



Hang Seng TECH Index

This methodology document should be read in conjunction with the Index Methodology General Guide on Hang Seng Indexes Co Ltd (“HSIL”)’s website.

Readers are reminded that there might be exceptions in the index handling to the below general approach in some special situations and HSIL reserves the right to determine the most appropriate handling.

Objective	To represent the 30 largest technology companies listed in Hong Kong which have high business exposure to the Technology Themes												
Universe	It includes companies that are listed on the Main Board of the HKEX; It excludes secondary-listed Foreign Companies and Investment Companies listed under Chapter 21 of HKEX’s Listing Rules												
Eligibility Criteria													
Turnover Requirements	Velocity Test for Tradable Indexes												
Sector Requirements[^]	Classified in one of the following industries in the Hang Seng Industry Classification System: <table border="1"> <thead> <tr> <th>Code</th> <th>Industry</th> </tr> </thead> <tbody> <tr> <td>10</td> <td>Industrials</td> </tr> <tr> <td>23</td> <td>Consumer Discretionary</td> </tr> <tr> <td>28</td> <td>Healthcare</td> </tr> <tr> <td>50</td> <td>Financials</td> </tr> <tr> <td>70</td> <td>Information Technology</td> </tr> </tbody> </table>	Code	Industry	10	Industrials	23	Consumer Discretionary	28	Healthcare	50	Financials	70	Information Technology
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28	Healthcare												
50	Financials												
70	Information Technology												
Theme Requirements[^]	High business exposure to at least one of the below Tech Themes: <ul style="list-style-type: none"> • Internet (including Mobile); • FinTech; • Cloud; • E-commerce; • Digital; or • Autonomous 												



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<i>Innovation Screening[^]</i>	Meeting at least one of the below criteria: <ul style="list-style-type: none">• Technology-enabled business (e.g. via internet/mobile platform); or• R&D Expense to Revenue Ratio $\geq 5\%$; or• YoY Revenue Growth $\geq 10\%$
Constituent Selection	
<i>Selection Criteria</i>	The top 30 securities with the highest MV Rank will be selected as constituents
Number of Constituents	Fixed at 30
Buffer Zone	Existing constituents ranked lower than 36 th will be removed from the index, while non-constituents ranked 24 th or above will be included; Securities will be added or excluded according to their MV Rank to maintain the number of constituents at 30
Eligibility for Stock Connect Trading	Not Applicable
Review Frequency	Quarterly (Data cut-off end-March / June / September / December)
Rebalancing Frequency	Quarterly
Fast Entry	A newly listed security will be added to index if its full market capitalisation ranks within the top 10 of the existing constituents on its first trading day The ad hoc addition will normally be implemented after the close of the 10th trading day of the new issue
Replacement for Ad-hoc Removal	Yes, the outgoing constituent will be replaced by the highest ranked candidate from last regular review
Weighting	Freefloat-adjusted market capitalisation weighted
Capping	Non-Foreign Companies Constituent: 8% (individual) Foreign Companies Constituent: 4% (individual); 10% (aggregate)
Launch Date	27 July 2020
Base Date	31 December 2014



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Base Value	3,000		
Currency	Hong Kong Dollars		
Dissemination Frequency	Real-time at every two seconds		
Vendor Codes	Refinitiv	Bloomberg	WIND
PI	.HSTECH	HSTECH	HSTECH.HI
Gross TRI	.HSTECHT	HSTECHT	-
Net TRI	.HSTECHN	HSTECHN	-

^ The Sectors, Themes and Innovation Screening requirements are reviewed at least annually

For more information on the terms used in this document and calculation details, please refer to the Index Methodology General Guide on HSIL's website.



Amendment History

	Date	Description
1.0	July 2020	First Issue
1.1	September 2020	Supplemented implementation details for Fast Entry
1.2	October 2021	Addition of “Autonomous” into TECH Themes (effective starting from November 2021 index review)
1.3	July 2023	Added Primary-listed Foreign Companies to the universe and their weight capping (effective starting from November 2023 index review)

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