



RESEARCH PAPER

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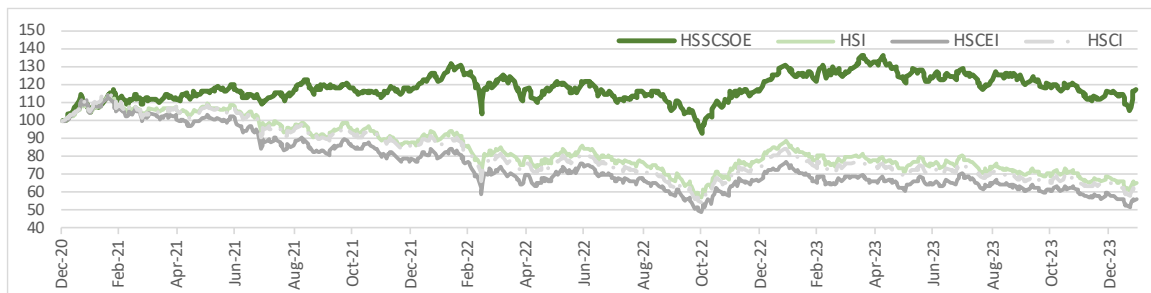
China Making Strategic Moves to Enhance Shareholder Returns

HSSCSOE measures the performance of central SOEs that implement the shareholder-friendly initiatives

At the beginning of this year, the State Council published guidelines on improving an operating budget system for state-owned capital. We note one guideline is the further encouragement upon state-owned enterprises ('SOEs') with regards to earnings distribution. Such move should be welcomed by investors. The Hang Seng SCHK China Central State-owned Enterprises Index ('HSSCSOE') tracks the performance of stocks listed in Hong Kong with Chinese central SOEs of the State-owned Assets Supervision and Administration Commission of the State Council of China ('SASAC') as the largest shareholder. The index outperformed the Hang Seng Composite Index ('HSCI') by 54% on a 3-year (total return) basis.

Similar shareholder-friendly move was made by China Securities Regulatory Commission ('CSRC') back in mid-December of last year. CSRC announced a set of revised guidelines on share repurchase by A-shares companies, which would strengthen investor confidence on the A-shares companies. The Hang Seng Stock Connect China A 300 Index ('HSCA300') is a good proxy to measure the performance of the 300 largest A-shares companies in terms of market capitalisation listed in mainland China that are eligible for Northbound Trading under the Stock Connect scheme. The moves made by the State Council and the CSRC should both be viewed by the market as shareholder-friendly moves.

Exhibit 1: Index performance of the HSSCSOE against the HSI, HSCEI and HSCI (3-year basis)



Remark: all returns are on total return basis

Source: Hang Seng Indexes Company.

Date: 29 January 2024



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Executive Summary

Guidelines launched to further promote shareholder-friendly initiatives

Back in late December of last year, CSRC announced a set of revised guidelines for share repurchase by A-shares companies. With the latest guidelines, the regulatory environment should become more conducive for share repurchase by listed companies. Such shareholder-friendly move should be welcomed by investors. In early January, the State Council announced guidelines on improving an operating budget system for state-owned capital. One guideline is a clear encouragement upon SOEs on earnings distribution. Investors always welcome earnings distribution such as dividends as a way to enhance their investment returns. All these recent moves should be viewed as initiatives to enhance shareholder returns.

Paying dividends vs. share repurchase: each has its own audience group

There are several ways in which listed companies can enhance shareholder returns. Some listed companies choose paying dividends to share business success with their shareholders. Some listed companies choose share repurchase to signal to the market that the companies' shares are undervalued. While shareholders may prefer dividends given the certainty once it is announced, companies may prefer share repurchase given the flexibility. There is no right or wrong with regards to the two mentioned methods of enhancing shareholder returns. However, the increasing effort by regulatory authorities and the government to promote company initiatives aiming at enhancement of shareholder returns should be viewed positively by investors.

HSCA300 tracks the largest 300 A-shares companies eligible under Stock Connect in mainland China

Hang Seng Indexes Company (HSIL) has launched various indexes to track A-shares market. In order to balance between having a representative index and a manageable index (ie, not having to include every single stock available), HSIL launched the Hang Seng Stock Connect China A 300 Index ('HSCA300') to measure the performance of the 300 largest A-shares companies in terms of market capitalisation listed in mainland China that are eligible for Northbound Trading under the Stock Connect scheme. This index offers a good solution to track A-shares market while keeping the number of constituent companies at a manageable level.

As of 29 January 2024, the top 5 industries are: Financials (24% weighting, 48 companies), Industrials (19% weighting, 67 companies), Consumer Staples (14% weighting, 20 companies), Information Technology (9% weighting, 39 companies), and Consumer Discretionary (8% weighting, 30 companies).

We note the HSCA300 was -4%, -19% and -32% on YTD, 1-year and 3-year (total return) basis. When we compare such performance against the performance of Hang Seng China A (Investable) Index ('HSCAII'), which is the benchmark index, we note that compared with the benchmark, the HSCA300 outperformed by +2% and +1% on YTD and 1-year (total return) basis, but underperformed by -2% on 3-year (total return) basis.



HSSCSOE delivers solid performance on 1-year and 3-year basis

For investors who are searching for an index which tracks the performance of stocks listed in Hong Kong with Chinese central state-owned enterprise (central SOE) of SASAC as the largest shareholder and are eligible for Southbound Trading under the Stock Connect Scheme, the Hang Seng SCHK China Central State-owned Enterprises Index ('HSSCSOE') offers a good solution.

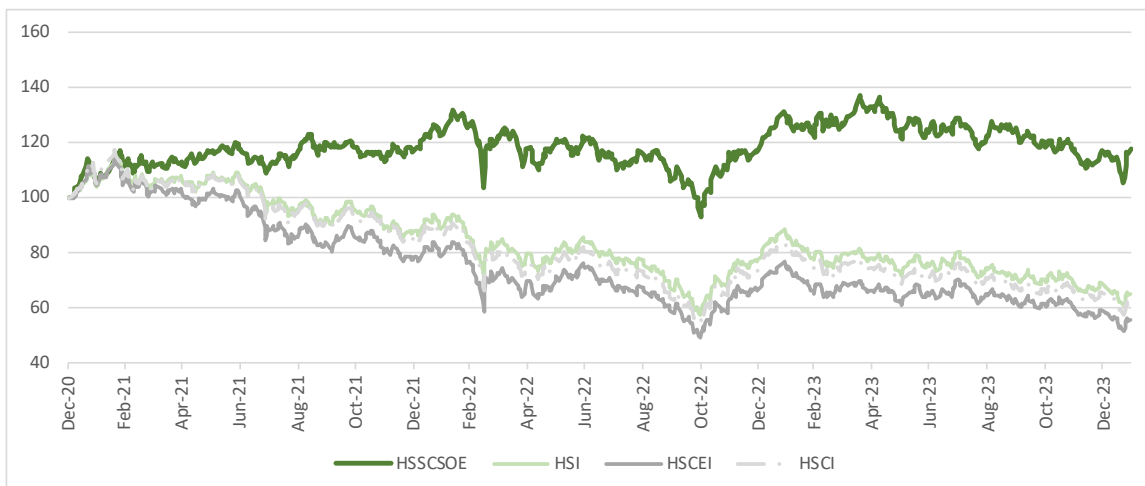
As of 29 January 2024, the top 5 industries are: Energy (33% weighting, 6 companies), Telecommunications (18% weighting, 4 companies), Properties & Construction (13% weighting, 13 companies), Utilities (9% weighting, 7 companies), and Financials (7% weighting, 1 company).

We note the HSSCSOE was +1%, -10% and +12% on YTD, 1-year and 3-year (total return) basis. When we compare such performance against the performance of the HSCI, which is the benchmark index, then we note the HSSCSOE outperformed the benchmark by 7%, 17% and 54% on YTD, 1-year and 3-year (total return) basis.

Uncertainty over global economy leading investors to welcome any shareholder-friendly moves

According to IMF's World Economic Outlook (published October 2023), China's GDP is projected to grow 4.2% YoY in 2024 (2023 projection: +5%). Given current uncertainty looming over global economy and the corresponding impacts upon company earnings, investors would welcome any shareholder-friendly moves (eg, paying dividends, share repurchase) made by listed companies.

Exhibit 2: Index performance of the HSI, HSCEI, HSSCSOE and HSCI (3-year basis)



Remark: all returns are on total return basis

Source: Hang Seng Indexes Company.

Date: 29 January 2024



State-owned Enterprises are More Resilient towards Market Turbulence

We note market participants continue to debate whether US market will head for recession in 2024. On the other hand, there are much fewer debates over the sustainability of solid earnings generated by SOEs.

We expect the SOEs to continue:

Dominance of market share within respective industry: For industries served by SOEs, each industry is often dominated by a few companies. For example, for Telecommunication industry, there are three key companies (China Mobile, China Telecom, China Unicom) which provide wireline and wireless services on a nationwide basis. If we look at Energy industry, PetroChina is primarily focused upon the exploration and sales of crude oil and natural gas. Meanwhile, Sinopec is primarily engaged in provision of gasoline for consumers and industrial customers. CNOOC is focused upon the production of offshore crude oil and natural gas in China. Essentially, there is relatively little competition between these three dominant Energy companies. As shown in the abovementioned industries, the market share is more or less dominated by a few SOEs and the entry barrier is relatively high, therefore the revenue and earnings of these SOEs should be more stable when compared to other companies engaged in open market competition.

Stable operating environment with relatively lower regulatory risk: In general, state-owned enterprises are often engaged in provision of goods or services which are of prime importance to daily living. For example, telecommunication companies provide telephony services for consumers and connectivity services for enterprises. In recent years, the 5G services provided by telecommunication companies also set up key infrastructure network necessary for the takeoff of services such as autonomous driving, automated warehouse and IoT (Internet of Things) manufacturing. Similarly, state-owned energy company Sinopec is engaged in selling of gasoline to consumers and industrial customers. As it is of vital importance to maintain a stable provision of such products or services to mainland consumers and domestic companies, therefore, the regulatory environment of these corresponding sectors tends to be relatively stable.

Improving enhancement of shareholder return via various initiatives: When compared to 15-20 years ago, SOEs are now much more willing to enhance shareholder return. Back then, many SOEs either did not pay dividends or paid relatively small fraction of earnings as dividends. In past few years, there is a noticeable trend that SOEs are steadily raising their earnings payout ratio. For example, China Mobile paid 20% of its earnings as dividends for the financial year ended December 2002. As we fast forward by 20 years, we note China Mobile paid 67% of its earnings as dividends for the financial year ended December 2022. Another example, CNOOC paid 25% of its earnings as dividends for the financial year ended December 2002. Once we move forward by 20 years, we note CNOOC paid 43% of its earnings as dividends for the financial year ended December 2022.



State Council announced guidelines to encourage SOEs further distribution of earnings

On January 6, the State Council published guidelines on improving an operating budget system for state-owned capital. Among the guidelines released, a few items worth mentioning: (1) improving the earnings distribution of state-owned capital (eg, state-owned enterprises); (2) tightening expenditures of state-owned capital; (3) improving the budgeting and controlling procedures of state-owned capital. Given the emphasis highlighted by the State Council, it is conceivable that the SOEs will further enhance their earnings distribution going forward. Such move of further enhancing shareholder returns will surely be welcomed by investors.

Exhibit 3: Guidelines on improving an operating budget system for state-owned capital

Guidelines on how to enhance the operating budget system of state-owned capital	
Improving earnings submission mechanism of state-owned capital	
(I)	Expand coverage of operating budget for the state-owned capital
(II)	Enhance earnings submission mechanism of solely state-owned enterprises and companies
(III)	Improve earnings submission mechanism of state-owned or equity participation enterprises
(IV)	Strengthen the operating budget administration on the state-owned capital
Enhance the efficiency of operating budget expenditure for the state-owned capital	
(V)	Optimize the expenditure composition
(VI)	Strengthen the expenditure administration
(VII)	Promote the budget efficiency administration
Improving the operating budget administration for the state-owned capital	
(VIII)	Strengthen the control over registry of state-owned enterprises
(IX)	Streamline the budget preparation process
(X)	Accept the supervision from the National People's Congress and audit works
Implementation	
(XI)	Strengthen the leadership
(XII)	Ensure the complete implementation of policies
(XIII)	Build and enhance a comprehensive mechanism

Source: The State Council of the People's Republic of China

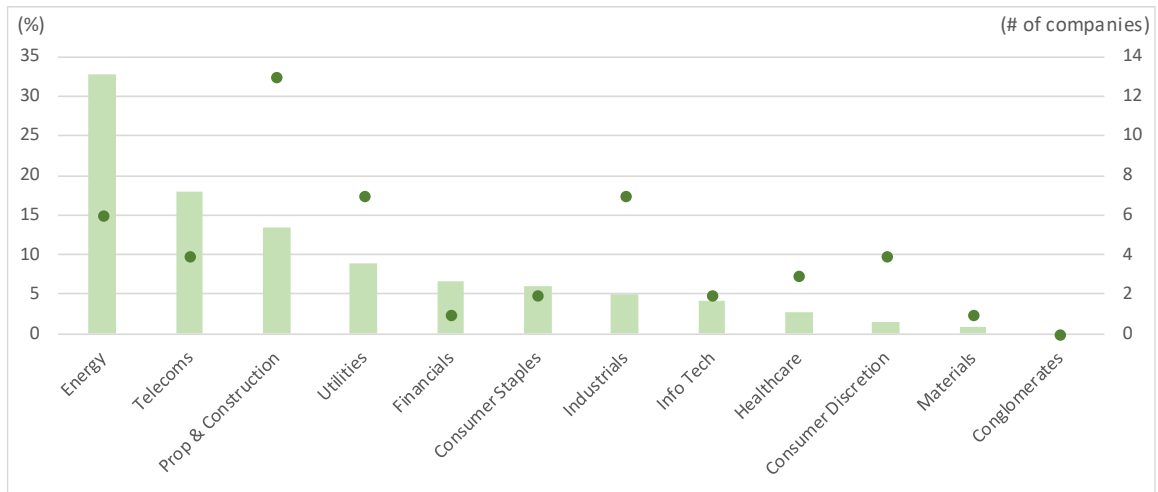
Date: 29 January 2024

For investors who are searching for an index which tracks the performance of stocks listed in Hong Kong with Chinese central state-owned enterprise (central SOE) of the SASAC as the largest shareholder and are eligible for Southbound Trading under the Stock Connect Scheme, the Hang Seng SCHK China Central State-owned Enterprises Index ('HSSCSOE') offers a good solution. The number of constituent companies is fixed at 50 and being reviewed on an half-yearly basis.

For further details on the design and underlying methodology for the HSSCSOE, please refer to our research report [HSSCSOE – SOEs Stepping Into Center Stage](#) (31 July 2023).



Exhibit 4: Distribution of companies within the HSSCSOE (Index weightings represented by bar chart on LHS)



Source: Hang Seng Indexes Company.

Date: 29 January 2024

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

	Code	Company	Industry	Market Cap (HK\$ bn)	Weighting (%)
1	0883.HK	CNOOC	Energy	655.3	11.51%
2	0941.HK	CHINA MOBILE	Telecommunications	1386.8	10.89%
3	0857.HK	PETROCHINA	Energy	122.2	6.95%
4	3968.HK	CM BANK	Financials	135.9	6.57%
5	0386.HK	SINOPEC CORP	Energy	103.0	5.86%
6	1088.HK	CHINA SHENHUA	Energy	100.6	5.73%
7	1109.HK	CHINA RES LAND	Properties & Construction	176.1	4.51%
8	0981.HK	SMIC	Information Technology	92.0	3.66%
9	2319.HK	MENGNU DAIRY	Consumer Staples	70.9	3.23%
10	0728.HK	CHINA TELECOM	Telecommunications	55.6	3.01%
		Subtotal		2,898.4	61.91%

Source: Hang Seng Indexes Company.

Date: 29 January 2024

For the HSI, HSCEI and HSCI, we note the top 3 industry weightings are Financials, Information Technology, and Consumer Discretionary. However, for the HSSCSOE, the top 3 industry weightings are Energy, Telecommunications, and Properties & Construction. Such difference is understandable given SOEs dominate strategic sectors such as energy, telecommunications and railways (as part of Properties & Construction). Meanwhile, companies in Information Technology and Consumer Discretionary are often private enterprises.



Exhibit 6: Industry weightings of the HSSCSOE, HSI, HSCEI and HSCI

Industry	HSSCSOE		HSI		HSCEI		HSCI	
	Weighting	Ranking	Weighting	Ranking	Weighting	Ranking	Weighting	Ranking
Energy	32.9%	1	5.4%	5	8.9%	4	4.5%	6
Telecommunications	18.0%	2	4.4%	6	6.7%	5	4.0%	8
Properties & Construction	13.5%	3	5.5%	4	2.4%	7	6.0%	4
Utilities	8.9%	4	3.5%	7	0.8%	11	4.0%	7
Financials	6.6%	5	34.6%	1	26.0%	2	29.7%	1
Consumer Staples	6.0%	6	2.8%	8	3.1%	6	2.8%	10
Industrials	5.0%	7	0.9%	11	1.3%	9	3.0%	9
Information Technology	4.1%	8	27.0%	2	36.0%	1	25.6%	2
Healthcare	2.7%	9	2.8%	9	1.9%	8	5.2%	5
Consumer Discretionary	1.5%	10	10.6%	3	12.2%	3	12.1%	3
Materials	0.9%	11	0.8%	12	0.0%	12	1.5%	12
Conglomerates	0.0%	12	1.6%	10	0.9%	10	1.5%	11
	100.0%		100.0%		100.0%		100.0%	

Source: Hang Seng Indexes Company. Date: 29 January 2024

As of 29 January 2024, we note the HSSCSOE was +1%, -10% and +12% on YTD, 1-year and 3-year (total return) basis. When we compare such performance against the performance of the HSI, which is the benchmark, we note the HSSCSOE outperformed the benchmark by 6%, 16% and 50% on YTD, 1-year and 3-year (total return) basis. If we compare such performance against the performance of the other benchmark HSCI, then we note the HSSCSOE outperformed the benchmark by 7%, 17% and 54% on YTD, 1-year and 3-year (total return) basis.

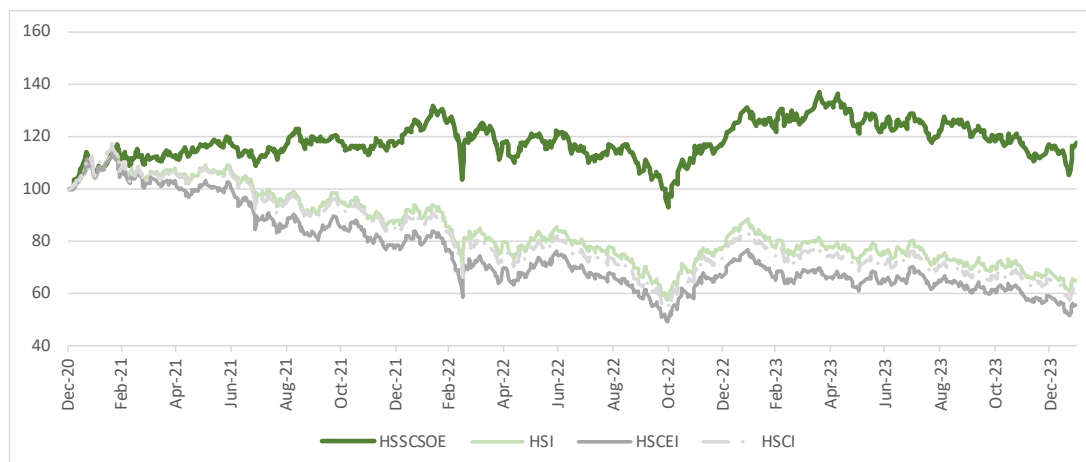
Exhibit 7: Comparison of the HSSCSOE index performance against the HSI, HSCEI and HSCI

Index	Bloomberg ticker	YTD	1-year	3-year
Hang Seng SCHK China Central State-owned Enterprises Index	HSSCSOE	0.7%	-10.3%	12.3%
Hang Seng Index	HSI	-5.7%	-26.4%	-37.3%
Hang Seng China Enterprises Index	HSCEI	-6.2%	-27.8%	-46.7%
Hang Seng Composite Index	HSCI	-6.5%	-27.3%	-41.6%

Remark: all returns are on total return basis

Source: Hang Seng Indexes Company. Date: 29 January 2024

Exhibit 8: Index performance of the HSSCSOE against the HSI, HSCEI and HSCI (3-year basis)



Remark: all returns are on total return basis

Source: Hang Seng Indexes Company. Date: 29 January 2024



Guidelines Launched to Further Enhance A-shares Market

Even before the latest publication of guidelines by the State Council on improving an operating budget system for state-owned capital, we note the mainland's regulatory authorities have stepped up efforts to encourage mainland listed companies to consider share repurchase to enhance shareholder returns. On 15 December 2023, CSRC announced the amended guidelines for share repurchase by listed companies (A-shares companies is a major portion). The key purpose of such amended guidelines is to enhance accommodation and flexibility of share repurchase. If such guidelines are closely followed by listed companies, shareholder returns should be further enhanced. All in all, we are witnessing concerted efforts by government and regulatory authorities to enhance shareholder returns of listed companies in mainland.

Exhibit 9: Comparison between paying dividends and share buyback

Paying dividends	Share repurchase
(I) Firm commitment: Company will pay a specific dividend per share on a specific date.	(I) Flexibility: Company will buy a specified amount of shares within a specified period.
(II) Listed companies announce dividends to reflect confidence in earnings sustainability.	(II) Listed companies announce buyback to suggest company's value undervalued.
(III) Shareholders like dividends, given once it is announced, it will happen for sure.	(III) Investors cannot nail down which specific date on which share buyback will happen.
(IV) In general, dividends are announced when listed companies are making profits.	(IV) Voting held at annual general meeting to grant authority to board to conduct share buyback.
(V) Quite often, dividends are set: (1) as % of profit attributable to equity shareholders; or (2) fixed amount per share.	(V) Scale of share buyback (in HK, often limited to 10% of issued shares of a listed company).

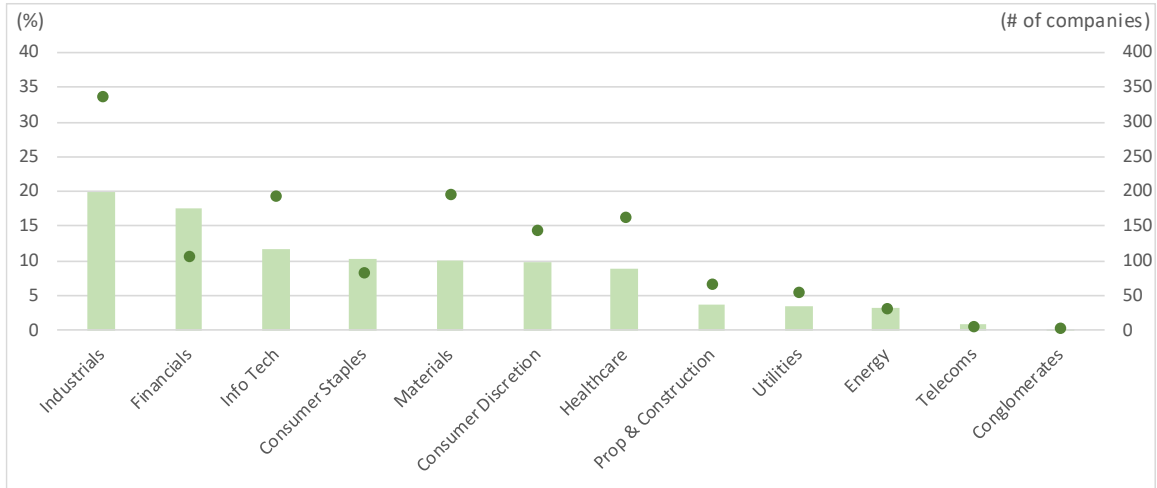
Source: Hang Seng Indexes Company.

Date: 29 January 2024

In January 2021, HSIL launched the Hang Seng China A (Investable) Index ('HSCAI') as a broad-based index to measure the performance of investable stocks within a market coverage of 80% in the China A-shares market. As of 29 January 2024, the HSCAI consists of 1,396 companies. The top 5 industries are: Industrials (20% weighting, 338 companies), Financials (18% weighting, 107 companies), Information Technology (12% weighting, 194 companies), Consumer Staples (10% weighting, 83 companies), and Materials (10% weighting, 197 companies).



**Exhibit 10: Distribution of companies within the HSCAI (index launched in Jan 2021)
(Index weightings represented by bar chart on LHS)**



Source: Hang Seng Indexes Company.

Date: 29 January 2024

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

	Code	Company	Industry	Market Cap (CNY bn)	Weighting (%)
1	600519.SS	KWEICHOW MOUTAI	Consumer Staples	2,072.7	3.59%
2	300750.SZ	CATL	Industrials	646.5	1.62%
3	600036.SS	CM BANK	Financials	646.7	1.49%
4	601318.SS	PING AN	Financials	441.1	1.44%
5	000333.SZ	MIDEA GROUP	Consumer Discretionary	412.6	1.11%
6	000858.SZ	WULIANGYE	Consumer Staples	511.5	0.98%
7	601166.SS	INDUSTRIAL BANK	Financials	326.6	0.94%
8	600900.SS	CYPC	Utilities	593.8	0.91%
9	601398.SS	ICBC	Financials	1,391.2	0.80%
10	601899.SS	ZIJIN MINING	Materials	252.0	0.73%
		Subtotal		7,294.8	13.61%

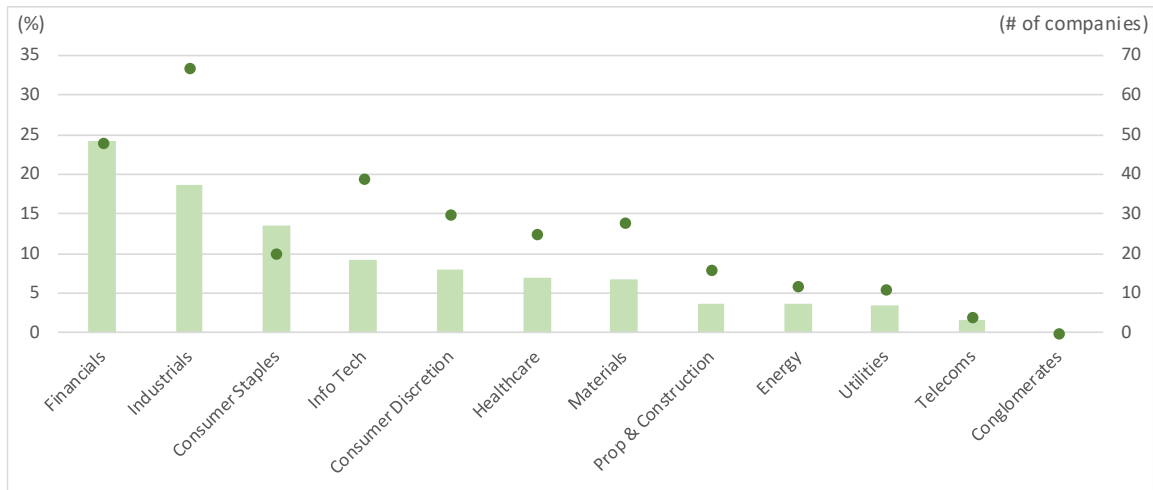
Source: Hang Seng Indexes Company.

Date: 29 January 2024

In order to balance between having a representative index and a manageable index (ie, not having to include every single stock available), back on 22 June 2020, HSIL launched the Hang Seng Stock Connect China A 300 Index ('HSCA300') to measure the performance of the 300 largest A-shares companies in terms of market capitalisation listed in mainland China that are eligible for Northbound Trading under the Stock Connect scheme. As of 29 January 2024, the top 5 industries are: Financials (24% weighting, 48 companies), Industrials (19% weighting, 67 companies), Consumer Staples (14% weighting, 20 companies), Information Technology (9% weighting, 39 companies), and Consumer Discretionary (8% weighting, 30 companies).



Exhibit 12: Distribution of companies within the HSCA300 (index launched in Jun 2020)
(Index weightings represented by bar chart on LHS)



Source: Hang Seng Indexes Company.

Date: 29 January 2024

Exhibit 13: Top 10 companies (weighting distribution) within the HSCA300

	Code	Company	Industry	Market Cap (CNY bn)	Weighting (%)
1	600519.SS	KWEICHOW MOUTAI	Consumer Staples	2,072.7	5.86%
2	300750.SZ	CATL	Industrials	646.5	2.64%
3	600036.SS	CM BANK	Financials	646.7	2.44%
4	601318.SS	PING AN	Financials	441.1	2.36%
5	000858.SZ	WULIANGYE	Consumer Staples	511.5	1.61%
6	601166.SS	INDUSTRIAL BANK	Financials	326.6	1.54%
7	600900.SS	CYPC	Utilities	593.8	1.49%
8	601398.SS	ICBC	Financials	1,391.2	1.31%
9	601899.SS	ZIJIN MINING	Materials	252.0	1.19%
10	600030.SS	CITIC SEC	Financials	251.1	1.18%
		Subtotal		7,133.2	21.61%

Source: Hang Seng Indexes Company.

Date: 29 January 2024

As of 29 January 2024, we note the HSCA300 was -4%, -19% and -32% on YTD, 1-year and 3-year (total return) basis. When we compare such performance against the performance of the HSCAll, we note the HSCA300 outperformed the benchmark by +2% and +1% on YTD and 1-year basis, but underperformed by -2% on 3-year (total return) basis.

Exhibit 14: Comparison of the HSCA300 index performance against the HSCAll

Index	Bloomberg ticker	YTD	1-year	3-year
Hang Seng Stock Connect China A 300 Index	HSCA300	-4.1%	-19.4%	-32.4%
Hang Seng China A (Investable) Index	HSCAll	-6.4%	-20.3%	-30.5%

Remark: all returns are on total return basis

Source: Hang Seng Indexes Company.

Date: 29 January 2024



Appendix 1 – HSSCSOE Constituent Details (Top 30 Stocks)

Exhibit 15: HSSCSOE – Top 30 constituents (based on 29 January 2024)

	Code	Company	Industry	Market Cap (HK\$ bn)	3-mth ADT (HK\$ m)	Weighting (%)	Acc. Weighting (%)
1	0883.HK	CNOOC	Energy	655.3	992.9	11.51	11.51
2	0941.HK	CHINA MOBILE	Telecommunications	1,386.8	959.6	10.89	22.40
3	0857.HK	PETROCHINA	Energy	122.2	525.8	6.95	29.35
4	3968.HK	CM BANK	Financials	135.9	698.9	6.57	35.92
5	0386.HK	SINOPEC CORP	Energy	103.0	335.0	5.86	41.78
6	1088.HK	CHINA SHENHUA	Energy	100.6	372.3	5.73	47.50
7	1109.HK	CHINA RES LAND	Properties & Construction	176.1	314.6	4.51	52.01
8	0981.HK	SMIC	Information Technology	92.0	750.1	3.66	55.67
9	2319.HK	MENGNU DAIRY	Consumer Staples	70.9	295.6	3.23	58.90
10	0728.HK	CHINA TELECOM	Telecommunications	55.6	183.3	3.01	61.91
11	0291.HK	CHINA RES BEER	Consumer Staples	97.5	339.9	2.77	64.68
12	0688.HK	CHINA OVERSEAS	Properties & Construction	135.1	225.0	2.69	67.37
13	0788.HK	CHINA TOWER	Telecommunications	41.5	119.9	2.24	69.61
14	1898.HK	CHINA COAL	Energy	36.0	103.1	2.05	71.66
15	0762.HK	CHINA UNICOM	Telecommunications	166.8	139.8	1.90	73.56
16	0135.HK	KUNLUN ENERGY	Utilities	61.4	70.4	1.75	75.31
17	0836.HK	CHINA RES POWER	Utilities	76.1	142.6	1.73	77.04
18	1099.HK	SINOPHARM	Healthcare	27.6	106.2	1.57	78.61
19	1919.HK	COSCO SHIP HOLD	Industrials	28.3	179.1	1.45	80.06
20	1816.HK	CGN POWER	Utilities	24.8	69.6	1.34	81.40
21	1193.HK	CHINA RES GAS	Utilities	54.3	83.6	1.23	82.63
22	0902.HK	HUANENG POWER	Utilities	21.8	136.6	1.12	83.75
23	1209.HK	CHINA RES MIXC	Properties & Construction	54.6	79.7	0.93	84.68
24	1766.HK	CRRC	Industrials	16.3	41.9	0.93	85.61
25	0916.HK	CHINA LONGYUAN	Utilities	16.2	107.4	0.92	86.53
26	1800.HK	CHINA COMM CONS	Properties & Construction	16.6	31.3	0.90	87.43
27	0390.HK	CHINA RAILWAY	Properties & Construction	15.6	56.9	0.89	88.32
28	2600.HK	CHALCO	Materials	15.5	63.9	0.88	89.20
29	2380.HK	CHINA POWER	Utilities	37.0	96.3	0.84	90.04
30	2883.HK	CHINA OILFIELD	Energy	13.6	39.8	0.77	90.81

Source: Hang Seng Indexes Company.

Date: 29 January 2024



Appendix 2 – HSCAll Constituent Details (Top 30 Stocks)

Exhibit 16: HSCAll – Top 30 constituents (based on 29 January 2024)

	Code	Company	Industry	Market Cap (CNY bn)	3-mth ADT (CNY m)	Weighting (%)	Acc. Weighting (%)
1	600519.SS	KWEICHOW MOUTAI	Consumer Staples	2,072.7	4,393.5	3.59	3.59
2	300750.SZ	CATL	Industrials	646.5	3,836.1	1.62	5.20
3	600036.SS	CM BANK	Financials	646.7	1,849.2	1.49	6.69
4	601318.SS	PING AN	Financials	441.1	2,036.4	1.44	8.14
5	000333.SZ	MIDEA GROUP	Consumer Discretionary	412.6	1,184.1	1.11	9.25
6	000858.SZ	WULIANGYE	Consumer Staples	511.5	2,279.9	0.98	10.23
7	601166.SS	INDUSTRIAL BANK	Financials	326.6	797.4	0.94	11.17
8	600900.SS	CYPC	Utilities	593.8	1,418.1	0.91	12.08
9	601398.SS	ICBC	Financials	1,391.2	1,173.0	0.80	12.89
10	601899.SS	ZIJIN MINING	Materials	252.0	1,264.6	0.73	13.61
11	600030.SS	CITIC SEC	Financials	251.1	1,421.1	0.72	14.34
12	002594.SZ	BYD COMPANY	Consumer Discretionary	323.5	2,239.9	0.68	15.02
13	300059.SZ	EASTMONEY	Financials	203.3	2,143.9	0.66	15.69
14	600887.SS	YILI	Consumer Staples	175.0	864.5	0.64	16.32
15	300760.SZ	MINDRAY	Healthcare	326.1	914.3	0.63	16.95
16	600276.SS	HR	Healthcare	250.4	1,132.4	0.63	17.58
17	000651.SZ	GREE	Consumer Discretionary	197.4	1,083.3	0.61	18.18
18	601328.SS	BANKCOMM	Financials	237.1	660.4	0.55	18.73
19	601816.SS	CH	Industrials	246.5	358.7	0.52	19.25
20	601012.SS	LONGI	Industrials	154.7	2,831.9	0.51	19.76
21	603259.SS	WUXI APPTec	Healthcare	152.3	1,562.3	0.50	20.26
22	002475.SZ	LXJM	Industrials	194.1	1,644.5	0.49	20.74
23	600309.SS	WANHUA	Materials	228.3	825.5	0.48	21.22
24	601288.SS	ABC	Financials	1,248.2	1,211.6	0.48	21.70
25	000725.SZ	BOE	Industrials	140.1	1,129.6	0.46	22.16
26	002714.SZ	MUYUAN	Consumer Staples	196.6	828.3	0.45	22.62
27	601088.SS	CHINA SHENHUA	Energy	587.9	789.2	0.45	23.07
28	002415.SZ	HIKVISION	Information Technology	293.9	794.0	0.45	23.52
29	000568.SZ	LUZHOU LAO JIAO	Consumer Staples	230.9	1,386.2	0.44	23.96
30	600028.SS	SINOPEC CORP	Energy	564.0	723.1	0.43	24.40

Source: Hang Seng Indexes Company.

Date: 29 January 2024



Appendix 3 – HSCA300 Constituent Details (Top 30 Stocks)

Exhibit 17: HSCA300 – Top 30 constituents (based on 29 January 2024)

	Code	Company	Industry	Market Cap (CNY bn)	3-mth ADT (CNY m)	Weighting (%)	Acc. Weighting (%)
1	600519.SS	KWEICHOW MOUTAI	Consumer Staples	2,072.7	4,393.5	5.86	5.86
2	300750.SZ	CATL	Industrials	646.5	3,836.1	2.64	8.50
3	600036.SS	CM BANK	Financials	646.7	1,849.2	2.44	10.94
4	601318.SS	PING AN	Financials	441.1	2,036.4	2.36	13.29
5	000858.SZ	WULIANGYE	Consumer Staples	511.5	2,279.9	1.61	14.90
6	601166.SS	INDUSTRIAL BANK	Financials	326.6	797.4	1.54	16.44
7	600900.SS	CYPC	Utilities	593.8	1,418.1	1.49	17.93
8	601398.SS	ICBC	Financials	1,391.2	1,173.0	1.31	19.24
9	601899.SS	ZIJIN MINING	Materials	252.0	1,264.6	1.19	20.43
10	600030.SS	CITIC SEC	Financials	251.1	1,421.1	1.18	21.61
11	002594.SZ	BYD COMPANY	Consumer Discretionary	323.5	2,239.9	1.12	22.73
12	300059.SZ	EASTMONEY	Financials	203.3	2,143.9	1.09	23.82
13	600887.SS	YILI	Consumer Staples	175.0	864.5	1.04	24.86
14	300760.SZ	MINDRAY	Healthcare	326.1	914.3	1.02	25.89
15	600276.SS	HR	Healthcare	250.4	1,132.4	1.02	26.91
16	000651.SZ	GREE	Consumer Discretionary	197.4	1,083.3	0.99	27.90
17	601328.SS	BANKCOMM	Financials	237.1	660.4	0.89	28.80
18	601816.SS	CH	Industrials	246.5	358.7	0.85	29.65
19	601012.SS	LONGI	Industrials	154.7	2,831.9	0.83	30.47
20	603259.SS	WUXI APPTec	Healthcare	152.3	1,562.3	0.81	31.29
21	002475.SZ	LXJM	Industrials	194.1	1,644.5	0.79	32.08
22	600309.SS	WANHUA	Materials	228.3	825.5	0.79	32.87
23	601288.SS	ABC	Financials	1,248.2	1,211.6	0.78	33.65
24	000725.SZ	BOE	Industrials	140.1	1,129.6	0.75	34.40
25	002714.SZ	MUYUAN	Consumer Staples	196.6	828.3	0.74	35.14
26	601088.SS	CHINA SHENHUA	Energy	587.9	789.2	0.74	35.88
27	002415.SZ	HIKVISION	Information Technology	293.9	794.0	0.74	36.62
28	000568.SZ	LUZHOU LAO JIAO	Consumer Staples	230.9	1,386.2	0.73	37.35
29	600028.SS	SINOPEC CORP	Energy	564.0	723.1	0.71	38.05
30	600000.SS	SPD BANK	Financials	202.5	200.4	0.70	38.75

Source: Hang Seng Indexes Company.

Date: 29 January 2024



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