Methodology of SSE STAR Battery Index

SSE STAR Battery Index selects 40 securities of listed companies from SSE STAR board, which engaged in battery manufacturing, battery materials, supporting equipment and other Battery industry chain segments of different kinds of batteries such as power batteries, energy storage batteries, consumer electronics batteries, and emerging technology batteries.The index is to measure the performance of battery sector of Star market.

1. Index Name and Index Code

- Index Name: SSE STAR Battery Index
- Shortened Name: STAR Battery
- Index Code: 950361

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 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 engaged in battery manufacturing, battery materials, supporting equipment and other Battery industry chain segments of different kinds of batteries such as power batteries, energy storage batteries, consumer electronics batteries, and emerging technology batteries as candidates;

(2)Rank the candidates by the average daily capitalization over the past year in descending order,and select top 40 securities as the index constituents;if the number of candidates is less than 40, all the candidates are included.

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 = Σ(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,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 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.