

Methodology of CSI Overseas China Internet Index

CSI Overseas China Internet Index selects Hong Kong and overseas listed Chinese Internet companies as the index constituents. The index is to reflect the overall performance of overseas listed Chinese Internet companies.

1. Index Name and Index Code

- Index Name: CSI Overseas China Internet Index
- Shortened Name: China Internet
- Index Code: H11136(CNY)/ H11137(USD)

2. Base Date and Base Value

The base date is June 29, 2007. The base value is 1000.

3. Index Eligibility

3.1 Index Universe

For Hong Kong listed securities: same as the universe of CSI Hong Kong 300 Index and meet one of the following criteria:

- Incorporated in Mainland China
- The operation centre of the company is in Mainland China
- At least 50% of revenue from company is from Mainland China

For other markets listed securities: securities of Mainland China companies have listed and traded for more than 3 months (unless the market value of its IPO exceeds 30 billion USD) and meet one of the following criteria:

- Incorporated in Mainland China
- The operation centre of the company is in Mainland China
- At least 50% of revenue from company is from Mainland China

3.2 Constituents Selection

(1) Liquidity requirement: the average daily trading value in the past 1 year is no less than 3 million USD.

(2) Market capitalization requirement: the average daily market cap in the past 1 year is no less than 2 billion USD.

3.3 Eligible Securities

(1) From the rest securities, choose the securities that are classified in the following sectors as the candidates:

- Internet Software & Services : Companies developing and marketing internet software and/or providing internet services.
- Home Entertainment Software : Manufacturers of home entertainment software and educational software used primarily in the home.
- Internet Retail : Companies providing retail services primarily on the internet.
- Internet Service : Companies providing commercial services primarily through the internet.
- Mobile Internet : Companies developing and marketing mobile internet software or providing mobile internet services.

(2) The candidates will be selected as constituents. Among them, when two or more eligible listings of the same company are selected as candidates, the Hong Kong listed security will have the priority to be selected.

4. Index Calculations

The index is calculated according to the following formula:

Current Index = Current Total Adjusted Market-Cap / Divisor × Base Value

Where Current Total Adjusted Market-Cap = $\sum (\text{Security Price} \times \text{Number of Free Float Adjusted Shares} \times \text{Weight Factor} \times \text{Foreign Exchange Rate})$.

For Foreign Exchange Rate and 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, so that the weight of each constituent is capped at 10%, and the total weight of the top five constituents is capped at 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 rebalanced monthly and the rebalance will be effective as of the next trading day after the 2nd Friday each month.

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 CSI Index Calculation and Maintenance Methodology for further details. Suppose the IPO size of a new IPO Chinese internet company listed outside China Mainland is more than 10 billion USD and the company's listing time reaches 10 trading days, the IPO company will be added to the index on the next trading day after the 2nd Friday next month.