**Methodology of SSE STAR Growth Index**

SSE STAR Growth Index selects 50 securities with higher growth rates of operating revenue and net profit from STAR market as constituents. The index is to measure the performance of securities of listed companies with high growth of STAR market.

1. **Index Name and Index Code**

* Index Name: SSE STAR Growth Index
* Shortened Name: STAR Growth Index
* Index Code: 000690

1. **Base Date and Base Value**

The base date is December 31, 2019. The base value is 1000.

1. **Index Eligibility**

**3.1 Index Universe**

The index universe includes stocks and CDRs issued by red-chip enterprises listed on SSE Science and Technology Innovation Board satisfying the following conditions.

(1) The listing time is more than six months. For securities with the daily average total market value since its initial listing ranked top 5 on SSE Science and Technology Innovation Board, the listing time is more than three months.

(2) Non -\*ST securities.

**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) For the eligible securities, the following factors are calculated: quarter-on-quarter growth rate of operating revenue TTM, quarter-on-quarter growth rate of net profit after deducting non-current loss and profit TTM, average of quarter-on-quarter growth rate of operating revenue TTM over the last 12 quarters, average of quarter-on-quarter growth rate of net profit after deducting non-current loss and profit TTM over the last 12 quarters, growth trends derived from regression analysis of quarter-on-quarter growth rate of operating revenue TTM over the last 12 quarters.

(2) The comprehensive score is obtained by the simple average of the factors after winsorization and standardization. Then, rank the eligible securities by the comprehensive score in descending order, select top 50 securities as the index constituents.

1. **Index Calculations**

The index is calculated according to the following formula:

Current Index = Current Total Adjusted Market-Cap / Divisor ×Base Value

Where Current Total Adjusted Market-Cap = ∑(Security Price × Number of Free Float Adjusted Shares × 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 10%.

1. **Constituents and Index Weights Adjustment**

**5.1 Constituent’s Periodical Review**

The index is adjusted and rebalanced quarterly and the adjustment will be effective as of the next trading day after the 2nd Friday of March, June, September 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.