

# Launch of Hang Seng Foreign Companies Index & Hang Seng Global Composite Index

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**HANG SENG INDEXES**

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A wholly-owned subsidiary of Hang Seng Bank

- **Hang Seng Foreign Companies Composite Index (HSFCCI)**
- **Hang Seng Global Composite Index (HSGCI)**

# Development of Foreign Companies in HK

- More and more foreign companies are coming to HK for listing

## Listed in 2010

**RUSAL (俄鋁)**

**SouthGobi (南戈壁)**

**L'Occitane (歐舒丹)**

**Prudential (保誠)**

**Mongolian Mining (蒙古焦煤)**

**Vale (淡水河谷)**

## Listed in 2011

**SBI (思佰益)**

**Glencore (嘉能可)**

**Samsonite (新秀麗)**

**Prada (普拉達)**

**Courage Marine (勇利航業)**

**Kazakhmys (哈薩克銅業)**

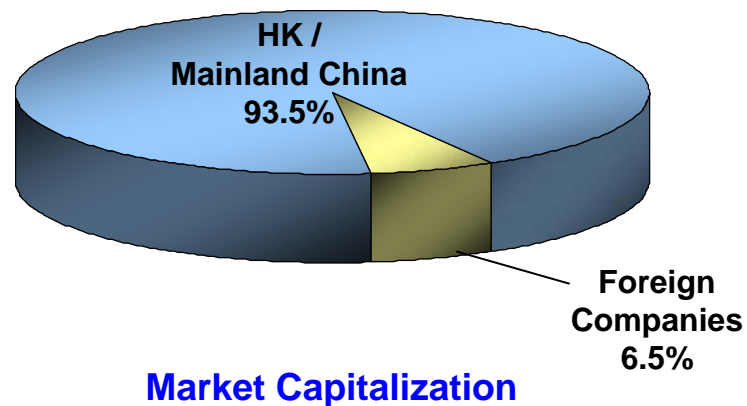
# Market Value of Foreign Companies

## Market Value Rank

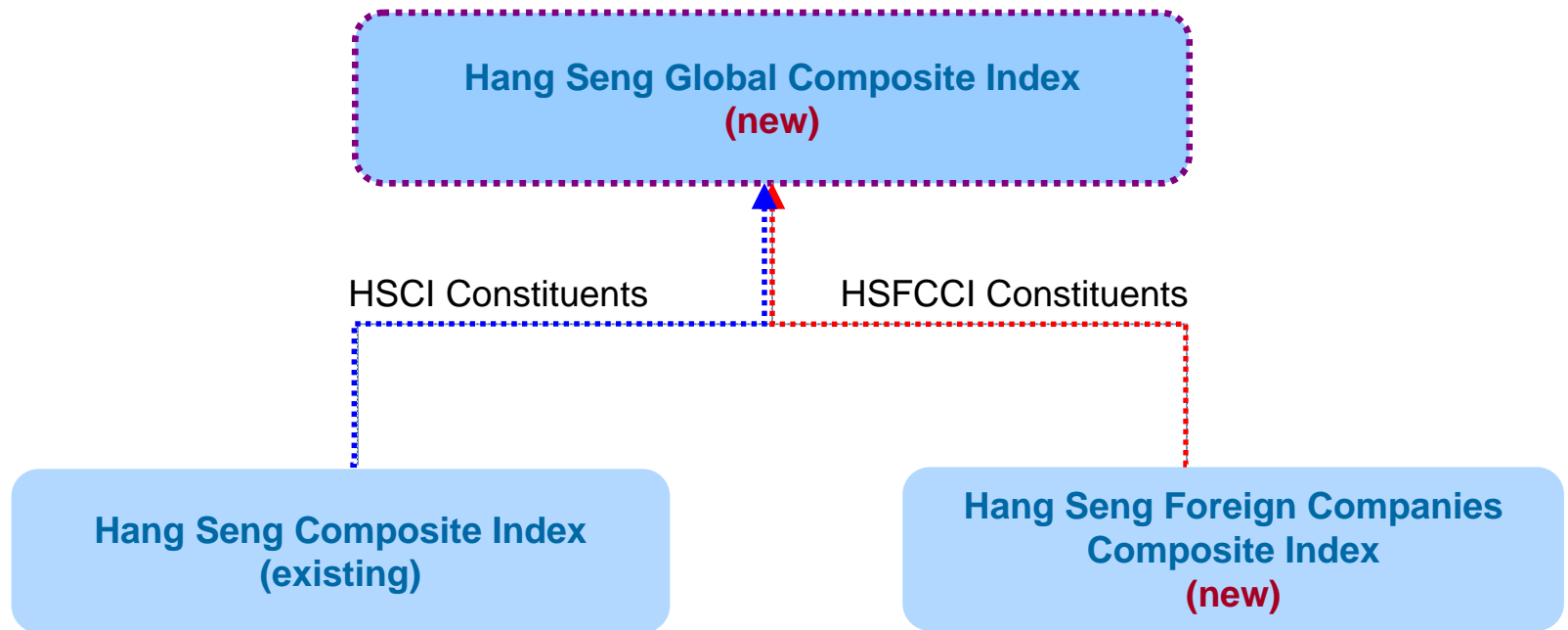
1. CCB
2. China Mobile
3. HSBC
- ⋮
- 7. Glencore**
8. Tencent
- ⋮
18. Hang Seng Bank
- 19. Manulife**
- 20. Prudential**
21. China Life
- ⋮

**Total Market Value: HK\$ 1,465 Bn**

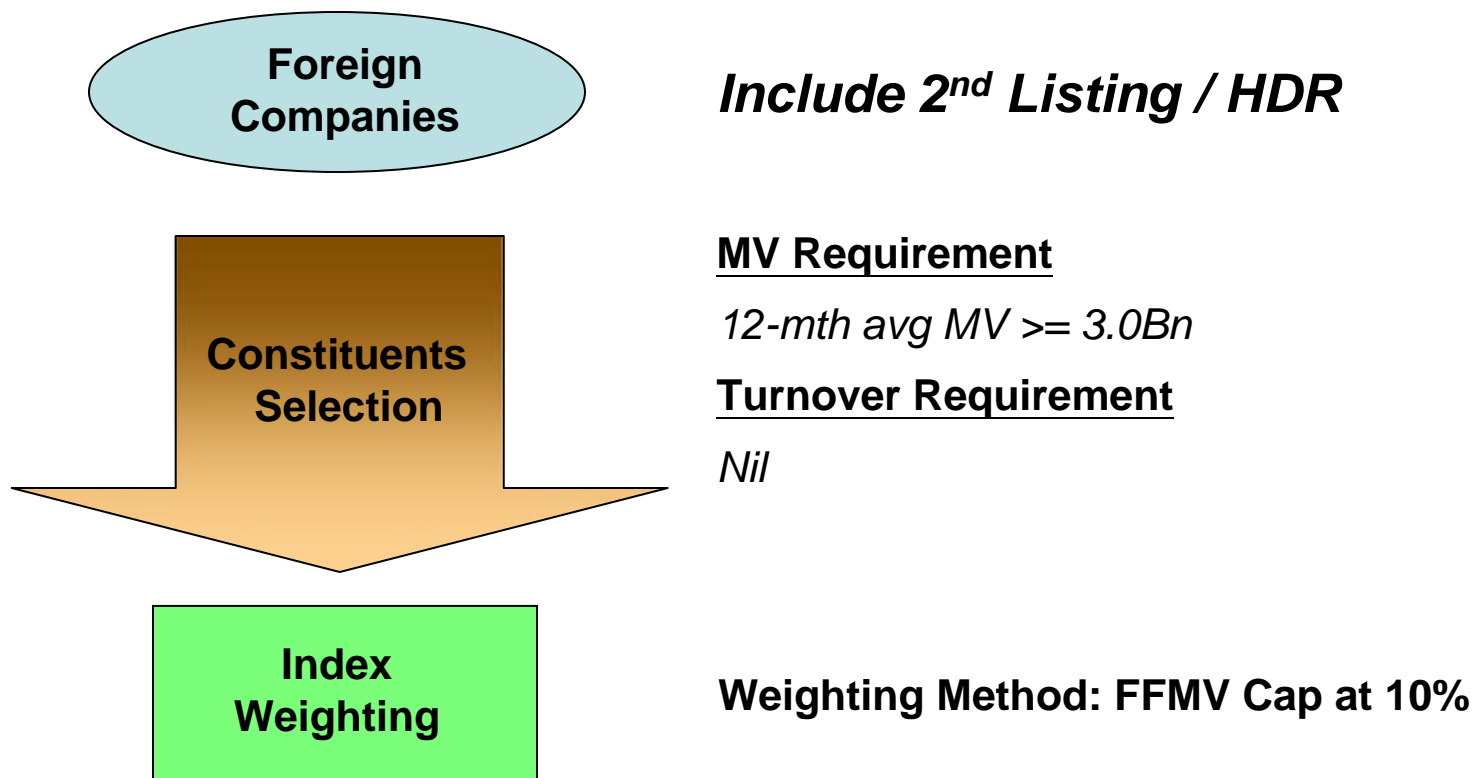
## 23 Foreign Companies



# Two New Indexes



# Hang Seng Foreign Companies Composite Index



# Indicative Weighting of FCs in HSFCFI & HSGCI

as at 26 Aug 2011

Code	Name	12-mth avg MV <sup>^</sup> (HKD mn)	Weighting in HSFCFI	Weighting in HSGCI
<b>Primary Listing</b>				
2378	Prudential (保誠)	209,879	10.00%	2.14%
486	RUSAL (俄鋁)	164,072	10.00%	0.21%
1913	Prada (普拉達)	120,137	10.00%	0.20%
975	Mongol Mining (蒙古焦煤)	34,613	10.00%	0.14%
1910	Samsonite (新秀麗)	20,685	10.00%	0.12%
973	L'Occitane (歐舒丹)	29,329	9.81%	0.10%
678	Genting HK (雲頂香港)	23,650	5.55%	0.06%
3918	NagaCorp (金界控股)	3,264	1.64%	0.02%
693	Tan Chong Int'l (陳唱國際)	3,844	1.06%	0.01%
3938	Samling Global (三林環球)	3,108	0.94%	0.01%
<b>Secondary Listing</b>				
805	Glencore (嘉能可)	443,919	10.00%	0.19%
945	Manulife (宏利金融)	217,900	10.00%	0.10%
1878	SouthGobi (南戈壁)	17,650	4.38%	0.04%
847	Kazakhmys (哈薩克銅業)	91,526	3.65%	0.04%
<b>HDR (approved for listing in HK)</b>				
6210	Vale (淡水河谷)	67,070	2.97%	0.03%
			<b>100%</b>	<b>3.40%</b>

<sup>^</sup> 12-mth avg MV at at 30 June 2011

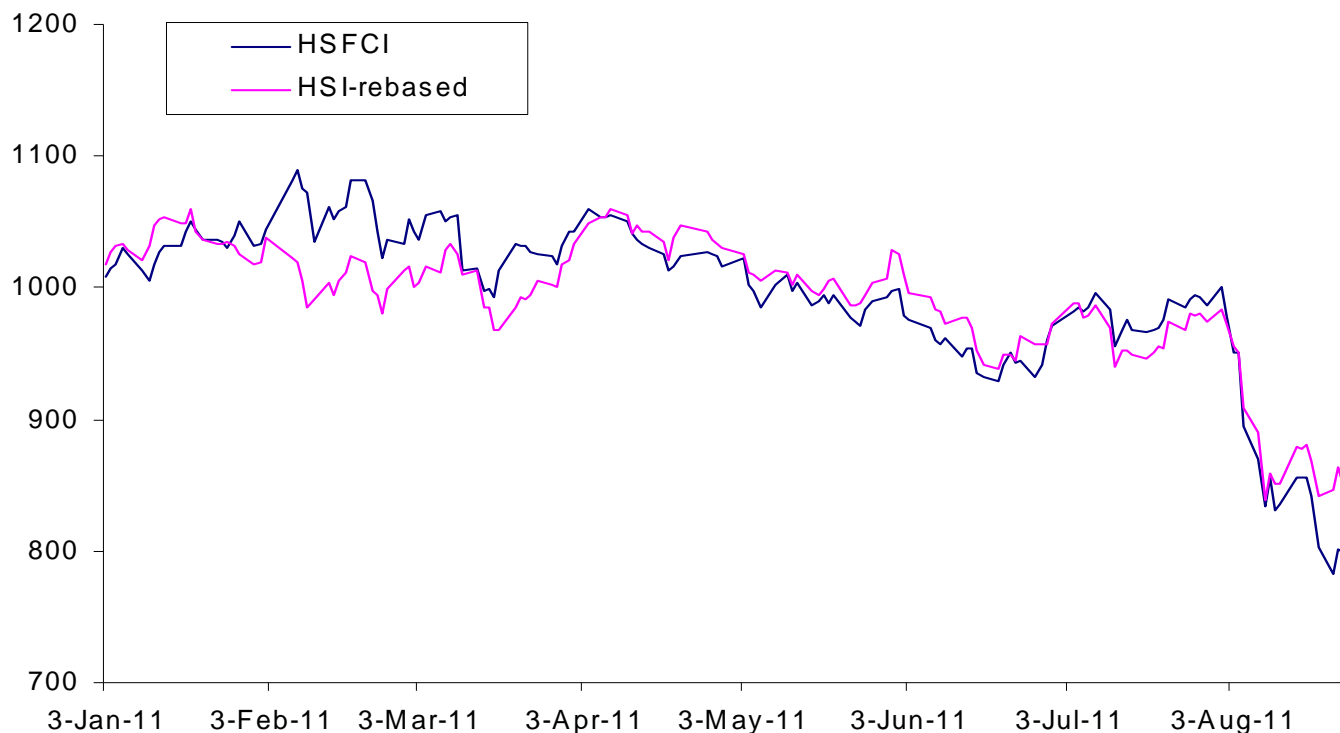
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# Why and Its Value / Usage

- To match with the development of the HK stock market
- To reflect the increasing importance of foreign companies in HK market
- To serve as a benchmark to reflect the price performance of this group of companies
- For investment product development

# Indicative Performance of HSFCCI

3 Jan 2011 – 26 Aug 2011



	Performance				Ann. Vol.
	1-month	3-month	6-month	YTD	
HSI	-13.24%	-14.49%	-16.09%	-14.99%	19.82%
HSFCCI	-19.02%	-18.36%	-22.37%	-19.75%	22.19%

# Index Overview

- Index Name
  - Hang Seng Foreign Companies Composite Index
  - Hang Seng Global Composite Index
- Position: Benchmark Index
- Launch Date: 5 Sep 2011
- Number of Constituents at Launch: 15
- Review Frequency: Half-yearly (Q2 & Q4)
- Dissemination: Day-end

## **Other Indexes with Small Number of Constituents**

- Hang Seng REITs Index**
- Hang Seng H-FIN Index**

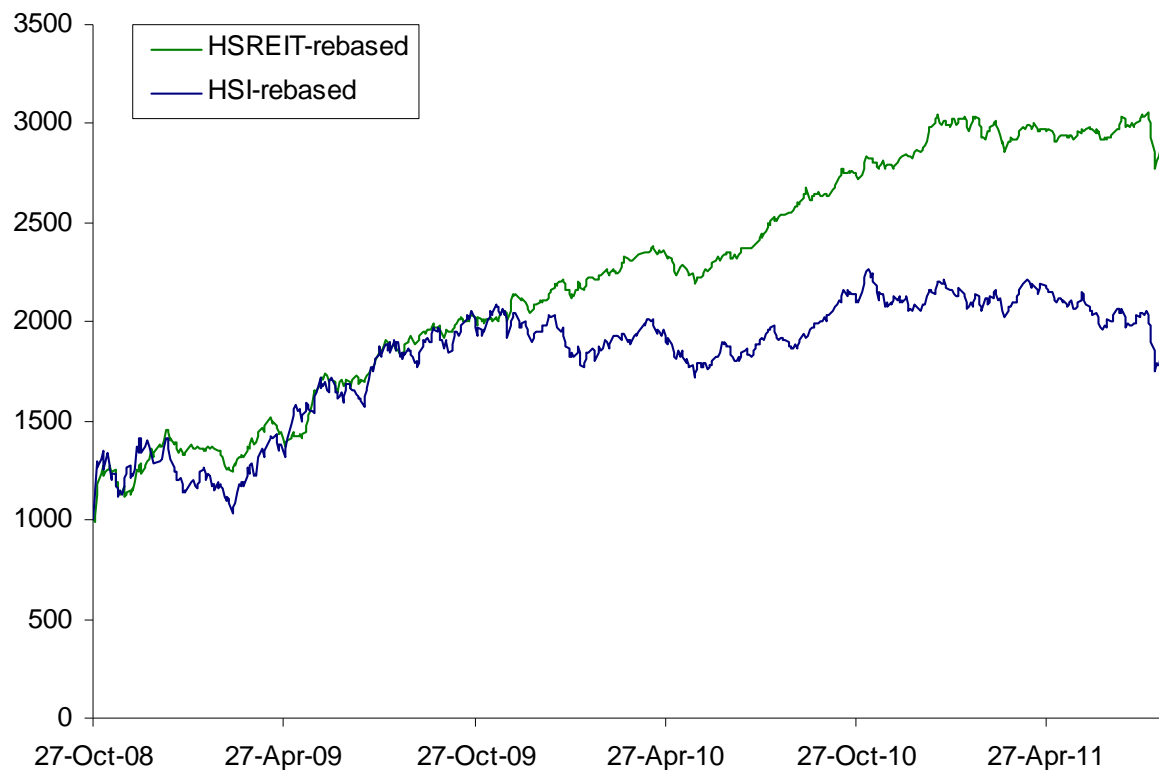
# Weighting of REITS in HSREIT

as at 26 Aug 2011

Code	Name	MV (HKD mn)	FFMV (HKD mn)	Weighting in H-FIN
823	LINK REIT	60,625	60,625	16.68%
405	GZI REIT	4,339	2,820	16.57%
778	FORTUNE REIT	6,211	4,348	15.69%
435	SUNLIGHT REIT	3,522	2,465	14.48%
2778	CHAMPION REIT	18,336	9,168	13.68%
808	PROSPERITY REIT	2,398	1,918	11.48%
1881	REGAL REIT	6,352	1,906	11.43%

**Launched on 27 Oct 2008**

# HSREIT Index Performance



	Performance				Ann. Vol.
	1-month	3-month	6-month	1-year	
HSI	-13.24%	-14.49%	-16.09%	-4.99%	29.21%
HSREIT	-9.85%	-7.24%	-6.44%	6.80%	17.71%

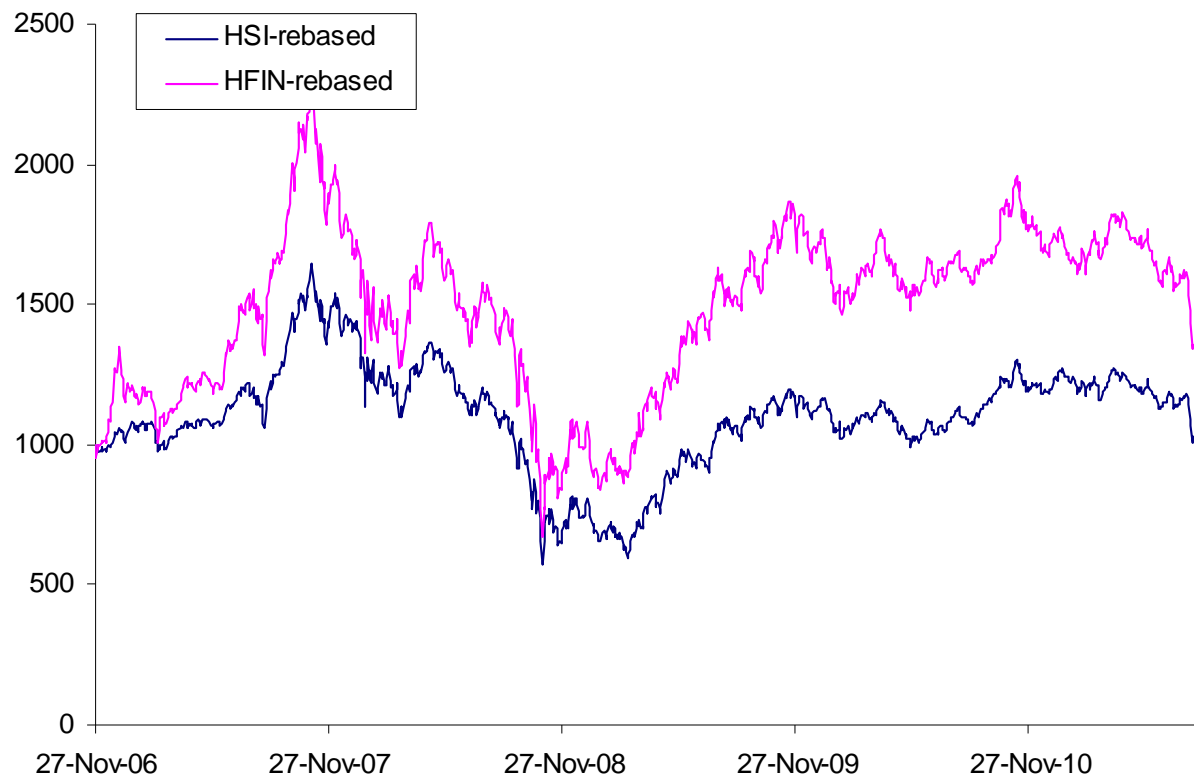
# Weighting of China Financial Stocks in H-FIN Index

as at 26 Aug 2011

Code	Name	MV (HKD mn)	FFMV (HKD mn)	Weighting in H-FIN
1398	ICBC	427,026,699,186	298,918,689,430	15.06%
939	CCB	1,271,807,622,165	317,951,905,541	14.38%
3988	BANK OF CHINA	252,539,274,713	189,404,456,035	13.98%
2628	CHINA LIFE	142,721,736,500	142,721,736,500	13.86%
2318	PING AN	172,892,813,588	103,735,688,153	10.08%
1288	ABC	115,270,586,610	86,452,939,958	8.40%
3968	CM BANK	61,081,666,360	61,081,666,360	5.93%
2601	CPIC	65,119,395,000	48,839,546,250	4.74%
3328	BANKCOMM	163,680,457,792	40,920,114,448	3.97%
998	CITIC BANK	60,570,403,316	33,313,721,824	3.24%
2328	PICC P&C	41,471,760,000	29,030,232,000	2.82%
1988	MINSHENG BANK	27,486,689,796	27,486,689,796	2.67%
3618	CQRC BANK	9,299,343,352	8,834,376,184	0.86%

**Launched on 27 Nov 2006**

# H-FIN Index Performance



	Performance					Ann. Vol.
	1-month	3-month	6-month	1-year	3-year	
HSI	-9.42%	0.31%	4.21%	46.08%	-7.00%	32.36%
HFIN	-23.52%	-10.41%	-7.72%	46.98%	-8.81%	40.37%

# Foreign Companies

- **Hang Seng Indexes Company Limited makes reference to the list of Foreign Companies (“FCs”) published in the HKEx Fact Book 2010. There were 17 foreign companies in total.**

Generally, it can be interpreted as a company which

- *is incorporated in overseas (not in HK / Mainland China); and*
- *has a majority of its business in overseas (not in HK / Mainland China)*

- **6 companies listed in 2011 have also been considered as foreign companies.**

# Foreign Companies in HK Market

as at 30 June 2011

No.	Code	Name	Incorporation	Listing Date	12-mth avg MV (HKD mn)
<b>Primary Listing</b>					
1	2378	Prudential	England	25/5/2010	209,879
2	486	RUSAL	Jersey	27/1/2010	164,072
3	1913	Prada	Italy	24/6/2011	120,137
4	975	Mongol Mining	Cayman	13/10/2010	34,613
5	973	L'Occitane	Luxembourg	7/5/2010	29,329
6	678	Genting HK	Bermuda	30/11/2000	23,650
7	1910	Samsonite	Luxembourg	16/6/2011	20,685
8	693	Tan Chong Int'l	Bermuda	7/7/1998	3,844
9	3918	NagaCorp	Cayman	19/10/2006	3,264
10	3938	Samling Global	Bermuda	7/3/2007	3,108
11	422	VMEP Holdings	Cayman	20/12/2007	1,768
12	575	Regent Pacific	Cayman	19/5/1997	1,217
13	2317	Vedan Int'l	Cayman	27/6/2003	1,018
14	1145	CourageMarine	Bermuda	24/6/2011	1,006
15	502	Pan Sino Int'l	Cayman	1/3/2006	557
16	955	Schramm	Germany	29/12/2009	520
17	557	City E-Solution	Cayman	29/12/1989	333
<b>Secondary Listing</b>					
18	805	Glencore	England	25/5/2011	443,919
19	945	Manulife	Canada	27/9/1999	217,900
20	847	Kazakhmys	England	29/6/2011	91,526
21	1878	SouthGobi	Canada	29/1/2010	17,650
<b>HDR (approved for listing in HK)</b>					
22	6210	Vale	Brazil	8/12/2010	67,070
23	6488	SBI Holdings	Japan	14/4/2011	1,435

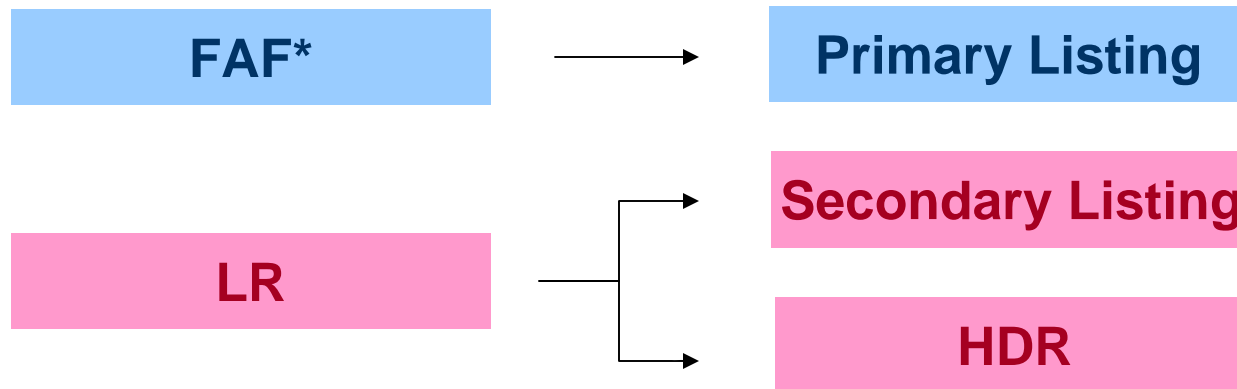
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# Local Ratio

- Apply a Local Ratio (“LR”) to 2<sup>nd</sup> listed and HDR Foreign Companies to reflect their number of shares available for trading in HK



\* Freefloat Adjusted Factor

# Local Ratio – Secondary Listing

- LR based on the proportion of issued shares deposited in CCASS and rounded up to the nearest 5%

Code	Name	Total Issued Shares (Mn)	Total CCASS Shareholding (Mn)	% of Issued Shares	Local Ratio
805	Glencore (嘉能可)	6,922.71	91.49	1.32%	5%
945	Manulife (宏利金融)	1,787.80	68.75	3.85%	5%
847	Kazakhmys (南戈壁)	535.24	2.35	0.44%	5%
1878	SouthGobi (哈薩克銅業)	183.27	48.10	26.25%	30%

# Local Ratio - HDR

- LR based on the proportion of Approved HDR which had been issued in HK and rounded up to the nearest 5%

Code	Name	Approved for Listing	Issued		Local Ratio
		No. of shares represented by HDR ('000)	No. of shares represented by HDR ('000)	% of Approved HDR	
6210	Vale (淡水河谷)	259,242	802	0.31%	5%



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