

## Methodology of SSE G60 Component Index

SSE G60 Component Index selects no more than 50 strategic emerging industries securities of listed companies located in G60 nine cities of Yangtze river delta area as constituents. The index is to reflect the overall price performance of related area's strategic emerging industries SSE listed securities.

### 1. Index Name and Index Code

- Index Name: SSE G60 Component Index
- Shortened Name: G60 Component Index
- Index Code: 950049

### 2. Base Date and Base Value

The base date is May 24, 2016. The base value is 1000.

### 3. Index Eligibility

#### 3.1 Index Universe

Same as the Universe of SSE 180 Index

#### 3.2 Constituents Selection

(1) Rank the securities in the universe by the average daily trading value over the past year in descending order and delete the bottom 20% securities.

(2) Select the constituents of China Strategic Emerging Industries Composite Index which located in G60 nine cities of Yangtze river delta area (Songjiang of Shanghai, Jiaxing, Hangzhou, Jinhua, Suzhou, Huzhou, Xuancheng, Wuhu, Hefei) and as candidates.

(3) Rank the candidates by average daily market value over the past year in descending order and select 50 top securities as constituents. If the number of constituents is less than 50, select all the candidates as constituents.

### 4. 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 =  $\sum$  (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 and subject to the above weight allocation requirement, 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 twice a year 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. The effective date is the same as that of the constituent adjustment. The Weight Factor stays the same until next rebalancing day.

### **5.2 Ongoing Review**

In case that the representativeness and investability is affected due to significant changes beyond periodical reviews, CSI may review the constituent securities immediately. Delisted securities will be deleted from the constituents. Please refer to Index Calculation and Maintenance Methodology for further details.