

SZSE ChiNext 50 Index Methodology

The ChiNext 50 index is designed to reflect performance stocks with high liquidity on the ChiNext Market of Shenzhen Stock Exchange, and to provide an index investment instrument.

1. Code and Name

Index Name: SZSE ChiNext 50 Index

Short Name: ChiNext 50

Index Code: 399673

2. Base Date and Base Point

Base Date: May 31, 2010

Base Point: 1000

3. Index Universe

Constituents of the ChiNext Index.

4. Selection Criteria

Calculate daily average trading value within the last 6 months of stocks in the index universe and select top 50 stocks as constituents regarding index coverage of sectors.

5. Index Calculation

The Index is calculated according to the Paasche weighted method, the real-time calculation is carried out daily according to the following formula:

$$\text{real time index} = \text{last trading day closing index} \\ \times \frac{\sum (\text{constituent's real time stock price} \times \text{No. of shares})}{\sum (\text{constituent's last trading day closing price} \times \text{No. of shares})}$$

For adjustment method of No. of shares, please refer to Index Calculation and Maintenance Methodology.

6. Index Review

6.1 Periodic Review

Periodic reviews are implemented on the next trading day after market closing of the second Friday in June and December each year. Announcements of periodic reviews are published two weeks before implementation.

The number of new constituents in each periodic review shall not

exceed 10% of the total number of index constituents. New candidate stocks ranked top 70% of the total number of index constituents are selected in order, existing constituents ranked top 130% are remained in the index with priority.

After new constituents are determined, remaining stocks will be ranked by daily average trading value in descending order and 5% of the total number of index constituents will be selected as reserved stocks.

6.2 Non-periodic Review

If a constituent is subject delisting, it will be replaced by the highest ranked reserved stock.

For constituents subject to risk alert, M&A and split, please refer to Shenzhen Component Index Methodology.