January 2026

Guide to Calculation Method for the ADTV Liquidity Test

v1.1

FTSE RUSSELL
An LSEG Business

lseg.com/en/ftse-russell

Contents

Section 1 Purpose of the guide 3
Section 2 Liquidity screening process 4
Appendix C Further information 5

Section 1

Purpose of the guide

1. Purpose of the guide

1.1 **The aims of the guide are:**

1. to describe how the liquidity test is conducted; and
2. to make it easier for users to replicate the liquidity test to support their investment and trading activities.

Section 2

Liquidity screening process

2. Average Daily Traded Value Data

2.1 Security average daily traded value data (the "ADTV Data") will be based on the last 252 trading days average of daily traded volume times closing price, with minimum 60 days of trading history. The data is calculated in CNY.

For the purposes of the ADTV Liquidity Test, ADTV Data will only be taken from the eligible regulated exchange, as defined by FTSE Russell, which corresponds with the price source used in FTSE Russell indexes (primary exchange)*.

The ADTV Data will be taken when the relevant markets are open. Only trading days of the relevant exchange will be included in the calculation, i.e. exchange holidays will be excluded. Any period of security suspensions will not be included in the ADTV Data. In the case of a security suspension, further history will be sourced to ensure there are 252 data points for the calculation of ADTV Data.

For illustration purposes: A Shares of Company X are listed on and priced from the Shanghai Stock Exchange, however H Shares of Company X shares are traded on the Stock Exchange of Hong Kong. For Company X's A Shares, only security volume data sourced from the Shanghai Stock Exchange will be used for the purposes of the ADTV Liquidity Test. For Company X's H Shares, only security volume data sourced from the Stock Exchange of Hong Kong will be used for the purposes of the ADTV Liquidity Test.

** Please see the 'Closing Prices used for Index Calculation' guide on the FTSE Russell website for further details of what closing prices are used in the ADTV Data calculation.*

3. ADTV Liquidity Test

3.1 **The** ADTV Liquidity Test will be performed at the relevant universe review month. The test will be based on constituent ADTV Data at the close of business on the Wednesday before the first Friday of the review month.

3.2 The ADTV Liquidity Test will be applied to the following universes:

A. FTSE China A All Cap Free Index
B. FTSE Southbound Stock Connect All Cap Index

For the avoidance of doubt, a FTSE China A Free Sector Index would apply the ADTV Liquidity Test to its underlying the FTSE China A All Cap Free Index review universe prior to constituent selection.

3.3 Securities in each of the above universes will be ranked by ADTV Data.

3.4 Securities in the bottom 20 percentile of each universe by ADTV ranking will be excluded from the index, subject to this ADTV Liquidity Test.

Appendix C

Further information

A Glossary of Terms used in FTSE Russell's ground rules documents can be found using the following link:

Glossary.pdf

For contact details, please visit the FTSE Russell website or e-mail FTSE Russell client services at info@ftserussell.com.

Website: www.lseg.com/en/ftse-russell/

Disclaimer

© 2026 London Stock Exchange Group plc and its applicable group undertakings (“LSEG”). LSEG includes (1) FTSE International Limited (“FTSE”), (2) Frank Russell Company (“Russell”), (3) FTSE Global Debt Capital Markets Inc. “FTSE Canada”, (4) FTSE Fixed Income LLC (“FTSE FI”), (5) FTSE (Beijing) Consulting Limited (“WOFE”), (6) FTSE EU SAS ("FES"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, WOFE, FES and other LSEG entities providing LSEG Benchmark and Index services. “FTSE®”, “Russell®”, “FTSE Russell®”, “FTSE4Good®”, “ICB®”, “Refinitiv” , “Beyond Ratings®”, “WMR™” , “FR™” and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of LSEG or their respective licensors.

FTSE International Limited is authorised as a Benchmark Administrator and regulated in the United Kingdom (UK) by the Financial Conduct Authority ("FCA") under the UK Benchmark Regulation.
FTSE EU SAS is authorised as a Benchmark Administrator by the Autorité des Marches Financiers (“AMF”) and is supervised by the European Securities and Markets Authority (“ESMA”) under the EU Benchmark Regulation.

All information is provided for information purposes only. All information and data contained in this publication is obtained by LSEG, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical inaccuracy as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or LSEG Products, or of results to be obtained from the use of LSEG products, including but not limited to indices, rates, data and analytics, or the fitness or suitability of the LSEG products for any particular purpose to which they might be put. The user of the information assumes the entire risk of any use it may make or permit to be made of the information.

No responsibility or liability can be accepted by any member of LSEG nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any inaccuracy (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of LSEG is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of LSEG nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of LSEG nor their respective directors, officers, employees, partners, or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indices and rates cannot be invested in directly. Inclusion of an asset in an index or rate is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index or rate containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of LSEG. Use and distribution of LSEG data requires a licence from LSEG and/or its licensors.

FTSE RUSSELL
An LSEG Business