day before the issuance. Adjusted Market Cap after the Adjustment = Adjusted Price × Adjusted No. of Shares + Adjusted Market Cap before the Adjustment (excluding stocks adjusted for right issue and bonus issue)
- Suspension from trading: Use last trading price to calculate index until trading is resumed.
- Delisted: The index is adjusted the day before the constituent is delisted.
- Share changes: when shares of constituents change due to other reasons (e.g. re-issuance, listing of right issue, listing of employee shares), the index is adjusted the day before the changes. Adjusted Market Cap after the Adjustment = closing price×Adjusted sharers after changes + Adjusted Market Cap before Adjustment(excluding stocks adjusted for share changes )
- Constituents adjustment: Index is adjusted before the effective day of periodical review or temporary adjustment.
- Close of Exchange Trading: The index is calculated normally if one of the two exchanges trading is closed and the index is terminated calculation if the two exchanges trading are closed.

## 5. Constituents Adjustment

### (1) Periodical Review

- CSI300 Index makes constituent adjustment every 6 months. In general, the index is normally adjusted at the beginning of July each year and the beginning of next January. The index adjustment plan is published two weeks ahead.

- The limit for each adjustment is 10%. CSI300 adopts buffer zone rules for the sake of minimum turnover. Stocks ranked top 240 will be given priority to add into the index and old constituents ranked top 360 will be given priority to remain in the index.
- Stocks that suffered losses in the most recent financial report are not included in the index in principle at constituents periodical review unless the stocks exert great impact on the representativeness of index.
- Reserve list is established at each periodical review of CSI300, which is used to implement temporary adjustment during two adjacent periodical reviews. If temporary adjustment is needed due to constituents delisting, merger, etc, stocks on the reserve list will be added to the index by rankings in turn. The number of stocks in the reserve list is 5% of the number of constituents. If the number of stocks in the list is less than 50% of the original number, CSI will complement the list according to the reserve list policy and publicize the new reserve list timely. There are 15 stocks in CSI300 reserve list.

**(2) Temporary Adjustment**

- If the total market cap (excluding of overseas shares) of an IPO ranks top 10 in the overall market and it satisfies the requirements of index universe, then fast entry rules are applied here. Namely, it will be added in the index after the close of the tenth trading day. Meanwhile, the last ranked old constituent by daily average market cap of the most recent year will be deleted from the index.
- If an IPO meets the criteria of fast entry, however, time span between its listing time and the effective day of the next constituents periodical

review is less than 20 trading days, fast entry rules are not applied immediately but will be implemented together with the next constituents periodical review.

- Stocks whose market cap increase due to secondary offering, merger, restructuring etc so as to meet the criteria of fast entry are dealt the same way with that of IPO.
- Two or more constituent companies merge: The stock of the resulting new company will be added to the index and there will be a vacancy (vacancies). The vacancy (vacancies) will be filled by the highest ranking stock(s) in the reserve list. The old constituents remain in the index for calculation until the new resulting stock enters the index.
- One constituent company and one non-constituent company merge: The stock of the resulting new company will be added to the index. The old constituent remains in the index for calculation until the new resulting stock enters the index.
- One non-constituent company purchases or takes over one constituent company: If the stock of the resulting new company ranks higher than the highest stock in the reserve list, the new stock will be added to the index, the old constituent remains in the index for calculation until the new constituent enters the index. Otherwise, the highest ranking stock in the reserve list will be added to the index when the constituent is delisted.
- If one constituent company is split so as to form two or more companies, then whether the resulting companies is eligible for inclusion or not depends on their rankings.

① If two or more of the resulting companies rank higher than the lowest constituent, then the resulting companies that rank higher than the lowest constituent will be added to the index after the close of their first trading day, and the lowest constituent(s) will be removed to keep the number of the index constituents constant. The old constituents remain in the index for calculation until the new companies enter the index.

② If one of the resulting companies ranks higher than the lowest constituent, then this new resulting company will be added to the index after the close of its first trading day. The old constituents remain in the index for calculation until the new resulting companies enters the index.

③ If all of the resulting companies rank lower than the lowest constituent, but some or all of the resulting companies rank higher than the highest stock in the reserve list, then the highest new company will be added to the index after the close of its first trading day. The old constituent remains in the index for calculation until the new company enters the index.

④ If all of the resulting companies rank lower than the lowest constituent and the highest stock in the reserve list, then the highest company in the reserve list will be added to the index. The old constituent will be removed when it is delisted.

- If a constituent company enters bankruptcy proceedings, it will be removed as soon as practicable and the highest ranking stock in the reserve list will be added to the index.
- If a constituent company is delisted from A share market, it will be removed from the index on the delisting day and be replaced by the highest ranking company in the reserve list.

# 6. Examples for Index Calculation

3 stocks are selected as constituent stocks. The base period is the adjusted total market cap of 3 stocks on base day. The base index is 1000 points.

**Base Day**

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 100,000 | 9,000 | 9% | 9% | 9,000 | 5 | 45,000 |
| B | 8,000 | 3,500 | 44% | 50% | 4,000 | 9 | 36,000 |
| C | 5,000 | 4,100 | 82% | 100% | 5,000 | 20 | 100,000 |
| | | | | | | Total Adjusted Market Cap | 181,000 |

**Index Calculation**

| Total Adjusted Market Cap (Yuan) | Base Period | Base Index | Closing Index |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (1) / (2) |
| 181,000 | 181,000 | 1000 | 1000 |

**Day 1**

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 100,000 | 9,000 | 9% | 9% | 9,000 | 5.1 | 45,900 |
| B | 8,000 | 3,500 | 44% | 50% | 4,000 | 9.05 | 36,200 |
| C | 5,000 | 4,100 | 82% | 100% | 5,000 | 19 | 95,000 |
| | | | | | | Total Adjusted Market Cap | 177,100 |

**Index Calculation**

| Total Adjusted Market Cap (Yuan) | Base Period | Base Index | **Closing Index** |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (1) / (2) |
| 177,100 | 181,000 | 1000 | **978.45** |

- ☐ No index adjustment is needed.
- ☐ Stock B distributes cash dividend: ￥0.50/share. Today is ex-dividend day.

No adjustment is required.

**Day 2**

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 100,000 | 9,000 | 9% | 9% | 9,000 | 5.05 | 45,450 |
| B | 8,000 | 3,500 | 44% | 50% | 4,000 | 9.1 | 36,400 |
| C | 5,000 | 4,100 | 82% | 100% | 5,000 | 19.2 | 96,000 |
| | | | | | | Total Adjusted Market Cap | 177,850 |

**Index Calculation**

| Total Adjusted Market Cap (Yuan) | Base Period | Base Index | **Closing Index** |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (1) / (2) |
| 177,850 | 181,000 | 1000 | **982.60** |

- Stock B is to be traded ex-bonus at the ratio of 10 for 10 and the next day is ex-right day.
- Stock C is to be traded ex-right at the ratio of 3 for 10 at ￥18/share and it is to be suspended from trading the next day.
- Adjusted price for stock B is 9.1/(1+1)=￥4.55. Index adjustment is required.

**Index Adjustment**

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 100,000 | 9,000 | 9% | 9% | 9,000 | 5.05 | 45,450 |
| B | 16,000 | 7,000 | 44% | 50% | 8,000 | 4.55 | 36,400 |
| C | 5,000 | 4,100 | 82% | 100% | 5,000 | 19.2 | 96,000 |
| | | | | | | Total Adjusted Market Cap | 177,850 |

| Total Adjusted Market Cap before Adjustment (Yuan) | Total Adjusted Market Cap after Adjustment (Yuan) | Old Base Period | New Base Period |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (2) / (1) |
| 177,850 | 177,850 | 181,000 | 181,000 |

**Day 3**

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 100,000 | 9,000 | 9% | 9% | 9,000 | 4.9 | 44,100 |
| B | 16,000 | 7,000 | 44% | 50% | 8,000 | 4.5 | 36,000 |
| C | 5,000 | 4,100 | 82% | 100% | 5,000 | 19.2 | 96,000 |
| | | | | | | Total Adjusted Market Cap | 176,100 |

**Index Calculation**

| Total Adjusted Market Cap (Yuan) | Base Period | Base Index | **Closing Index** |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (1) / (2) |
| 176,100 | 181,000 | 1000 | **972.93** |

- ☐ Non-negotiable shares of stock A are going to be listed the next day. Negotiable shares will increase by 4000.
- ☐ Stock B is going to be suspended from trading the next day.

**Index Adjustment**

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 100,000 | 13,000 | 13% | 20% | 20,000 | 4.9 | 98,000 |
| B | 16,000 | 7,000 | 44% | 50% | 8,000 | 4.5 | 36,000 |
| C | 5,000 | 4,100 | 82% | 100% | 5,000 | 19.2 | 96,000 |
| | | | | | | Total Adjusted Market Cap | 230,000 |

| Total Adjusted Market Cap before Adjustment (Yuan) | Total Adjusted Market Cap after Adjustment (Yuan) | Old Base Period | New Base Period |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (2) / (1) |
| 176,100 | 230,000 | 181,000 | 236,400 |

## Day 4

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 100,000 | 13,000 | 13% | 20% | 20,000 | 4.8 | 96,000 |
| B | 16,000 | 7,000 | 44% | 50% | 8,000 | 4.5 | 36,000 |
| C | 5,000 | 4,100 | 82% | 100% | 5,000 | 19.2 | 96,000 |
| | | | | | | Total Adjusted Market Cap | 228,000 |

### Index Calculation

| Total Adjusted Market Cap (Yuan) | Base Period | Base Index | **Closing Index** |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (1) / (2) |
| 228,000 | 236,400 | 1000 | **964.47** |

- ☐ Stock A is going to issue 8000 shares the next day.
- ☐ Stock B is to resume trading the next day.
- ☐ Stock C is to resume trading the next day which is also the ex-right date of stock C. Adjusted price for stock C is (19.2+18×0.3) / (1+0.3) = ￥18.923.

### Index Adjustment

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 108,000 | 21,000 | 19% | 20% | 21,600 | 4.8 | 103,680 |
| B | 16,000 | 7,000 | 44% | 50% | 8,000 | 4.5 | 36,000 |
| C | 6,230 | 5,330 | 86% | 100% | 6,230 | 18.923 | 117,890 |
| | | | | | | Total Adjusted Market Cap | 257,570 |

| Total Adjusted Market Cap before Adjustment (Yuan) | Total Adjusted Market Cap after Adjustment (Yuan) | Old Base Period | **New Base Period** |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (2) / (1) |
| 228,000 | 257,570 | 236,400 | 267,059 |

### Day 5

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 108,000 | 21,000 | 19% | 20% | 21,600 | 4.85 | 104,760 |
| B | 16,000 | 7,000 | 44% | 50% | 8,000 | 4.6 | 36,800 |
| C | 6,230 | 5,330 | 86% | 100% | 6,230 | 19.1 | 118,993 |
| | | | | | | Total Adjusted Market Cap | 260,553 |

### Index Calculation

| Total Adjusted Market Cap (Yuan) | Base Period | Base Index | **Closing Index** |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (1) / (2) |
| 260,553 | 267,059 | 1000 | **975.64** |

☐ Stock B is to be delisted the next day due to acquisition. Stock D is the highest ranking stock on the reserve list.

### Index Adjustment

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 108,000 | 21,000 | 19% | 20% | 21,600 | 4.85 | 104,760 |
| C | 6,230 | 5,330 | 86% | 100% | 6,230 | 19.1 | 118,993 |
| D | 8,000 | 6,000 | 75% | 80% | 6,400 | 9.1 | 58,240 |
| | | | | | | Total Adjusted Market Cap | 281,993 |

| Total Adjusted Market Cap before Adjustment (Yuan) | Total Adjusted Market Cap after Adjustment (Yuan) | Old Base Period | New Base Period |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (2) / (1) |
| 260,553 | 281,993 | 267,059 | 289,035 |

### Day 6

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| A | 108,000 | 21,000 | 19% | 20% | 21,600 | 4.9 | 105,840 |
| C | 6,230 | 5,330 | 86% | 100% | 6,230 | 19.2 | 119,616 |
| D | 8,000 | 6,000 | 75% | 80% | 6,400 | 8.9 | 56,960 |
| | | | | | | Total Adjusted Market Cap | 282,416 |

**Index Calculation**

| Total Adjusted Market Cap (Yuan) | Base Period | Base Index | **Closing Index** |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (1) / (2) |
| 282,416 | 289,035 | 1000 | **977.10** |

- Stock E listed as an IPO days ago and it meets the criteria of fast entry. It is to be added in the index the next day. Stock D is to be deleted duo to the smallest average daily market cap.

**Index Adjustment**

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 108,000 | 21,000 | 19% | 20% | 21,600 | 4.9 | 105,840 |
| E | 100,000 | 7,800 | 78% | 80% | 80,000 | 4.8 | 384,000 |
| C | 6,230 | 5,330 | 86% | 100% | 6,230 | 19.2 | 119,616 |
| | | | | | | Total Adjusted Market Cap | 609,456 |

| Total Adjusted Market Cap before Adjustment (Yuan) | Total Adjusted Market Cap after Adjustment (Yuan) | Old Base Period | New Base Period |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (2) / (1) |
| 282,416 | 609,456 | 289,035 | 623,740 |

**Day 7**

| Stock | Total Shares | Negotiable Shares | Negotiable Shares Ratio | Inclusion Factor | Adjusted Shares | Closing Price (Yuan) | Adjusted Market Cap (Yuan) |
|---|---|---|---|---|---|---|---|
| A | 108,000 | 21,000 | 19% | 20% | 21,600 | 4.95 | 106,920 |
| E | 100,000 | 7,800 | 78% | 80% | 80,000 | 4.88 | 390,400 |
| C | 6,230 | 5,330 | 86% | 100% | 6,230 | 19.7 | 122,731 |
| | | | | | | Total Adjusted | 620,051 |

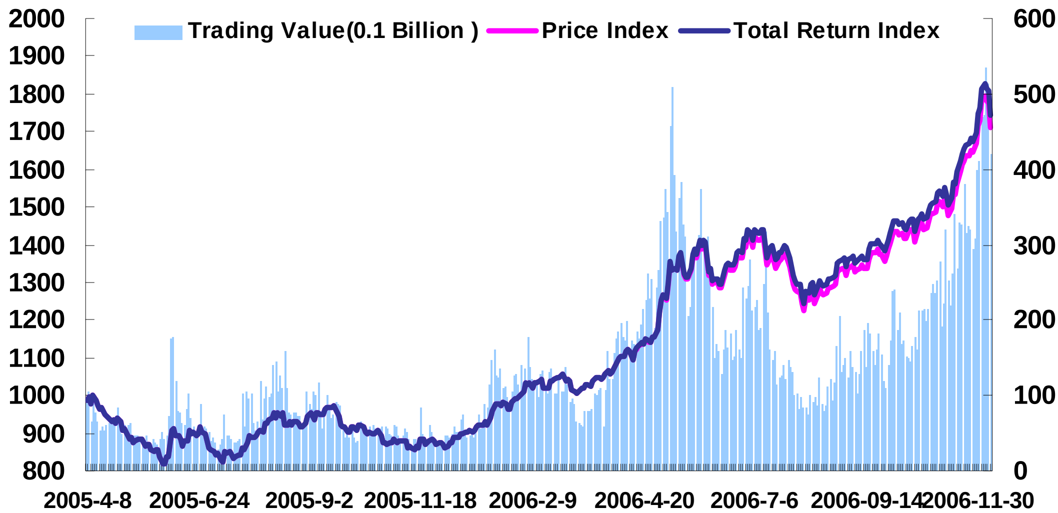
| | Market Cap |
|---|---|

### Index Calculation

| Total Adjusted Market Cap (Yuan) | Base Period | Base Index | **Closing Index** |
|---|---|---|---|
| (1) | (2) | (3) | (3) * (1) / (2) |
| 620,051 | 623,740 | 1000 | **994.09** |

## 7. Index History Performance

**History Performance(Apr 8, 2005—Dec 8, 2006)**




## 8. Constituents Preiodical Reviews

**Constituents Preiodical Review(Jul 1, 2005)**

| Deletions | | Additions | |
|---|---|---|---|
| **Stock Code** | **Stock Name** | **Stock Code** | **Stock Name** |
| 000029 | SHENZHEN SPECIAL ECONOMIC ZONE REAL ESTATE & PROPERTIES | 000059 | LIAONI HUAJIN TONGDA CHEMICALS |
| 000532 | LEAGUER STOCK | 000099 | CITIC OFFSHORE HELICOPTER |
| 000562 | HONG YUAN SECURITIES | 000538 | YUNNAN BAIYAO |
| 000921 | KELON ELECTRICAL HOLDINGS | 000607 | HOLLEY PHARMACEUTICALS |

| | | | |
|---|---|---|---|
| 600072 | JIANGNAN HEAVY INDUSTRY | 000618 | JINAN DIESEL ENGINE |
| 600228 | CHANGJIU BIOCHEMICAL INDUSTRY | 000975 | SCIENCE CITY |
| 600271 | AISINOCO | 002024 | SUNING APPLIANCE |
| 600489 | ZHONGJIN GOLD | 600125 | CHINA RAILWAY TIELONG CONTAINER LOGISTICS |
| 600641 | COSCO DEVELOPMENT | 600200 | JIANGSU WUZHONG |
| 600710 | CHANGLIN COMPANY | 600267 | HISUN PHARMACEUTICAL |
| 600748 | SHANGHAI INDUSTRIAL DEVELOPMENT | 600380 | JOINCARE PHARMACEUTICAL |
| 600757 | SHANGHAI WORLDBEST INDUSTRY DEVELOPMENT | 600740 | SHAN XI COKING |
| 600761 | ANHUI HELI | 600786 | DONG FANG BOILER |
| 600838 | SHANGHAI JOIN BUY | 600961 | HUNAN ZHUYE TORCH METALS |

**Constituents Preiodical Review(Jan 4, 2006)**

| **Deletions** | | **Additions** | |
|---|---|---|---|
| **Stock Code** | **Stock Name** | **Stock Code** | **Stock Name** |
| 000096 | GUANGJU ENERGY | 000422 | HUBEI YIHUA |
| 000420 | JILIN CHEMICAL FIBRE | 000599 | G QINGDAO DOUBLESTAR |
| 000498 | DANDONG CHEMICAL FIBRE | 000652 | G TIANJIN TEDA |
| 000612 | JIAOZUO WANFANG ALUMINUM | 000707 | SHUANGHUAN SCIENCE AND TECHNOLOGY |
| 000618 | JILIN CHEMICAL INDUSTRIAL | 000768 | XI'AN AIRCRAFT INTERNATIONAL |
| 000763 | JINZHOU PETROCHEMICAL | 000969 | G ADVANCED TECHNOLOGY & MATERIALS |
| 000817 | LIAONING JINMA OILFIELD | 600027 | HUADIAN POWER INTERNATIONAL |
| 000823 | GUANGDONG GOWORLD | 600062 | DOUBLE-CRANE PHARMACEUTICAL |
| 000831 | SHANXI GUANLU | 600331 | SICHUAN HONGDA |
| 600074 | ZHONGDA NEW MATERIAL | 600339 | TIANLI HIGH&NEWTECH |
| 600135 | LUCKYFILM | 600383 | GEMDALE CORPORATION. |
| 600630 | DRAGON CORPORATION | 600399 | FUSHUN SPECIAL STEEL |
| 600638 | NEW HUANG PU | 600418 | G JIANGHUAI AUTOMOBILE |
| 600961 | G ZHUYE TORCH METALS | 600550 | G TIANWEI BAOBIAN |

## Constituents Temporary Adjustment(Apr 14, 2006)

| Deletions | | Additions | |
|---|---|---|---|
| Stock Code | Stock Name | Stock Code | Stock Name |
| 600002 | SINOPEC QILU COMPANY | 000793 | G HUAWEN MEDIA INVESTMENT CORPORATION |
| 000406 | SINOPEC SHENGLI OILFIELD | 600271 | AISINOCO |
| 000866 | SINOPEC YANGZI PETROCHEMICAL | 000869 | G YANTAI CHANGYU PIONEER WINE |
| 000956 | SINOPEC ZHONGYUAN PETROLEUM | 600627 | SHANGHAI POWER TRANSMISSION ＆ DISTRIBUTION |

## Constituents Temporary Adjustment(Jul 19, 2006)

| Deletions | | Additions | |
|---|---|---|---|
| Stock Code | Stock Name | Stock Code | Stock Name |
| 000599 | G QINGDAO DOUBLESTAR | 601988 | BANK OF CHINA |

## Constituents Temporary Adjustment(Aug 15, 2006)

| Deletions | | Additions | |
|---|---|---|---|
| Stock Code | Stock Name | Stock Code | Stock Name |
| 000780 | PRAIRIE XINGFA | 601006 | DAQIN RAILWAY |

## Constituents Preiodical Review(Jul 3, 2006)

| Deletions | | Additions | |
|---|---|---|---|
| Stock Code | Stock Name | Stock Code | Stock Name |
| 000016 | G KONKA | 000029 | G SHENZHEN SPECIAL ECONOMIC ZONE REAL ESTATE & PROPERTIES |
| 000429 | G GUANGDONG PROVINCIAL EXPRESSWAY | 000562 | HONG YUAN SECURITIES |
| 000507 | FUHUA GROUP | 000617 | JINAN DIESEL ENGINE |
| 000511 | SHENYANG INGENIOUS DEVELOPMENT | 000761 | G BENGANG STEEL PLATES |
| 000533 | GUANGDONG MACRO | 000997 | G NEWLAND COMPUTER |
| 000543 | G AN HUI WENERGY | 600132 | CHONG QING BREWERY |
| 000571 | SUNDIRO HOLDING | 600143 | G GKINGFA |

| | | | |
|---|---|---|---|
| 000573 | DONGGUAN WINNERWAY INDUSTRIAL ZONE | 600151 | G SHANGHAI AEROSPACE AUTOMOBILE ELECTROMECHANICAL |
| 000666 | JINGWEI TEXTILE MACHINERY | 600276 | HENGRUI MEDICINE |
| 000727 | G NANJING HUADONG ELECTRONCIS INFORMATION&TECHNOLOGY | 600299 | BLUE STAR NEW CHEMICAL MATERIAL |
| 000735 | G AGRICULTURE & INDUSTRY & TRADE(LUONIUSHAN) | 600361 | G HUALIAN HYPERMARKET |
| 000737 | G NAFINE CHEMICAL | 600406 | NARI TECHNOLOGY |
| 000886 | HAINAN EXPRESSWAY. | 600410 | G BEIJING TEAMSUN TECHNOLOGY |
| 000916 | G HUA BEI EXPRESSWAY | 600415 | ZHEJIANG CHINA COMMODITIES CITY |
| 000949 | G XINXIANG CHEMICAL FIBER | 600456 | G BAOJI TITANIUM |
| 000975 | SCIENCE CITY | 600460 | G HANGZHOU SILAN MICROELECTRONICS |
| 600007 | G CHINA WORLD TRADE CENTER | 600498 | G FIBERHOME TELECOMMUNICATION TECHNOLOGIES |
| 600068 | G GEZHOUBA | 600521 | G HUAHAI PHARMACEUTICAL |
| 600103 | QINGSHAN PAPER | 600535 | G TASLY PHARMACEUTICAL |
| 600190 | JINZHOU PORT | 600549 | G XIAMEN TUNGSTEN |
| 600200 | G JIANGSU WUZHONG | 600578 | G JINGNENG THERMAL POWER |
| 600380 | JOINCARE PHARMACEUTICAL | 600588 | G UFIDA SOFTWARE |
| 600608 | SHANGHAI BROADBAND TECHNOLOGY | 600616 | G SHANGHAI FIRST PROVISIONS |
| 600705 | *ST BEIYA | 600628 | G SHANGHAI NEW WORLD |
| 600707 | IRICO DISPLAY DEVICES | 600655 | G SHANGHAI YUYUAN |
| 600726 | HUADIAN ENERGY | 600754 | G JINJIANG INTERNATIONAL HOTELS |
| 600744 | HUAYIN ELECTRIC POWER | 600809 | G XINGHUACUN FEN WINE |
| 600790 | ZHEJIANG CHINA LIGHT & TEXTILE INDUSTRIAL CITY | 600834 | G SHANGHAI SHENTONG METRO |
| 600805 | YUEDA INVESTMENT | 600875 | G DONGFANG ELECTRICAL MACHINERY |
| 600866 | G STAR LAKE BIOSCIENCE | 600970 | SINOMA INTERNATIONAL ENGINEERING |

**Constituents Temporary Adjustment(Nov 10, 2006)**

| Deletions | | Additions | |
|---|---|---|---|
| **Stock** | **Stock Name** | **Stock** | **Stock Name** |

| Code | | Code | |
|---|---|---|---|
| 600339 | TIANLI HIGH&NEWTECH | 601398 | ICBC |

**Constituents Preiodical Review(Jan 4, 2007)**

| Deletions | | Additions | |
|---|---|---|---|
| Stock Code | Stock Name | Stock Code | Stock Name |
| 000518 | SIHUAN BIOENGINEERING | 000751 | ZINC INDUSTRY |
| 000607 | HOLLEY PHARMACEUTICALS | 000897 | JINBIN DEVELOPMENT |
| 000659 | ZHUHAI ZHONGFU | 002008 | HAN'S LASER |
| 000707 | SHUANGHUAN SCIENCE AND TECHNOLOGY | 002025 | SPACE APPLIANCE |
| 000726 | LUTHAI TEXTILE | 002051 | CAMC ENGINEERING |
| 000733 | ZHENHUA SCIENCE & TECHNOLOGY | 002052 | COSHIP ELECTRONICS |
| 000806 | YINHE HI-TECH | 600007 | CHINA WORLD TRADE CENTER |
| 000920 | SOUTH HUITON | 600048 | POLY REAL ESTATE |
| 000959 | SHOUGANG | 600066 | YUTONG BUS |
| 000968 | TAIYUAN COAL GASIFICATION | 600068 | GEZHOUBA |
| 600057 | AMOI ELECTRONICS | 600118 | CHINA SPACESAT |
| 600091 | TOMORROW TECHNOLOGY | 600150 | HUDONG HEAVY MACHINERY |
| 600115 | S EASTERN AIRLINES | 600160 | JU HUA CO. |
| 600126 | HANG ZHOU IRON & STEEL | 600161 | TIANTAN BIOLOGICAL PRODUCTS |
| 600138 | CYTS TOURS | 600190 | JINZHOU PORT |
| 600166 | FOTON MOTOR | 600200 | JIANGSU WUZHONG |
| 600207 | ANCAI HI-TECH | 600312 | PINGGAO ELECTRIC COMPANY |
| 600215 | S CHANGCHUN E&T | 600316 | HONGDU AVIATION |
| 600276 | HENGRUI MEDICINE | 600332 | GUANGZHOU PHARMACEUTICAL COMPANY |
| 600399 | FUSHUN SPECIAL STEEL | 600432 | JI EN NICKEL |
| 600406 | S NARI | 600472 | BAOTOU ALUMINIUM |
| 600408 | ANTAI GROUP | 600489 | ZHONGJIN GOLD |
| 600578 | JINGNENG THERMAL POWER | 600497 | CHIHONG ZINC&GERMANIUM |
| 600581 | BA YI IRON & STEEL | 600547 | SHANDONG GOLD |
| 600621 | SHANGHAI JINLING | 600596 | XINAN CHEMICAL |
| 600652 | SHANGHAI ACE | 600748 | SHANGHAI INDUSTRIAL DEVELOPMENT |
| 600654 | FEILO | 600761 | ANHUI HELI |
| 600674 | CHUANTOU ENERGY | 600787 | ZHONGCHU DEVELOPMENT |
| 600740 | SHAN XI COKING | 601001 | DATONG COAL |
| 600854 | CHUNLAN | 601111 | AIR CHINA |

# 9. Index Advisory Committee

In order to ensure the scientific, fair and objective nature of index rules as well as meet market needs, CSI established an Index Advisory Committee, which is in charge of evaluation, consulting and examination of CSI index methodology. The committee also gives suggestions to other index operation and business development issues.

The committee members consist of domestic and overseas famous experts and scholars specialized in index creating, indexing and market research. Domestic members include experts from the social security fund, insurance institution, futures company, consulting company and academy. Overseas members include famous experts from prominent investment institutions.

Members of the Index Advisory Committee are appointed by CSI. Members are to be re-appointed every two year in general. The decision of the committee is publicized in the name of CSI.

**Members of the First Index Advisory Committee:**

| Name | Title |
|---|---|
| Wai chung Wu | Former Deputy Chairman of Hong Kong Securities Regulatory Commission; Advisor of China Securities Regulatory Commission |
| Justin Pascoe | Director of investments of State Street Global Advisors Asia Ltd |
| Mohammed Apabhai | Executive Director of Morgan Stanley Dean Witter Asia Limited |
| Scott Lothian | Head of manager research of Watson Wyatt Hong Kong Limited |
| Keping Li | Director of the Investment Department of National Council for Social Security Fund |
| Yuan Tian | Chairman of China International Futures Co, Ltd |
| Guoxiang Xu | Doctor advisor and director of Research Center for Applied Statistics of Shanghai University of Finance and Economics |
| Huimin Liu | General manager of China Life Insurance Asset Management Co, Ltd |
| Yixiang Lin | Chairman of Tianxiang Investment and Consulting Co, Ltd |

# 10. Major Events

| | | |
|---|---|---|
| 2005 | Apr 5 | SSE and SZSE published the methodology of CSI300. |
| | Apr 8 | CSI300 was launched formally. |
| | Jul 1 | CSI300 made the first constituent periodical review and 14 were replaced. |
| | Sep 23 | CSI was in operation formally and on the same day, the management, rights and interests of CSI300 were transferred to CSI. |
| 2006 | Jan 4 | CSI300 made the second constituent periodical review and 14 were replaced. |
| | Mar 24 | The adjustments and complements to CSI300 rules were published. |
| | Mar 30 | CSI licensed Reuters to develop China Annuity Index based on CSI300. |
| | Apr 14 | CSI300 made temporary adjustment due to tender offers of four constituent companies. |
| | Jun 12 | Rule of reserve list was published. |
| | Jul 3 | CSI300 made the third constituent periodical review and 30 were replaced. |
| | | Rules of fast entry for large market value stocks were published. |
| | Jul 13 | CSI licensed BOCI-Prudential Asset Management Company to develop overseas ETF based on CSI300. |
| | Jul 19 | Satisfying the criteria of fast entry, Bank of China was included in CSI300. |
| | Aug 15 | Satisfying the criteria of fast entry, Daqin Railway was included in CSI300. |
| | Sep 20 | Rules of Merger, acquisition, spin-off etc were published. |
| | Nov 10 | Satisfying the criteria of fast entry, ICBC was included in CSI300. |
| 2007 | Jan 4 | CSI300 made the fourth constituent periodical review and 30 were replaced. |

# Contact Us

**For further details on CSI300, CSI index series and ground rules, please**

**contact China Securities Index Company.**

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