



## **New Hang Seng TECH Index to Track Main Technology Players Listed in Hong Kong**

(Hong Kong, 20 July 2020) – Hang Seng Indexes Company Limited (‘Hang Seng Indexes Company’) will launch the Hang Seng TECH Index on 27 July 2020 (Monday). This new index will track the 30 largest technology companies listed in Hong Kong that pass the index’s screening criteria.

The index universe covers Hong Kong-listed companies that have high business exposure to selected technology themes, including internet, fintech, cloud, e-commerce and digital activities. Eligible candidates are further screened by whether they operate via a technology-enabled platform, their research and development expenses to revenue ratio, and their revenue growth. After this screening, the top 30 stocks in terms of market capitalisation will be selected as index constituents.

According to back-testing data, the Hang Seng TECH Index would have achieved significant returns of 36.2% and 35.3% for the full year of 2019 and the first half of 2020 respectively.

Anita Mo, Deputy Chief Executive Officer of Hang Seng Indexes Company, said: “In view of the rapid blossoming of new businesses in the technology sector and the increasing number of technology companies that are listed in Hong Kong, we developed the Hang Seng TECH Index to meet the fast-growing interest in this investment theme among investors. The Index aims to reflect the performance of sizeable companies in this sector, and to facilitate the development of various index-linked products, including funds and derivatives. We believe that this new index could join the Hang Seng Index and the Hang Seng China Enterprises Index to become one of our flagship indexes.”

The index constituency is reviewed quarterly with a Fast Entry Rule such that sizable newly listed companies with technology themes could be included in the index in a timely manner. The new index is calculated and disseminated in real-time at two-second intervals.

- End -



## **New Hang Seng TECH Index to Track Main Technology Players Listed in Hong Kong/ 2**

### **About Hang Seng Indexes Company Limited**

Hang Seng Indexes Company Limited ('Hang Seng Indexes Company') manages and compiles the Hang Seng Family of Indexes, which cover stocks and bonds listed in Hong Kong and Mainland China. Our index series includes the Hang Seng Index and the Hang Seng China Enterprises Index, as well as Stock Connect, Greater Bay Area and sector-related indexes. As at the end of 2019, assets under management in products passively tracking indexes in the Hang Seng Family of Indexes had reached a total of about US\$34 billion. Hang Seng Indexes Company is a wholly owned subsidiary of Hang Seng Bank. For further information on the Hang Seng Family of Indexes, please visit [www.hsi.com.hk](http://www.hsi.com.hk)

## Hang Seng TECH Index

Constituent weightings as at 17 July 2020

	Code	Name	Weighting (%)
1	9988	BABA	8.53
2	700	TENCENT	8.52
3	3690	MEITUAN	8.33
4	1810	XIAOMI	8.11
5	2382	SUNNY OPTICAL	8.02
6	981	SMIC	5.96
7	241	ALI HEALTH	5.08
8	9618	JD	4.84
9	268	KINGDEE INT'L	4.47
10	1833	PA GOODDOCTOR	3.98
11	2018	AAC TECH	3.74
12	992	LENOVO GROUP	3.50
13	3888	KINGSOFT	3.32
14	522	ASM PACIFIC	3.03
15	772	CHINA LIT	2.72
16	9999	NTES	2.46
17	763	ZTE	1.86
18	6060	ZA ONLINE	1.77
19	2013	WEIMOB INC	1.75
20	285	BYD ELECTRONIC	1.73
21	780	TONGCHENG-ELONG	1.58
22	1797	KOOLEARN	1.57
23	1347	HUA HONG SEMI	1.32
24	1896	MAOYAN ENT	0.78
25	6088	FIT HON TENG	0.75
26	2400	XD INC	0.59
27	136	HENG TEN NET	0.59
28	1478	Q TECH	0.46
29	777	NETDRAGON	0.41
30	2858	YIXIN	0.27



恒生指數  
HANG SENG INDEXES

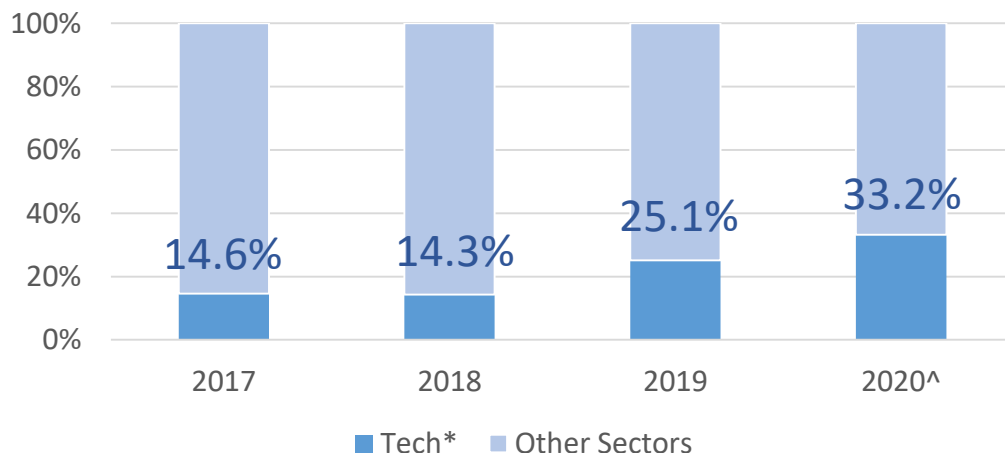
# Hang Seng TECH Index

20 July 2020

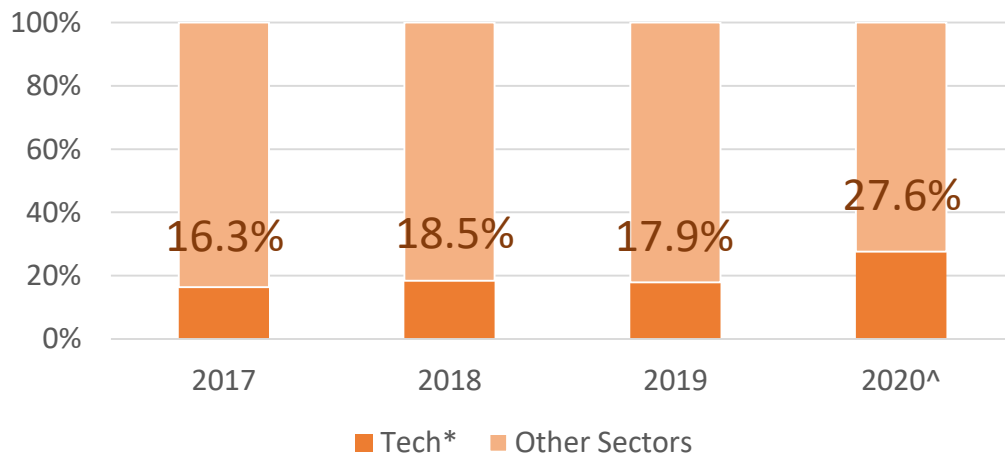


# Growth of Tech Segment

## Share by Market Cap



## Share by Traded Value



Number of tech companies\* listed on HKEX's Mainboard increases from 137 in 2017 year end to 163 in June 2020

\* Estimated by companies classified as "Information Technology"

^ Data up to end of June 2020

Source: HKEX

## Top 10 Stocks by Traded Values

### April 2020

Rank	Company	Turnover <sup>^</sup>	Share %
1	<b>Tencent</b>	<b>137</b>	<b>9.4</b>
2	<b>Alibaba</b>	<b>66</b>	<b>4.6</b>
3	Ping An	50	3.5
4	HSBC	41	2.8
5	<b>Meituan</b>	<b>36</b>	<b>2.4</b>
6	AIA	35	2.4
7	CCB	30	2.1
8	China Mobile	28	1.9
9	China Gas	26	1.8
10	<b>Xiaomi</b>	<b>24</b>	<b>1.7</b>

### May 2020

Rank	Company	Turnover <sup>^</sup>	Share %
1	<b>Tencent</b>	<b>195</b>	<b>10.7</b>
2	<b>Alibaba</b>	<b>103</b>	<b>5.7</b>
3	<b>Meituan</b>	<b>92</b>	<b>5.1</b>
4	<b>SMIC</b>	<b>49</b>	<b>2.7</b>
5	AIA	49	2.7
6	<b>Xiaomi</b>	<b>47</b>	<b>2.6</b>
7	Ping An	46	2.5
8	HKEX	39	2.2
9	China Mobile	32	1.8
10	HSBC	30	1.6

### June 2020

Rank	Company	Turnover <sup>^</sup>	Share %
1	<b>Tencent</b>	<b>210</b>	<b>10.1</b>
2	<b>Alibaba</b>	<b>118</b>	<b>5.7</b>
3	<b>Meituan</b>	<b>116</b>	<b>5.6</b>
4	Ping An	56	2.7
5	HKEX	56	2.7
6	<b>SMIC</b>	<b>56</b>	<b>2.7</b>
7	AIA	50	2.4
8	<b>Xiaomi</b>	<b>49</b>	<b>2.4</b>
9	HSBC	37	1.8
10	CCB	35	1.7

Note: Tech stocks are highlighted in red

<sup>^</sup> Amount in HK\$bn  
Source: HKEX

## Objective

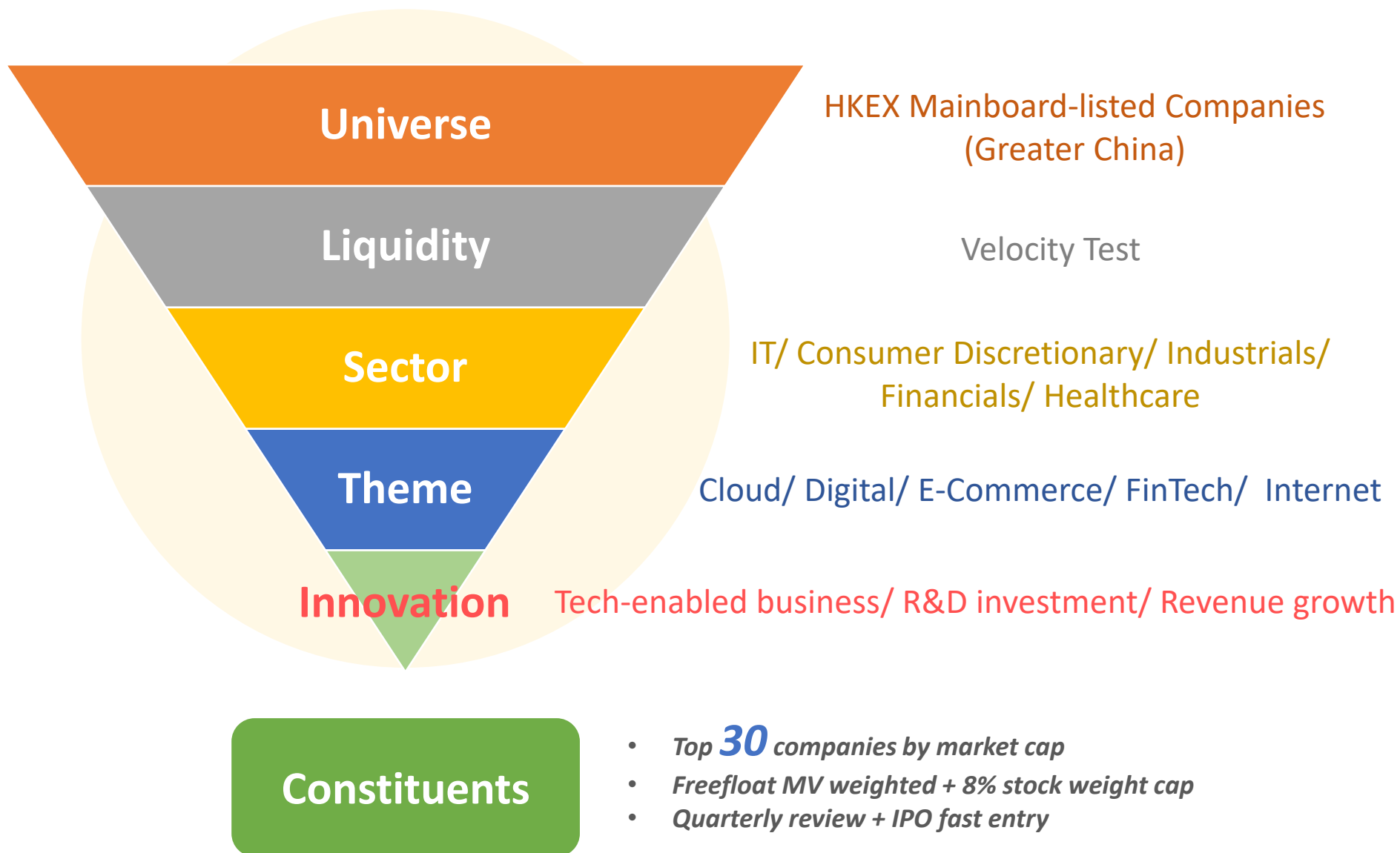
- Reflect the performance of **top** HK-listed companies coming from the **tech** or **innovative** segments

## Positioning

- Next **flagship** index alongside the Hang Seng Index (“HSI”) and the Hang Seng China Enterprises Index (“HSCEI”)

## Target Constituents

- “**Homecoming**” Chinese companies or **Unicorns** planning for a HK listing
- Large/mid-caps with **tech-enabled business** that impacts our **everyday life**





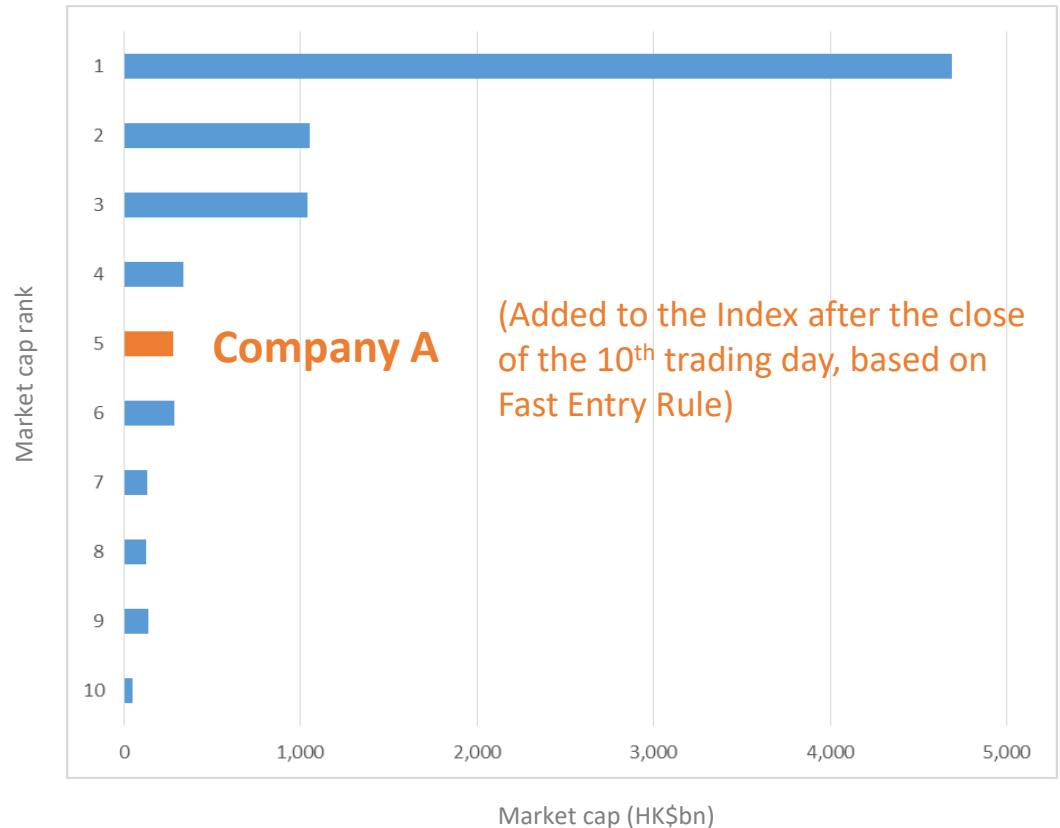
# IPO Fast Entry

- IPO stock will be added to the Index if its market cap ranks among the **Top 10** of the existing constituents at the market close of its first trading day
- The addition will normally be implemented after the **close of the 10<sup>th</sup> trading day** of the new issue

Illustration of  
IPO Fast Entry Rule



Market Cap Rank on Company A's Listing Date



# Top 10 Constituents (by Weighting)

	Code	Company English Name	Industry	Market Cap <sup>^</sup> (HK\$bn)	3-mth Average Daily Turnover (HK\$bn)	Weighting (%)
1	700	Tencent	IT	4,977	10.0	8.5
2	9988	Alibaba	IT	1,135	5.9	8.5
3	3690	Meituan	IT	1,112	4.7	8.3
4	1810	Xiaomi	IT	373	2.6	8.1
5	2382	Sunny Optical	Industrials	142	1.0	8.0
6	981	SMIC	IT	149	3.8	6.0
7	241	Ali Health	Healthcare	238	0.9	5.1
8	9618	JD	IT	181	1.6	4.8
9	268	Kingdee Int'l	IT	60	0.4	4.5
10	1833	PA Good Doctor	Healthcare	124	0.8	4.0
					<b>Top 10 Total</b>	<b>65.8</b>

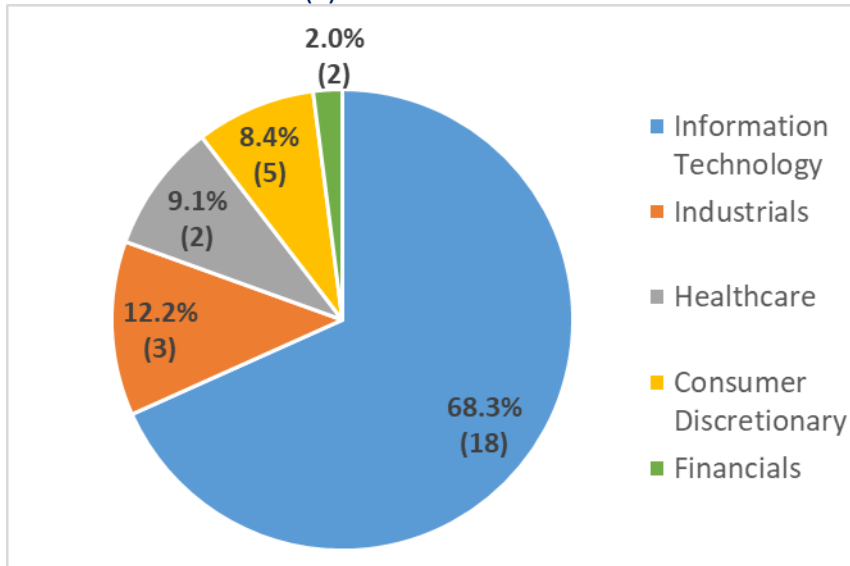
<sup>^</sup> For secondary-listed stocks, only the Hong Kong-registered portion is counted

Data as of 17 July 2020  
Source: Hang Seng Indexes Company

# Constituent Weighting Distribution

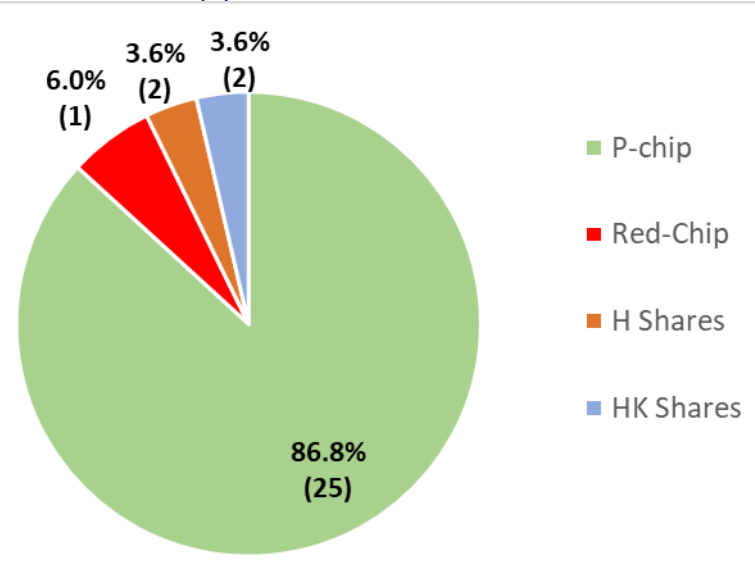
## Weighting Distribution By Industry

( ) No. of Constituents

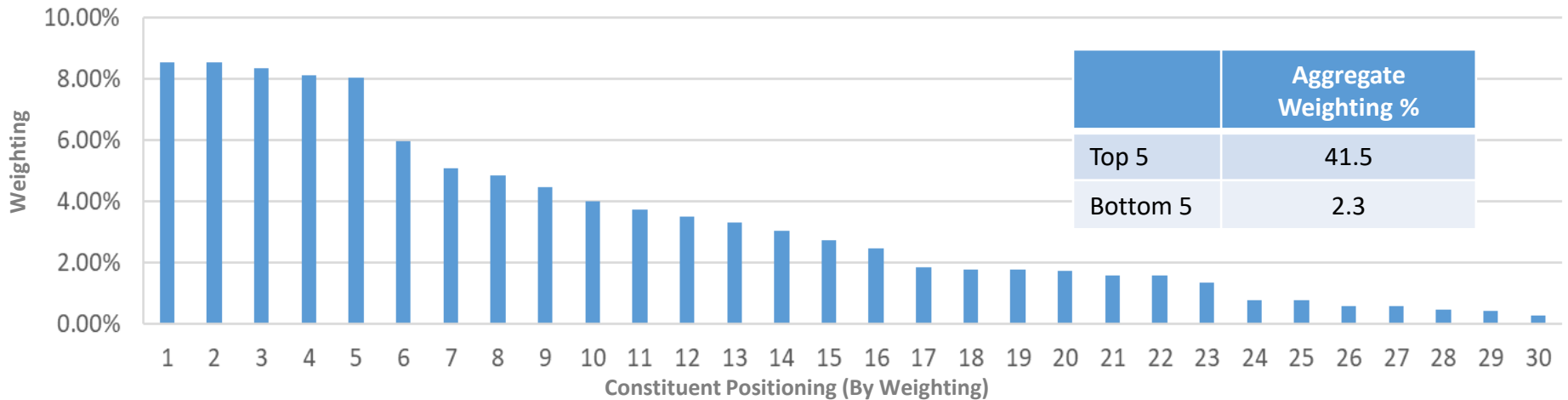


## Weighting Distribution By Share Class

( ) No. of Constituents

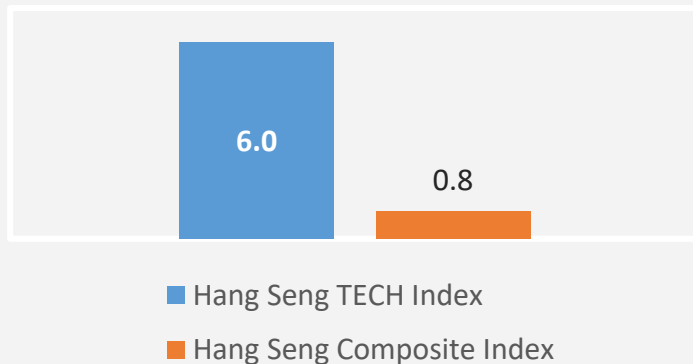


## Constituents' Weighting Distribution

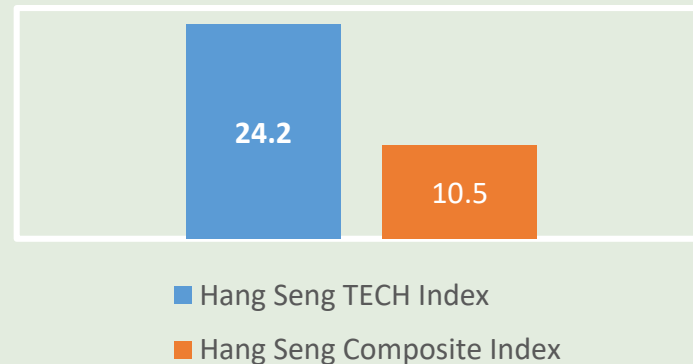


# Index Characteristics

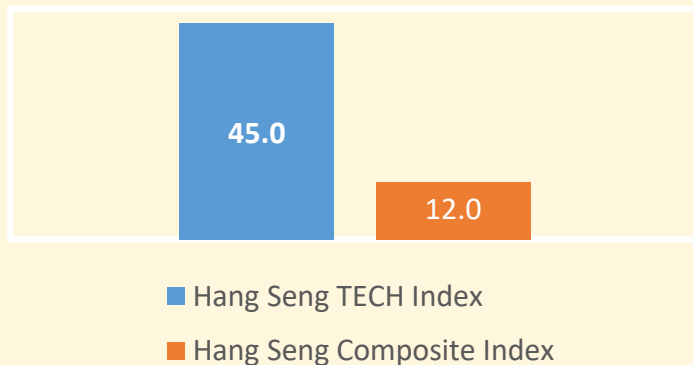
### R&D Expense to Revenue Ratio<sup>^#</sup> (%)



### YoY Revenue Growth<sup>\*#</sup> (%)



### PE (x)



Data as of 17 July 2020

<sup>^</sup> Sum of R&D expense of current constituents/ Sum of revenue of current constituents

<sup>\*</sup> Sum of latest fiscal year revenue of current constituents/ Sum of last fiscal year revenue of current constituents

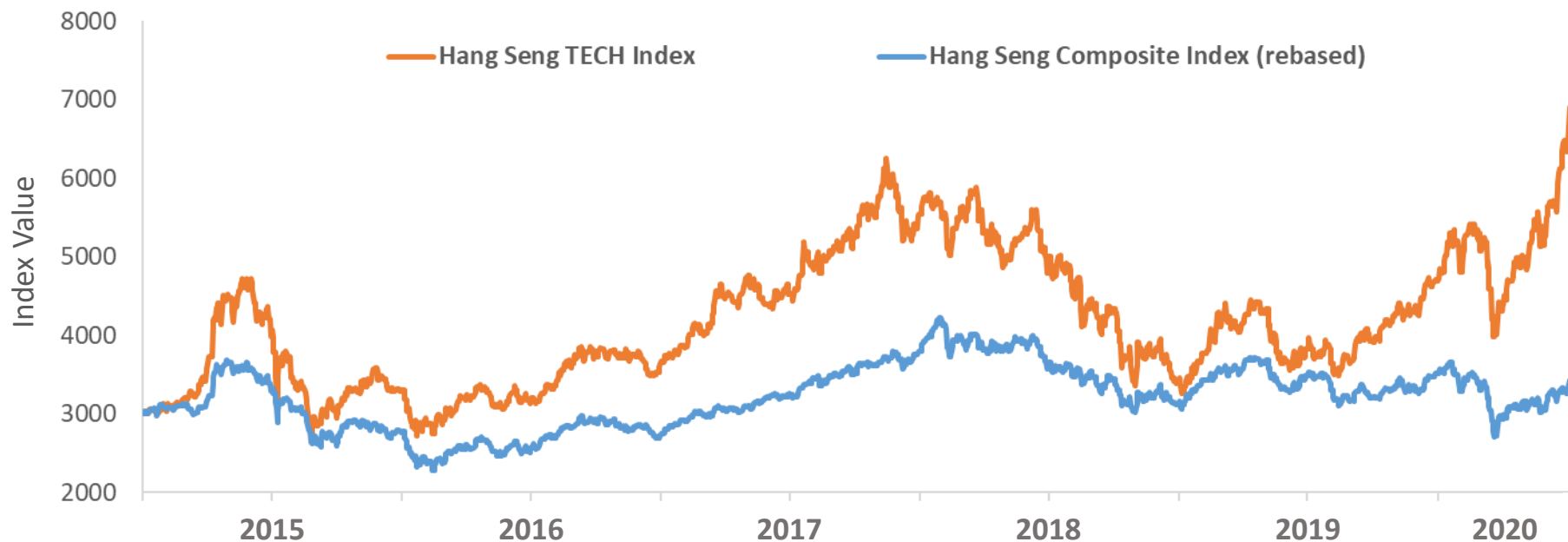
<sup>#</sup> Using reported data from FY2019 or 2018

<sup>~</sup> Using daily return from 2015 to 17 July 2020

Source: Hang Seng Indexes Company



# Hang Seng TECH Index Outperforms the Benchmark



	Index	2015	2016	2017	2018	2019	2020 <sup>^</sup>	Overall <sup>^</sup>
Return (%)	Hang Seng TECH Index	10.32	10.84	51.30	-37.65	36.25	45.50	128.66
	Hang Seng Composite Index	-7.52	-0.89	38.26	-16.68	10.95	-2.44	14.29
Ann. Vol. (%)	Hang Seng TECH Index	35.83	22.26	22.24	30.78	25.76	42.63	29.73
	Hang Seng Composite Index	21.76	18.40	11.18	20.01	15.53	28.90	19.17

<sup>^</sup>Data as of 17 July 2020

Source: Hang Seng Indexes Company

... this is just the BEGINNING

The definition of  
**TECHNOLOGY** will  
**EVOLVE**;  
so as our **INDEX**



**Hang Seng TECH Index**



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