

Methodology of SSE 50 Index

SSE 50 Index is selected from SSE 180 Index constituents and composed of 50 Shanghai securities with large market-cap and good liquidity. The index is to reflect the performance of leading enterprises in Shanghai Stock Exchange.

1. Index Name and Index Code

- Index Name: SSE 50 Index
- Shortened Name: SSE 50
- Index Code: 000016

2. Base Date and Base Value

The base date is December 31, 2003. The base value is 1000.

3. Index Eligibility

3.1 Index Universe

The universe is SSE 180 Index constituents.

3.2 Constituents Selection

Rank securities in the universe by average daily trading value and average daily total market capitalization over the past year in descending order and select the top 50 securities except those show exceptional market evidence and evaluated as inappropriate by Index Advisory Committee.

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 Total Adjusted Market-Cap = $\sum (\text{Security Price} \times \text{Number of Free Float Adjusted Shares})$.

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. New candidate securities ranked top 40 will be given priority to add into the index and old constituents ranked top 60 will be given priority to remain in the index.

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. The total market value of newly issued securities (total market value = issue price × total shares) is compared with the average daily total market value of Shanghai securities over the past year, which is until the date of IPO listing announcement. Newly issued securities, which qualify the index universe, ranked top 10 among all Shanghai securities in terms of total market capitalization adopt the fast-entry index rule. It means they will be included in the index at the end of their tenth trading day, and the bottom ranked original sample will be excluded in terms of total market value and total trade value of the past year. The fast-entry index rule cannot apply to the securities listed on the Science and Technology Innovation Board.