

Methodology of CSI A50 Index

CSI A50 Index selects 50 securities with largest market capitalization from the industry leading companies. The index is to measure the performance of the most representative companies in each industry.

1. Index Name and Index Code

- Index Name: CSI A50 Index
- Shortened Name: CSI A50
- Index Code: 931270

2. Base Date and Base Value

The base date is December 31, 2014. The base value is 1000.

3. Index Eligibility

3.1 Index Universe

Same as the Universe of CSI All Share Index

3.2 Eligible Securities

Liquidity Criteria: 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, delete securities whose ESG ratings are C or below C.

(2) Select securities which meet following criteria as candidates:

- Rank first by average daily free float market capitalization over the past year in corresponding CSI Industry;
- Rank top 300 by average daily total market capitalization over the past year in the Index Universe;
- Eligible for Shanghai or Shenzhen Stock Connect.

(3) For candidates, select the top 50 securities by average daily free float market capitalization over the past year as index constituents while ensuring that each industry group is represented by at least one constituent.

4. Index Calculation

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 = $\sum(\text{Security Price} \times \text{Number of Free Float Adjusted Shares} \times \text{Weight Factor})$

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 is capped at 10% and the total weight of top 5 constituents is capped at 40%.

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. A buffer zone is established for constituent's periodic review. In step (2) of the constituent selection, for old

constituents that rank second in corresponding CSI Industry with eligibility of other criteria for candidates, if the free float market capitalization of which is no less than 80% of the top-ranked security of corresponding CSI Industry, then those old constituents are retained as candidates for corresponding Industry. Normally, the proportion of constituents adjusted at each periodical review shall not exceed 10%, unless the number of old constituents removed from candidates exceeds 10%.

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. If the eligible securities under Shanghai or Shenzhen Stock Connect change, the constituents will be adjusted accordingly.