

Methodology of SSE Photovoltaic Industry Index

SSE Photovoltaic Industry Index selects 30 securities of SSE listed companies which are involved in photovoltaic industry, reflecting the overall performance of SSE listed company with the theme of photovoltaic industry.

1. Index Name and Index Code

- Index Name: SSE Photovoltaic Industry Index
- Shortened Name: SSE Photovoltaic
- Index Code: 950238

2. Base Date and Base Value

The base date is December 29, 2017. The base value is 1000.

3. Index Eligibility

3.1 Index Universe

Same as the Universe of the SSE 180 Index

3.2 Eligible Securities

Liquidity Criteria: Securities ranked in the top 90% in the index universe in terms of average daily trading value over the past year in descending order are eligible for inclusion;

3.3 Constituents Selection

(1) Select the securities in the eligible securities which engaged in photovoltaic and photothermal industry, Including but not limited to silicon pellet, polysilicon, solar cells, electric cable, photovoltaic glass, inverter, photovoltaic bracket and photovoltaic power plant;

(2) Rank the candidate securities by the average daily total market capitalization over the past year in descending order and select no more than 30 securities as index constituents.

4. Index Calculations

The index is calculated according to the following formula:

$$\text{Current Index} = \frac{\text{Current Total Adjusted Market-Cap}}{\text{Divisor}} \times \text{Base Value}$$

Where Current Total Adjusted Market-Cap = $\sum (\text{Security Price} \times \text{Number of Free Float Adjusted Shares} \times \text{Weight Factor})$

For the calculation of number of free float adjusted shares, please refer to CSI Index Calculation and Maintenance Methodology for further details. The value of Weight Factor is between 0 and 1, which is calculated at each rebalancing date, so that the weight of each constituent is capped at 15% and the total weight of top 5 constituents is capped at 60%.

5. Constituents and Index Weights Adjustment

5.1 Constituent's Periodical Review

The index is adjusted and rebalanced semi-annually and the adjustment will be effective as of the next trading day after the 2nd Friday in June and December.

Weight Factor is assigned to each constituent at each rebalancing date. The effective date is the same as that of the constituent adjustment. The Weight Factor stays the same until next rebalancing date.

5.2 Ongoing Review

When special events occur, CSI will review the index accordingly. Delisted securities will be deleted from the constituents. Please refer to Index Calculation and Maintenance Methodology for further details.