

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:

CNI Growth 100 Index: (1) change the index code from CN6014 to 980080, while the index name and short name will be changed to CNI Growth 100 Index and CNIG100; (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 in the index universe by daily average trading value within the latest 6 months, remove securities with daily average total market cap within the latest 6 months less than 5 billion yuan, remove securities with net profit less than 0; remove bottom 20% securities by change in ROE on quarter-on-quarter basis, remove bottom 20% securities by change in gross profit margin of a single quarter; calculate the ranking of 4 growth indicators for remaining securities, add them up to obtain the comprehensive ranking, select top 100 securities in comprehensive ranking as index constituents”; (4) change the review frequency to quarterly; (5) revise the buffer rule to “The number of new constituents in each periodic review shall not exceed 50% of the total number of index constituents”; (6) adjust the weighting method to “Determine the initial weights of the index constituents according to the adjusted free-float

market cap, and the weight of individual constituents does not exceed 10% in each periodic review”.

CNI Value 100 Index: (1) change the index code from CN6027 to 980081, while the index name and short name will be changed to CNI Value 100 Index and CNIV100; (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 in the index universe by daily average trading value within the latest 6 months, remove bottom 20% securities by daily average total market cap within the latest 6 months, remove securities with net profit less than 0; remove bottom 20% securities by the average ROE(TTM) over past 12 quarters, remove top 20% securities by the volatility of ROE over past 12 quarters, remove bottom 50% securities by free cash flow yield; calculate and normalize the reciprocal of P/E ratio(V1), dividend yield(V2), free cash flow yield(V3) for remaining securities, calculate the weighted mean to obtain the comprehensive score, select top 100 securities in comprehensive score as index constituents; (4) change the review frequency to quarterly; (5) revise the buffer rule to “The number of new constituents in each periodic review shall not exceed 50% of the total number of index constituents”; (6) adjust the weighting method to “Determine the initial weights of the index constituents according to the adjusted free-float market cap, and the weight of individual CICS 2nd level industry does not exceed 20% and the weight of individual

constituents does not exceed 8% in each periodic review”.

The revision will be implemented on October 29, 2024. For more details, please refer to CNI Index website (www.cnindex.com.cn).

Shenzhen Securities Information Co., Ltd.

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