

## Methodology of SSE STAR Private-owned Enterprises Index

SSE STAR Private-owned Enterprises Index selects securities of private-owned enterprises from SSE Science and Technology Innovation Board as the constituents. The index is to measure the performance of private-owned enterprises in SSE Science and Technology Innovation Board.

### 1. Index Name and Index Code

- Index Name: SSE STAR Private-owned Enterprises Index
- Shortened Name: STAR POEs
- Index Code: 950363

### 2. Base Date and Base Value

The base date is December 31, 2019. 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 Constituents Selection

Select all securities of private-owned enterprises in the index universe as index 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%.

## **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 at each periodical review will 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.