



RESEARCH PAPER

14 Dec 2023

High Interest Rate Environment Prompt Investors to Pursue Dividend Yield Strategy

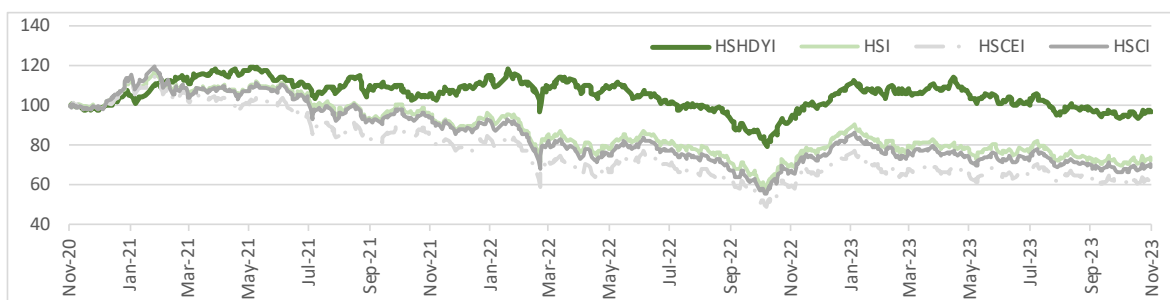
Hang Seng High Dividend Yield Index outperforms the HSCI by 28% on 3-year basis

With US interest rate consistently remains at high levels, investors are looking for equity investment ideas with reasonable dividends return. Hang Seng Indexes Company ('HSIL') offers comprehensive index solutions catering for different investor preferences. For dividend-focused investors, the Hang Seng High Dividend Yield Index ('HSHDYI') aims to reflect the overall performance of high-yield securities listed in Hong Kong. When compared against the HSCI as the benchmark, the HSHDYI has outperformed the benchmark by 4% YTD (as of 24 November 2023), flat versus the benchmark on 1-year, and outperformed the benchmark by 28% on 3-year basis.

In early 2022, the Hang Seng High Dividend Yield Index implemented two conditions to screen out ineligible securities. The inclusion of such conditions is to avoid a scenario in which a company whose share price experiencing a sharp decline (indirectly resulting in high dividend yield) but gets selected as a constituent of the Hang Seng High Dividend Yield Index.

In 2023, HSIL launched the Hang Seng SCHK High Dividend Yield Screened Index ('HSSCHYS') and the Hang Seng SCHK China Central SOEs High Dividend Yield Index ('HSSCSOY'). The objective of the HSSCSOY is to reflect the overall performance of high dividend stocks with China Central state-owned enterprises (SOEs) as the largest shareholder and eligible for Southbound Trading under the Stock Connect Scheme.

Exhibit 1: Performance of Total Return Index for the HSHDYI, HSI, HSCEI, HSCI (3-year)



Source: Hang Seng Indexes Company.

Date: 24 November 2023



Contents

Executive Summary	3
High interest rate environment, investors after dividends	5
Hang Seng SCHK High Dividend Yield Screened Index ('HSSCHYS').....	6
Hang Seng SCHK China Central SOEs High Dividend Yield Index ('HSSCSOY')	7
Hang Seng High Dividend Yield Index ('HSHDYI')	8
Hang Seng China High Dividend Yield Index ('HSCHDY').....	10
Index performance (YTD, 1-year, 3-year)	11
Screening Out Conditions Adopted by the HSHDYI	13
Notable Changes in Composition of the HSHDYI (YTD)	14
Appendix 1 – HSHDYI Constituent Details (Top 30 Stocks)	15
Appendix 2 – HSSCHYS Constituent Details (Top 30 Stocks)	16
Appendix 3 – HSSCSOY Constituent Details (Top 30 Stocks)	17



Executive Summary

Investor appetite for high dividend yield investment products remains high

With the uncertainties looming over the global economy and US interest rate remains at relatively high level (ie, US federal funds rate currently at 5.25-5.50%), investors are looking for equity investment ideas with reasonable dividends return. According to minutes from Federal Reserve officials at their September policy meeting, US interest rate is likely to remain at current high level for quite some time. With such market expectation of interest rate, investor appetite for high dividend yield investment products should remain high for quite some time.

Strong net inflow for dividend related ETFs in APAC

With the rising popularity of dividend yield strategy among the factor indexes, there has been a strong net inflow for dividend related exchange-traded funds ('ETFs') in APAC during the previous three years. Being a defensive investment solution, dividend yield strategy could deliver a relatively stable performance for income-oriented investors and enable them to navigate the dynamic economic environment. If we look at ETFs tracking the Hang Seng China High Dividend Yield Index, the AUM has increased by 29% YTD. With the index itself was down by 9% YTD, such figures suggest the adjusted AUM has increased by 38% YTD.

Comprehensive index solutions available for dividend-focused investors

As part of the HSIL's efforts to offer comprehensive solutions, earlier this year, it launched the Hang Seng SCHK High Dividend Yield Screened Index ('HSSCHYS') and the Hang Seng SCHK China Central SOEs High Dividend Yield Index ('HSSCSOY'). Apart from the above two newly launched indexes, the Hang Seng High Dividend Yield Index ('HSHDYI') is one of the oldest dividend-focused indexes introduced by the HSIL.

Hang Seng High Dividend Yield Index tracks high-yield securities in HK

The objective of the Hang Seng High Dividend Yield Index aims to reflect the overall performance of high-yield securities listed in Hong Kong. Within the HSHDYI, Financials accounts for the highest constituent weighting at 29% with 15 companies, then followed by Properties & Construction (15% weighting, 8 companies) and Energy (13% weighting, 5 companies).

Hang Seng SCHK China Central SOEs High Dividend Yield Index combines best of both markets

The objective of the Hang Seng SCHK China Central SOEs High Dividend Yield Index is to reflect the overall performance of high dividend stocks with China Central state-owned enterprises (SOEs) as the largest shareholder and eligible for Southbound Trading under the Stock Connect Scheme.

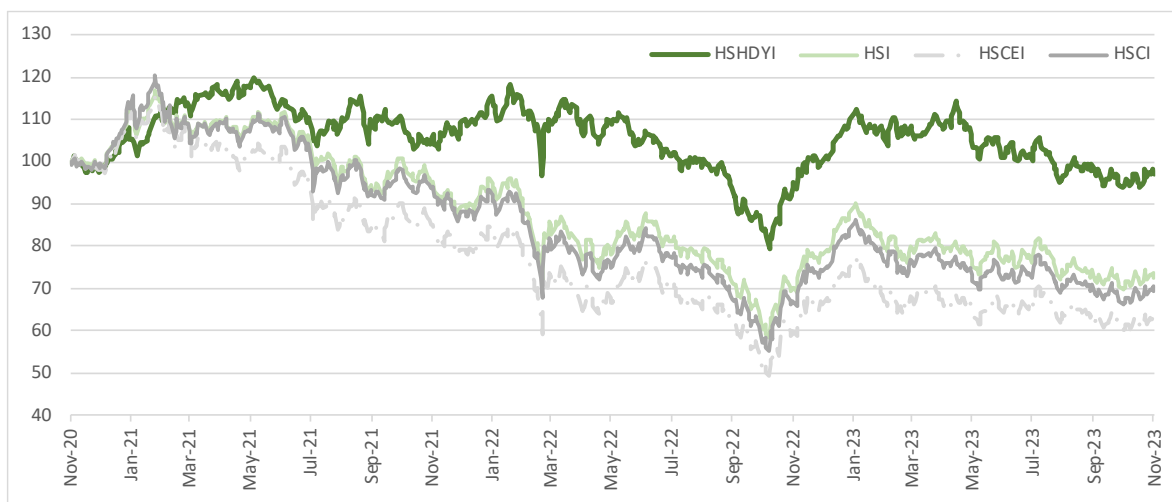


Index performance

Hang Seng High Dividend Yield Index was -4%, +4% and -3% on YTD, 1-year and 3-year basis. Correspondingly, when compared against the HSCI as the benchmark, the Hang Seng High Dividend Yield Index has outperformed the benchmark by 4% YTD (as of 24 November 2023), flat versus the benchmark on 1-year, and outperformed the benchmark by 28% on 3-year basis.

For the Hang Seng High Dividend Yield Index, between 30 December 2022 and 24 November 2023, we note Utilities experienced the largest increase by 5.6ppt to 12.4%. Meanwhile, Energy experienced the second largest increase by 4.9ppt to 13.4%. The material increase in weighting distribution of Energy is mainly attributable to the 86% jump of dividends (2022 vs. 2021) paid by PetroChina.

Exhibit 2: Performance of Total Return Index for HSHDYI, HSI, HSCEI, HSCI (3-year)



Source: Hang Seng Indexes Company.

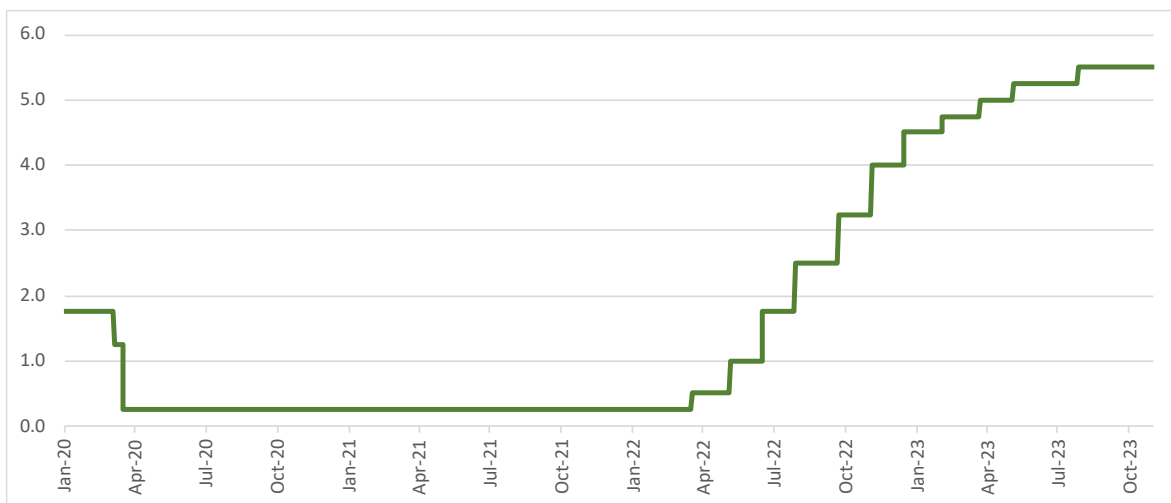
Date: 24 November 2023



High interest rate environment, investors after dividends

With the uncertainties looming over the global economy and US interest rate remains at relatively high level (ie, US federal funds rate currently at 5.25-5.50%), investors are looking for equity investment ideas with reasonable dividends return. According to minutes from Federal Reserve officials at their September policy meeting, US interest rate is likely to remain at current high level for quite some time. With such market expectation of interest rate, investor appetite for high dividend yield investment products should remain high for quite some time. In event the Fed begins to lower the federal funds rate, investors will remain attracted to high dividend yield investment products.

Exhibit 3: Trend of US federal funds rate % (upper limit)



Source: Federal Reserve Economic Data
Date: 24 November 2023

If we look at ETFs tracking the Hang Seng China High Dividend Yield Index, the AUM has increased by 29% YTD. With the index itself was down by 9% YTD, such figures suggest the adjusted AUM has increased by 38% YTD.

As part of the HSIL's efforts to offer comprehensive solutions, earlier this year, it launched the Hang Seng SCHK High Dividend Yield Screened Index ('HSSCHYS') and the Hang Seng SCHK China Central SOEs High Dividend Yield Index ('HSSCSOY').

With the rising popularity of dividend yield strategy among the factor indexes, there has been a strong net inflow for dividend related exchange-traded funds ('ETFs') in APAC during the previous three years. Being a defensive investment solution, dividend yield strategy could deliver a relatively stable performance for income-oriented investors and enable them to navigate the dynamic economic environment.



Hang Seng SCHK High Dividend Yield Screened Index ('HSSCHYS')

The objective of the Hang Seng SCHK High Dividend Yield Screened Index is to reflect the overall performance of high-yield securities listed in Hong Kong that are eligible for Southbound Trading under the Stock Connect Scheme.

The index selects its constituent companies from the Hang Seng Large-Mid Cap (Investable) Index ('HSLMIV'). Currently, there are 282 companies within the Hang Seng Large-Mid Cap (Investable) Index. To be eligible for the Hang Seng SCHK High Dividend Yield Screened Index, the companies must have cash dividend paid record for latest three consecutive fiscal years. The number of constituent companies is fixed at 50. This index is reviewed on an annual basis (data cut-off date at end of March).

Within the HSSCHYS, Financials accounts for the highest constituent weighting at 26% with 16 companies, then followed by Energy (17% weighting, 6 companies) and Industrials (15% weighting, 5 companies).

Exhibit 4: Top 10 companies (weighting distribution) within the HSSCHYS

	Code	Company	Industry	Market Cap (HK\$ bn)	Weighting (%)
1	1308.HK	SITC	Industrials	34.8	8.00%
2	1171.HK	YANKUANG ENERGY	Energy	40.9	5.57%
3	0883.HK	CNOOC	Energy	573.3	3.48%
4	0303.HK	VTECH HOLDINGS	Information Technology	11.7	2.96%
5	1088.HK	CHINA SHENHUA	Energy	85.3	2.72%
6	3990.HK	MIDEA REAL EST	Properties & Construction	8.5	2.51%
7	0489.HK	DONGFENG GROUP	Industrials	10.2	2.31%
8	0288.HK	WH GROUP	Consumer Staples	61.6	2.29%
9	1378.HK	CHINAHONGQIAO	Materials	61.0	2.28%
10	0857.HK	PETROCHINA	Energy	108.7	2.14%
		Subtotal		995.9	34.26%

Source: Hang Seng Indexes Company.

Date: 24 November 2023



Hang Seng SCHK China Central SOEs High Dividend Yield Index ('HSSCSOY')

The objective of the Hang Seng SCHK China Central SOEs High Dividend Yield Index is to reflect the overall performance of high dividend stocks with China Central state-owned enterprises (SOEs) as the largest shareholder and eligible for Southbound Trading under the Stock Connect Scheme.

The universe of such index is Non-REIT constituents of the Hang Seng Composite Index ('HSCI') with themselves or their largest shareholders (on a look-through basis) being China Central SOEs. To be eligible for the HSSCSOY, the companies must have cash dividend paid record for latest three consecutive fiscal years. The number of constituent companies is fixed at 40. This index is reviewed on an annual basis (data cut-off date at end of March).

Within the HSSCSOY, Financials accounts for the highest constituent weighting at 37% with 15 companies, then followed by Energy (17% weighting, 5 companies) and Industrials (12% weighting, 5 companies).

Exhibit 5: Top 10 companies (weighting distribution) within the HSSCSOY

	Code	Company	Industry	Market Cap (HK\$ bn)	Weighting (%)
1	0883.HK	CNOOC	Energy	573.3	5.18%
2	1088.HK	CHINA SHENHUA	Energy	85.3	4.05%
3	1883.HK	CITIC TELECOM	Telecommunications	11.2	3.48%
4	0489.HK	DONGFENG GROUP	Industrials	10.2	3.44%
5	0857.HK	PETROCHINA	Energy	108.7	3.18%
6	1288.HK	ABC	Financials	88.8	2.97%
7	3877.HK	CSSC SHIPPING	Industrials	8.3	2.92%
8	0939.HK	CCB	Financials	1,096.3	2.86%
9	6818.HK	CEB BANK	Financials	28.1	2.85%
10	1258.HK	CHINFMINING	Materials	17.6	2.83%
			Subtotal	2,027.8	33.74%

Source: Hang Seng Indexes Company.

Date: 24 November 2023



Hang Seng High Dividend Yield Index ('HSHDYI')

Apart from the recently launched Hang Seng SCHK High Dividend Yield Screened Index ('HSSCHYS') and the Hang Seng SCHK China Central SOEs High Dividend Yield Index ('HSSCSOY'), the HSHDYI is one of the oldest dividend-focused indexes introduced by the HSIL.

The objective of the HSHDYI aims to reflect the overall performance of high-yield securities listed in Hong Kong. The HSHDYI is weighted by net dividend yield with a 10% cap on individual constituent weightings. Net dividend yield refers to the dividend yield after deducting withholding tax. Eligible securities should be large-cap or mid-cap constituents from the Hang Seng Composite Index.

Securities which meet the following two conditions will be screened out: (1) share price dropped by more than 50% over the past 12 months; and (2) last 12-month share price performance ranked in the bottom 10% of the eligible candidates. The number of constituent companies is fixed at 50. This index is reviewed on an annual basis (data cut-off date at end of March).

Within the HSHDYI, Financials accounts for the highest constituent weighting at 29% with 15 companies, then followed by Properties & Construction (15% weighting, 8 companies) and Energy (13% weighting, 5 companies).

Exhibit 6: Top 10 companies (weighting distribution) within the HSHDYI

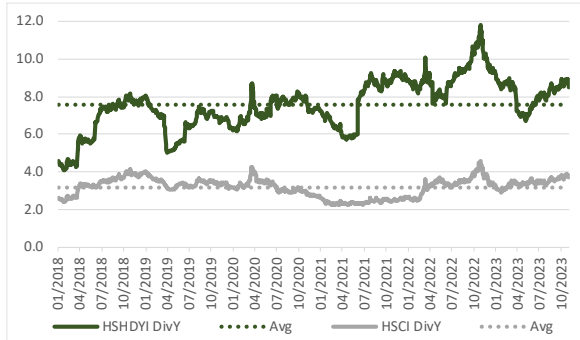
	Code	Company	Industry	Market Cap (HK\$ bn)	Weighting (%)
1	0883.HK	CNOOC	Energy	573.3	3.58%
2	1088.HK	CHINA SHENHUA	Energy	85.3	3.18%
3	0489.HK	DONGFENG GROUP	Industrials	10.2	3.18%
4	1378.HK	CHINAHONGQIAO	Materials	61.0	3.15%
5	0008.HK	PCCW	Telecommunications	31.0	3.04%
6	1310.HK	HKBN	Telecommunications	4.6	2.60%
7	0857.HK	PETROCHINA	Energy	108.7	2.53%
8	6818.HK	CEB BANK	Financials	28.1	2.39%
9	0270.HK	GUANGDONG INV	Utilities	36.4	2.39%
10	1288.HK	ABC	Financials	88.8	2.36%
		Subtotal		1,027.4	28.40%

Source: Hang Seng Indexes Company.

Date: 24 November 2023

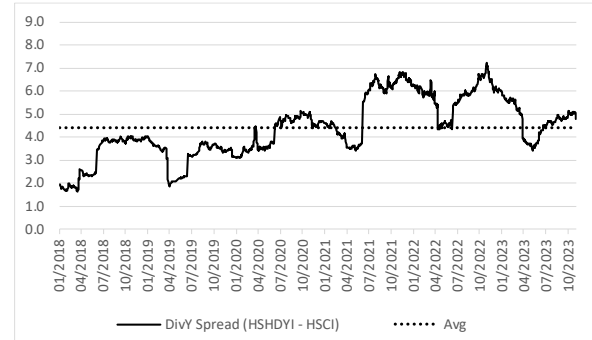


Exhibit 7: Div. Yields (HSHDYI vs HSCI)



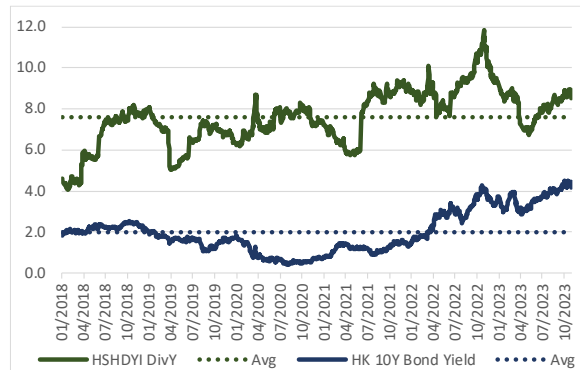
Source: Hang Seng Indexes Company;
Data as of 3 Nov 2023

Exhibit 8: Div. Yield Spread (HSHDYI – HSCI)



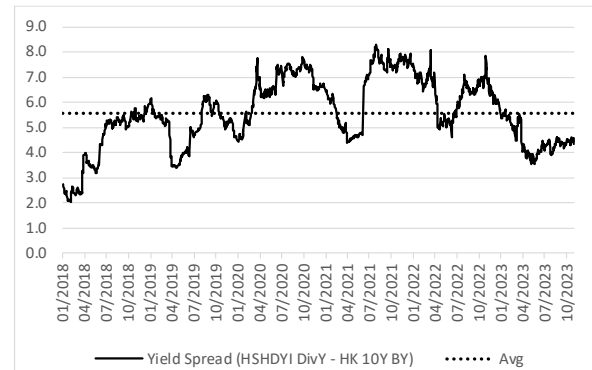
Source: Hang Seng Indexes Company;
Data as of 3 Nov 2023

Exhibit 9: Dividend Yield of HSHDYI vs Hong Kong 10Y Bond Yield



Source: Hang Seng Indexes Company;
Data as of 3 Nov 2023

Exhibit 10: Yield Spread (HSHDYI DivY - Hong Kong 10Y Bond Yield)



Source: Hang Seng Indexes Company;
Data as of 3 Nov 2023



Hang Seng China High Dividend Yield Index ('HSCHDY')

The objective of the Hang Seng China High Dividend Yield Index aims to reflect the overall performance of high-dividend-yield China securities that are listed in Hong Kong and are not classified in the Casinos & Gaming or Tobacco sectors.

The HSCHDY is weighted by net dividend yield with a 10% cap on individual constituent weightings. Net dividend yield refers to the dividend yield after deducting withholding tax. Eligible securities should be large-cap or mid-cap constituents from the Hang Seng Composite Index.

Securities which meet the following two conditions will be screened out: (1) share price dropped by more than 50% over the past 12 months; and (2) last 12-month share price performance ranked in the bottom 10% of the eligible candidates. The number of constituent companies is fixed at 50. This index is reviewed on an annual basis (data cut-off date at end of March).

Within the HSCHDY, Financials accounts for the highest constituent weighting at 38% with 19 companies, then followed by Industrials (13% weighting, 7 companies) and Utilities (12% weighting, 6 companies).

Exhibit 11: Top 10 companies (weighting distribution) within the HSCHDY

	Code	Company	Industry	Market Cap (HK\$ bn)	Weighting (%)
1	1088.HK	CHINA SHENHUA	Energy	85.3	3.45%
2	0489.HK	DONGFENG GROUP	Industrials	10.2	3.45%
3	1378.HK	CHINAHONGQIAO	Materials	61.0	3.42%
4	0189.HK	DONGYUE GROUP	Materials	13.6	2.63%
5	6818.HK	CEB BANK	Financials	28.1	2.60%
6	0270.HK	GUANGDONG INV	Utilities	36.4	2.59%
7	1288.HK	ABC	Financials	88.8	2.57%
8	0939.HK	CCB	Financials	1,096.3	2.47%
9	0371.HK	BJ ENT WATER	Utilities	16.4	2.46%
10	3988.HK	BANK OF CHINA	Financials	240.0	2.46%
		Subtotal		1,676.1	28.07%

Source: Hang Seng Indexes Company.

Date: 24 November 2023



Index performance (YTD, 1-year, 3-year)

Based on a 3-year horizon, we note several dividend-yield focused indexes have outperformed the Hang Seng Index (HSI), the Hang Seng China Enterprises Index (HSCEI), and the Hang Seng Composite Index (HSCI). In the following, we discuss a few of them.

Hang Seng High Dividend Yield Index performed -4%, +4% and -3% on YTD, 1-year and 3-year basis. Correspondingly, when compared against the HSCI as the benchmark, the Hang Seng High Dividend Yield Index has outperformed the benchmark by 4% YTD, flat versus the benchmark on 1-year, and outperformed the benchmark by 28% on 3-year basis.

Hang Seng SCHK China Central SOEs High Dividend Yield Index, benefitting from market's rising appetite for: (1) dividend yield strategy; and (2) improving profitability of state-owned enterprises (SOEs), performed +6%, +12% and +24% on YTD, 1-year and 3-year basis. When compared against the HSCI as the benchmark, the Hang Seng SCHK China Central SOEs High Dividend Yield Index has outperformed the benchmark by 13%, 9% and 55% on YTD, 1-year and 3-year basis.

Exhibit 12: Comparison of performance of total return index (YTD, 1-year, 3-year)

Launch Date	Dividend Index		Index % change		
			YTD	1-yr	3-yr
10-Dec-12	Hang Seng High Dividend Yield Index	HSHDYI	-4%	4%	-3%
9-Sep-19	Hang Seng Mainland China Companies High Dividend Yield Index	HSMCHYI	-2%	4%	-27%
17-Feb-20	Hang Seng China High Dividend Yield Index	HSCHDY	-7%	0%	-10%
23-Aug-21	Hang Seng Shanghai-Shenzhen-Hong Kong (Selected Corporation) High Dividend Yield Index	HSSSCHD	12%	18%	18%
12-Jun-23	Hang Seng SCHK High Dividend Yield Screened Index	HSSCHYS	-4%	4%	17%
12-Jun-23	Hang Seng SCHK China Central SOEs High Dividend Yield Index	HSSCSOY	6%	12%	24%
	Hang Seng Index	HSI	-8%	3%	-28%
	Hang Seng China Enterprises Index	HSCEI	-7%	4%	-38%
	Hang Seng Composite Index	HSCI	-8%	3%	-31%

Note: Green shaded area represents index with outperformance over the HSCI (based on YTD, 1-year and 3-year basis).

Source: Hang Seng Indexes Company. Date: 24 November 2023



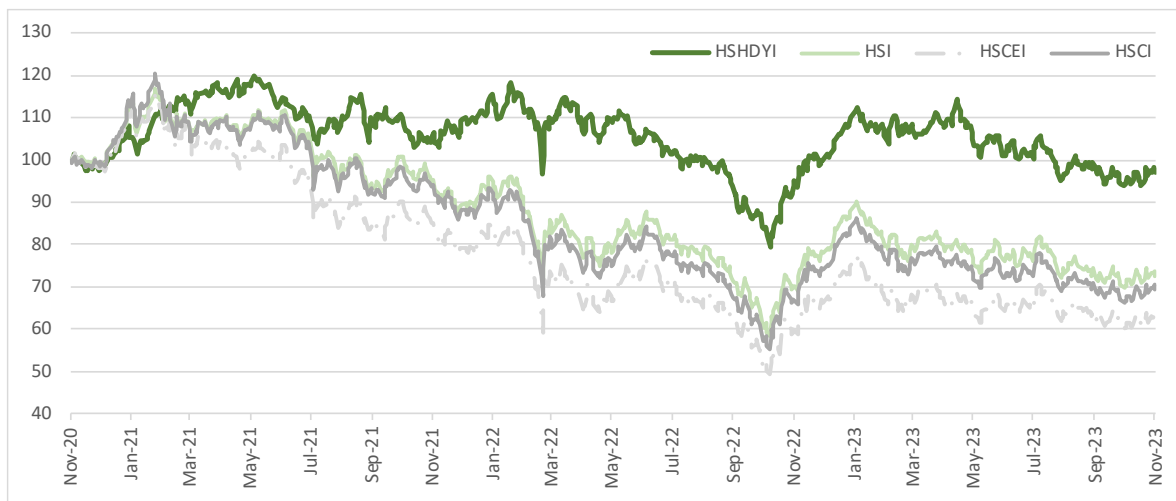
Exhibit 13: Characteristics of dividend yield-focused index

Name	Hang Seng High Dividend Yield Index	Hang Seng Mainland China Companies High Dividend Index	Hang Seng China High Dividend Yield Index	Hang Seng Shanghai-Shenzhen-Hong Kong (Selected Corporation) High Dividend Yield Index	Hang Seng SCHK High Dividend Yield Screened Index	Hang Seng SCHK China Central SOEs High Dividend Yield Index
Index Ticker	HSHDYI	HSMCHYI	HSCHDY	HSSSCHD	HSSCHYS	HSSCSOY
Launch date	10-Dec-2012	09-Sep-2019	17-Feb-2020	23-Aug-2021	12-Jun-2023	12-Jun-2023
Eligibility universe	All securities within HSCI	Members of HSCI that are eligible for trading under Stock Connect Scheme	All mainland securities within HSCI	Constituents in HSSSHSC	Members of HSLMIV that are eligible for Southbound trading	Members of HSCI with themselves or their largest shareholders being Chinese Central SOEs
Constituents	50	50	50	30	50	40
Weighting method	Net dividend yield	Net dividend yield	Net dividend yield	Net dividend yield	Net dividend yield	Net dividend yield
Weight cap	10%	10%	10%	10%	10%	10%
Review frequency	Annual	Half-yearly	Annual	Annual	Annual	Annual

Source: Hang Seng Indexes Company.

Date: 24 November 2023

Exhibit 14: Performance of Total Return Index for HSHDYI, HSI, HSCEI, HSCI (3-year)



Source: Hang Seng Indexes Company.

Date: 24 November 2023



Screening Out Conditions Adopted by the HSHDYI

Recall, the Hang Seng High Dividend Yield Index has been using two conditions to screen out ineligible securities, the conditions are: (1) share price dropped by more than 50% over the past 12 months; and (2) last 12-month share price performance ranked in the bottom 10% of the eligible candidates. This screening criteria has been effective from 13 June 2022 onwards.

The inclusion of such conditions is to avoid a scenario in which a company whose share price experiencing a sharp decline (indirectly resulting in high dividend yield) but gets selected as a constituent of the Hang Seng High Dividend Yield Index.



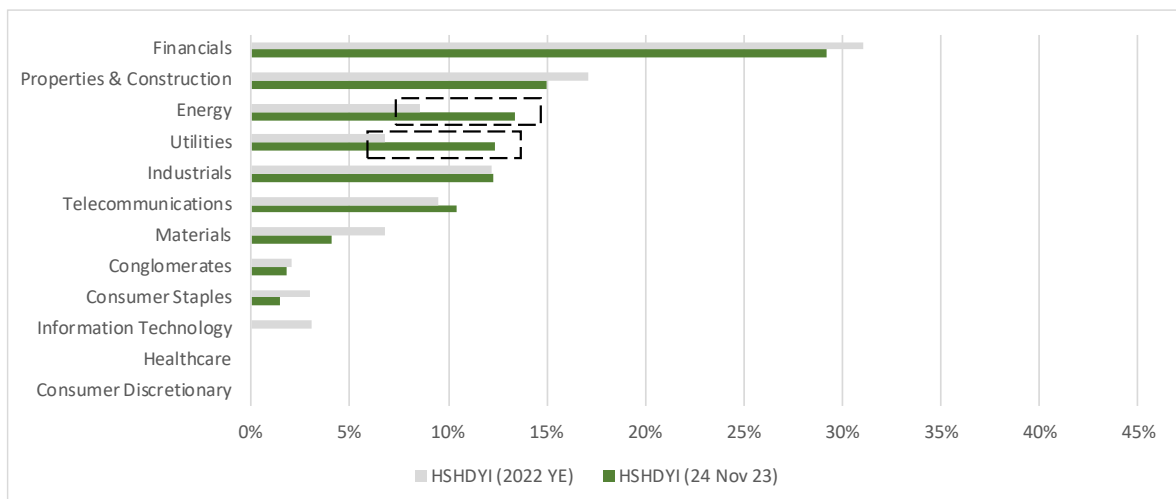
Notable Changes in Composition of the HSHDYI (YTD)

For the Hang Seng High Dividend Yield Index, between 30 December 2022 and 24 November 2023, we note Utilities experienced the largest increase by 5.6ppt to 12.4%. Meanwhile, Energy experienced the second largest increase by 4.9ppt to 13.4%.

The material increase in weighting distribution of Utilities is attributable to the notable increase in net dividend yield (despite pullback of share prices) of companies such as Beijing Enterprises Water (0371.HK), Cheung Kong Infrastructure (1038.HK) and Power Assets (0006.HK).

The material increase in weighting distribution of Energy is attributable to the notable increase in net dividend yield of PetroChina (0857.HK). We note dividends paid by PetroChina for 2022's financial year is 86% higher than dividends paid for 2021's financial year.

Exhibit 15: Weighting distribution within the HSHDYI (30 Dec 2022 vs. 24 Nov 2023)



Source: Hang Seng Indexes Company.

Date: 24 November 2023



Appendix 1 – HSHDYI Constituent Details (Top 30 Stocks)

Exhibit 16: HSHDYI – Top 30 stocks within constituents (based on 24 November 2023)

	Code	Company	Industry	Market Cap (HK\$bn)	3-mth ADT (HK\$m)	Weighting (%)	Acc. Weighting (%)
1	0883.HK	CNOOC	Energy	573.3	906.9	3.58	3.58
2	1088.HK	CHINA SHENHUA	Energy	85.3	278.0	3.18	6.76
3	0489.HK	DONGFENG GROUP	Industrials	10.2	40.7	3.18	9.93
4	1378.HK	CHINAHONGQIAO	Materials	61.0	150.6	3.15	13.08
5	0008.HK	PCCW	Telecommunications	31.0	22.4	3.04	16.13
6	1310.HK	HKBN	Telecommunications	4.6	16.9	2.60	18.73
7	0857.HK	PETROCHINA	Energy	108.7	628.5	2.53	21.26
8	6818.HK	CEB BANK	Financials	28.1	13.6	2.39	23.65
9	0270.HK	GUANGDONG INV	Utilities	36.4	51.1	2.39	26.03
10	1288.HK	ABC	Financials	88.8	253.7	2.36	28.40
11	0017.HK	NEW WORLD DEV	Properties & Construction	33.2	116.6	2.28	30.68
12	0939.HK	CCB	Financials	1096.3	1,097.5	2.27	32.95
13	0371.HK	BJ ENT WATER	Utilities	16.4	13.9	2.26	35.22
14	3988.HK	BANK OF CHINA	Financials	240.0	574.8	2.26	37.48
15	1898.HK	CHINA COAL	Energy	26.3	67.5	2.26	39.74
16	3323.HK	CNBM	Properties & Construction	16.9	51.9	2.24	41.98
17	0998.HK	CITIC BANK	Financials	53.1	76.8	2.24	44.21
18	3360.HK	FE HORIZON	Financials	25.7	24.5	2.23	46.44
19	3328.HK	BANKCOMM	Financials	163.5	63.8	2.21	48.65
20	0257.HK	EB ENVIRONMENT	Utilities	16.1	15.2	2.15	50.80
21	1398.HK	ICBC	Financials	328.9	779.1	2.13	52.92
22	0123.HK	YUEXIU PROPERTY	Properties & Construction	31.4	62.3	2.12	55.04
23	1199.HK	COSCO SHIP PORT	Industrials	18.4	19.8	2.07	57.12
24	0914.HK	CONCH CEMENT	Properties & Construction	24.8	92.5	2.05	59.17
25	0144.HK	CHINA MER PORT	Industrials	41.2	33.3	2.02	61.19
26	0006.HK	POWER ASSETS	Utilities	84.9	63.5	2.00	63.19
27	0941.HK	CHINA MOBILE	Telecommunications	1296.9	885.6	1.96	65.15
28	1988.HK	MINSHENG BANK	Financials	22.2	34.2	1.93	67.08
29	0683.HK	KERRY PPT	Properties & Construction	19.7	13.5	1.90	68.98
30	0386.HK	SINOPEC CORP	Energy	101.8	354.5	1.88	70.86

Source: Hang Seng Indexes Company. Date: 24 November 2023



Appendix 2 – HSSCHYS Constituent Details (Top 30 Stocks)

Exhibit 17: HSSCHYS – Top 30 stocks within constituents (based on 24 November 2023)

	Code	Company	Industry	Market Cap (HK\$bn)	3-mth ADT (HK\$m)	Weighting (%)	Acc. Weighting (%)
1	1308.HK	SITC	Industrials	34.8	50.1	8.00	8.00
2	1171.HK	YANKUANG ENERGY	Energy	40.9	222.4	5.57	13.57
3	0883.HK	CNOOC	Energy	573.3	906.9	3.48	17.05
4	0303.HK	VTECH HOLDINGS	Information Technology	11.7	9.1	2.96	20.01
5	1088.HK	CHINA SHENHUA	Energy	85.3	278.0	2.72	22.73
6	3990.HK	MIDEA REAL EST	Properties & Construction	8.5	6.6	2.51	25.25
7	0489.HK	DONGFENG GROUP	Industrials	10.2	40.7	2.31	27.56
8	0288.HK	WH GROUP	Consumer Staples	61.6	89.3	2.29	29.85
9	1378.HK	CHINAHONGQIAO	Materials	61.0	150.6	2.28	32.13
10	0857.HK	PETROCHINA	Energy	108.7	628.5	2.14	34.26
11	0189.HK	DONGYUE GROUP	Materials	13.6	41.8	2.05	36.31
12	1288.HK	ABC	Financials	88.8	253.7	2.00	38.31
13	0270.HK	GUANGDONG INV	Utilities	36.4	51.1	1.93	40.25
14	0939.HK	CCB	Financials	1096.3	1,097.5	1.92	42.17
15	6818.HK	CEB BANK	Financials	28.1	13.6	1.92	44.08
16	0914.HK	CONCH CEMENT	Properties & Construction	24.8	92.5	1.91	45.99
17	3988.HK	BANK OF CHINA	Financials	240.0	574.8	1.89	47.88
18	0941.HK	CHINA MOBILE	Telecommunications	1296.9	885.6	1.85	49.73
19	3328.HK	BANKCOMM	Financials	163.5	63.8	1.83	51.57
20	0012.HK	HENDERSON LAND	Properties & Construction	108.0	67.0	1.83	53.40
21	0998.HK	CITIC BANK	Financials	53.1	76.8	1.82	55.22
22	1398.HK	ICBC	Financials	328.9	779.1	1.78	57.00
23	3360.HK	FE HORIZON	Financials	25.7	24.5	1.78	58.77
24	0683.HK	KERRY PPT	Properties & Construction	19.7	13.5	1.77	60.54
25	3323.HK	CNBM	Properties & Construction	16.9	51.9	1.76	62.30
26	0257.HK	EB ENVIRONMENT	Utilities	16.1	15.2	1.75	64.05
27	0006.HK	POWER ASSETS	Utilities	84.9	63.5	1.74	65.80
28	0371.HK	BJ ENT WATER	Utilities	16.4	13.9	1.74	67.54
29	1898.HK	CHINA COAL	Energy	26.3	67.5	1.72	69.27
30	0123.HK	YUEXIU PROPERTY	Properties & Construction	31.4	62.3	1.72	70.99

Source: Hang Seng Indexes Company. Date: 24 November 2023



Appendix 3 – HSSCSOY Constituent Details (Top 30 Stocks)

Exhibit 18: HSSCSOY – Top 30 stocks within constituents (based on 24 November 2023)

	Code	Company	Industry	Market Cap (HK\$bn)	3-mth ADT (HK\$m)	Weighting (%)	Acc. Weighting (%)
1	0883.HK	CNOOC	Energy	573.3	906.9	5.18	5.18
2	1088.HK	CHINA SHENHUA	Energy	85.3	278.0	4.05	9.22
3	1883.HK	CITIC TELECOM	Telecommunications	11.2	7.6	3.48	12.70
4	0489.HK	DONGFENG GROUP	Industrials	10.2	40.7	3.44	16.14
5	0857.HK	PETROCHINA	Energy	108.7	628.5	3.18	19.31
6	1288.HK	ABC	Financials	88.8	253.7	2.97	22.29
7	3877.HK	CSSC SHIPPING	Industrials	8.3	1.2	2.92	25.21
8	0939.HK	CCB	Financials	1096.3	1,097.5	2.86	28.06
9	6818.HK	CEB BANK	Financials	28.1	13.6	2.85	30.91
10	1258.HK	CHINFMINING	Materials	17.6	20.0	2.83	33.74
11	3988.HK	BANK OF CHINA	Financials	240.0	574.8	2.81	36.55
12	0941.HK	CHINA MOBILE	Telecommunications	1296.9	885.6	2.76	39.30
13	3328.HK	BANKCOMM	Financials	163.5	63.8	2.73	42.03
14	0998.HK	CITIC BANK	Financials	53.1	76.8	2.70	44.73
15	1398.HK	ICBC	Financials	328.9	779.1	2.65	47.38
16	2666.HK	UNI MEDICAL	Financials	7.8	8.3	2.62	50.00
17	3323.HK	CNBM	Properties & Construction	16.9	51.9	2.61	52.62
18	0257.HK	EB ENVIRONMENT	Utilities	16.1	15.2	2.61	55.22
19	1898.HK	CHINA COAL	Energy	26.3	67.5	2.56	57.79
20	0144.HK	CHINA MER PORT	Industrials	41.2	33.3	2.53	60.32
21	0386.HK	SINOPEC CORP	Energy	101.8	354.5	2.43	62.75
22	1336.HK	NCI	Financials	16.9	68.3	2.43	65.18
23	1199.HK	COSCO SHIP PORT	Industrials	18.4	19.8	2.40	67.58
24	0267.HK	CITIC	Conglomerates	215.8	83.7	2.39	69.96
25	9979.HK	GREENTOWN MGMT	Properties & Construction	12.2	10.1	2.32	72.28
26	0165.HK	CHINA EB LTD	Financials	8.1	5.9	2.26	74.54
27	2388.HK	BOC HONG KONG	Financials	227.8	134.0	2.12	76.66
28	2328.HK	PICC P&C	Financials	65.5	240.2	2.12	78.78
29	3311.HK	CHINA STATE CON	Properties & Construction	44.1	27.8	2.10	80.88
30	1339.HK	PICC GROUP	Financials	22.8	62.9	2.08	82.96

Source: Hang Seng Indexes Company. Date: 24 November 2023



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