

## Methodology of SSE Science and Technology Innovation Board 200 Index

SSE Science and Technology Innovation Board 200 Index consists of 200 securities with small market capitalization and good liquidity listed on SSE Science and Technology Innovation Board. The index together with STAR 50 and other indices constitutes the size index series of SSE Science and Technology Innovation Board, to reflect the performance of different size segments of the market.

### 1. Index Name and Index Code

- Index Name: SSE Science and Technology Innovation Board 200 Index
- Shortened Name: STAR 200
- Index Code: 000699

### 2. Base Date and Base Value

The base date is December 30, 2022. The base value is 1000.

### 3. 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 12 months.
- (2) Non -ST and \*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) From the eligible securities, exclude the STAR 50 and STAR 100 index constituents and top 130 securities ranked by daily average market cap over the past year in the index universe. The rest securities are candidates of the index.

(2) Rank the candidates by the average daily total market capitalization over the past year in descending order and select the top 200 securities as index 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 =  $\sum (\text{Security Price} \times \text{Number of Free Float Adjusted Shares} \times \text{Weight Factor})$

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 10% and the total weight of top 5 constituents is capped at 40%.

## 5. 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. Normally, the number of constituents adjusted at each periodical review shall not exceed 15%. The index adopts buffer zone rules. New candidate securities ranked top 160 will be given priority to add into the index and old constituents ranked top 240 will be given priority to remain in the index.

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.

The index adopts a reserve list policy. Please refer to Index Calculation and Maintenance Methodology for further details. If a temporary adjustment is in need due to constituents' delisting, merger, etc., securities on the reserve list shall be added to the index in turn.

## **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.