

Methodology of SSE Science and Technology Innovation Board Composite Index

SSE Science and Technology Innovation Board Composite Index consists of all eligible securities listed on SSE Science and Technology Innovation Board, which includes dividend in the index return. The index aims to measure the overall market performance of companies listed on SSE Science and Technology Innovation Board after considering dividend payout.

1. Index Name and Index Code

- Index Name: SSE Science and Technology Innovation Board Composite Index
- Shortened Name: STAR Composite Index
- Index Code: 000680

2. Base Date and Base Value

The base date is December 31, 2019. The base level is 1000.

3. Index Eligibility

3.1 Index Universe

The index universe includes all stocks and CDRs issued by red-chip enterprise listed on SSE Science and Technology Innovation Board. ST and *ST securities are excluded.

3.2 Constituents Selection

Select all securities in the index universe as index 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 Adjusted Total Market-Cap = $\sum (\text{Security Price} \times \text{Number of Shares Issued} \times \text{Weight Factor})$

The values of Weight Factors are between 0 and 1, so that the weight of each constituent is capped at 15%. The weight factors are adjusted on the next trading day following the second Friday of each month, or when the weight of a newly included constituent exceeds 15%. The Weight Factor stays the same until next rebalancing date. The divisor will be adjusted in case of ex-dividend, etc. For the formula of divisor adjustment, please refer to Index Calculation and Maintenance Methodology for further details.

5. Constituents Adjustment

Security with the daily average total market value since its initial listing ranked top 10 in Shanghai Stock Exchange will be included in the index 3 months after listing, otherwise, a security must be listed for more than 1 year before being included in the index.

Constituents under risk warning status will be deleted from the index on the next trading day after the second Friday of the month following the month in which the risk warning was announced. Eligible securities that are out of risk warning status will be included in the index on the next trading day after the second Friday of the next month following the month of the removal of risk warning.

Delisted securities will be deleted from index constituents. In case of exceptional corporate events, such as merger, acquisition, spin-off, suspension, etc., please refer to Index Calculation and Maintenance Methodology for further details.