

Revising Index Methodology

In order to enhance the index investability, Shenzhen Securities Information Co., Ltd. decides to revise existing index methodology. The details are as follows:

1. Change the index code from CN6008 to 980092, while the index name and short name will be changed to CNI Free Cash Flow Index and CNIFCF.
2. Modify the index universe to all A-shares and depositary receipts issued by red chip enterprises satisfying certain criteria.
3. Revise the selection method to “Remove bottom 20% securities by daily average trading value, remove securities classified as Finance or Real Estate industry, remove bottom 10% securities by ROE stability, select securities with positive free cash flow and enterprise value as well as positive cash flow from operations within the latest 3 years, remove bottom 30% securities by the proportion of cash flow from operations to operating profits, then select top 100 securities with the highest free cash flow yield as index constituents”.
4. Change the review frequency to quarterly.
5. Adjust the weighting method to “determine the initial weights of the index constituents according to free cash flow, and the weight of individual constituent does not exceed 10% in each periodic review”.

The revision will be implemented on August 15, 2024. For more details, please refer to CNI Index website (www.cnindex.com.cn).

Shenzhen Securities Information Co., Ltd.

August 9, 2024