

Methodology of CSI Medical Service Index

CSI Medical Service Index is composed of 50 listed securities involving medical devices, medical care, medical informatization and other medical theme as constituents. The index is to measure the overall performance of medical service theme companies.

1. Index Name and Index Code

- Index Name: CSI Medical Service Index
- Shortened Name: CSI Medical Service
- Index Code: 399989

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) Rank the securities in the universe by the average daily trading value over the past year in descending order and delete the bottom 20% securities.

(2) Select remaining securities involving medical devices, medical care, medical informatization and other medical theme as the candidate securities.

(3) Rank the candidate securities by average daily total market capitalization over the past year in descending order and select the top 50 average as the constituents, and select all if the number of candidate average is less than 50.

4. Index Calculations

The index is calculated according to the following formula:

Current Index = Current Total Adjusted Market-Cap / Divisor $\times$ Base Value

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

For the calculation of number of free float adjusted shares, please refer to CSI Index Calculation and Maintenance Methodology for further details. The value of Weight Factor is between 0 and 1, which is calculated at each rebalancing date, so that the weight of each constituent is capped at 10% and the total weight of largest 5 constituents is no more than 40%.

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.

Weight Factor is assigned to each constituent at each rebalancing date. The effective date is the same as that of the constituent adjustment. The Weight Factor stays the same until next rebalancing date.

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.