

Methodology of SSE SRDI Enterprises Index

SSE SRDI Enterprises Index selects 100 securities of SRDI "little giant" enterprises with the largest market capitalization from Shanghai Stock Exchange as the constituents. The index aims to reflect the overall performance of the listed securities of SRDI enterprises of SSE.

1. Index Name and Index Code

- Index Name: SSE SRDI Enterprises Index
- Shortened Name: SSE SRDI
- Index Code: 950222

2. Base Date and Base Value

The base date is December 28, 2018. 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, and meets the following conditions:

- (1) Non - ST and *ST securities.
- (2) The listing time is more than 6 months.

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) From the eligible securities, select the securities of SRDI "little giant" enterprises as the candidates.
- (2) Rank the candidates by the average daily capitalization over the past

year in descending order, and select the top 100 securities as the constituents.

4. Index Calculations

The index is calculated according to the following formula:

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

Where Current Total Adjusted Market-Cap = \sum (Security Price \times Number of Free Float Adjusted Shares \times 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

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.