



## Zhejiang Sanhua Intelligent Control (A) (China) - Foreign Headroom Treatment

19 May 2022

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FTSE Russell has noted the recent announcement published by the HKEX announcing an immediate suspension on buy orders of Zhejiang Sanhua Intelligent Control (A) (China, Sedol B0838P1, Stock Connect Sedol BD5CDC4) under the Stock Connect Program, consequent to the aggregate foreign shareholdings of the stock now exceeding 28%.

Under the Foreign Ownership Restrictions and Minimum Foreign Headroom Requirement, where the FOL for an existing constituent has been reached intra-review and zero headroom is available, its investability weight will be reduced by an absolute value of 10% (if it is the first headroom adjustment) or 5% (if it is a subsequent headroom adjustment) with the provision of a T+2 advanced notification from the date of discovery.

Accordingly, FTSE Russell will reduce Zhejiang Sanhua Intelligent Control (A)'s investability weighting from 18% to 13% in FTSE China A All Cap Indexes, FTSE China A Stock Connect Indexes, and the associated indexes including FTSE Total China Connect Index effective 24 May 2022.

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