



Beijing Venustech (A) (China) - Foreign Headroom Treatment

05 March 2021

FTSE Russell has noted the recent announcement published by the HKEX announcing an immediate suspension on buy orders of Beijing Venustech (A) (China, Sedol B5VPN09, Stock Connect Sedol BD5CJQ0) 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:

- C iv. 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.
- C vii. As a result of these quarterly 5% downward adjustments, should the investability weight of the security fall to 5% or below under this process, the security will no longer be eligible to remain in the index.

Accordingly, FTSE Russell will reduce Beijing Venustech (A)'s investability weighting from 13% to 8% in FTSE China A All Cap Indexes, FTSE China A Stock Connect Indexes, and the associated indexes including FTSE Total China Connect Index effective 10 March 2021, and will be subsequently deleted from the indexes effective 22 March 2021, due to the investability weighting of the security fall to 5% or below during quarterly headroom adjustment resulting from the failure in minimum foreign headroom test at quarterly review.

For further information please contact FTSE Russell Client Services at info@ftserussell.com or call:

Australia	+1800 653 680
Hong Kong	+852 2164 3333
Japan	+81 3 4563 6346
London	+44 (0) 20 7866 1810
New York	+1866 551 0617

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