Methodology of CSI 1000 Index

CSI 1000 Index selects 1000 small cap securities with good liquidity in A-shares that are not included in CSI 800 Index constituents.

1. Index Name and Index Code

- Index Name: CSI 1000 Index
- Shortened Name: CSI 1000
- Index Code: 000852/399852

2. Base Date and Base Value

The base date is December 31, 2004. The base value is 1000.

3. Index Eligibility

3.1 Index Universe

Same as the Universe of CSI All Share Index.

3.2 Constituents Selection

(1) Exclude the CSI 800 index constituents and top ranked 300 securities by daily average market cap over the past year in the index universe.

(2) Rank the rest securities by the average daily trading value over the past year in descending order, and exclude the bottom 20% securities.

(3) Rank the rest securities by the average daily market-cap over the past year in descending order and select the top 1000 securities as constituents.

4. Index Calculations

The index is weighted as the following calculation formula: Current Index = Current Total Adjusted Market-Cap / Divisor × Base Value

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

For the calculation of number of free float adjusted shares, please refer to CSI Index Calculation and Maintenance Methodology for further details.

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. Number of constituents adjusted at each periodical review will not exceed 10%. The index adopts buffer zone rules for the sake of minimum turnover. Old constituents ranked top 90% by average daily trading value in the universe could enter next step to be ranked by market cap. New candidate securities ranked top 800 by average daily total market cap will be given priority to add into the index and old constituents ranked top 1200 by average daily total market cap will be given priority to remain in the index. Constituents of sector indices change when constituents of CSI 1000 Index change.

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.