

Methodology of CSI 5G Communication Index

CSI 5G Communication Index selects securities which related to 5G construction or application, including but not limited to 5G network construction, terminal equipment and application scenarios. The index is to measure the overall performance of the theme.

1. Index Name and Index Code

- Index Name: CSI 5G Communication Index
- Shortened Name: 5G Communication
- Index Code: 931079

2. Base Date and Base Value

The base date is December 31, 2015. 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 total market cap and the average daily trading value over the past year in descending order, and delete the bottom 20% securities respectively.

(2) Select the securities whose business involves 5G construction or application, including but not limited to following areas:

- 5G construction: equipment and materials, network construction, network operation and maintenance, and other supporting infrastructure;
- 5G terminal equipment: Intelligent terminal and related parts;
- 5G application scenarios: intelligent connected automobile, industrial Internet, VR/AR, ultra-high definition video, cloud game, smart city, etc.

(3) Rank the securities by the average daily capitalization over the past year in descending order and select top 50 securities as constituents.

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%.

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.