

Methodology of SSE STAR Computer Theme Index

SSE STAR Computer Theme Index selects securities which provide products and services relate to software development, IT services, computer hardware and other computer related fields from SSE STAR board as the constituents. The index is to measure the performance of computer theme securities on the STAR board.

1. Index Name and Index Code

- Index Name: SSE STAR Computer Theme Index
- Shortened Name: STAR Computer
- Index Code: 950332

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 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

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, select the securities providing following

products and services as candidates: software development, IT services, computer hardware, etc.

(2) Rank the candidates by the average daily capitalization over the past year in descending order, and select the top 50 candidates as the constituents.

4. Index Calculations

The index is calculated according to the following formula:

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

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 belonging to Software Development industry and IT Services industry is capped at 10% and each of other constituents is capped at 3%.

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. Normally, the number of constituents adjusted in each regular adjustment shall not exceed 20%.

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.