



RESEARCH PAPER

14 June 2024

Demographic Trends Driving Healthcare Spending, Government Advocates for Innovative Drug Development

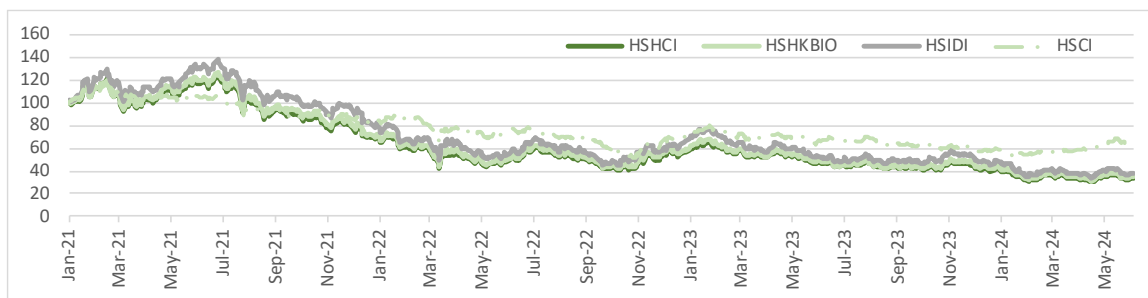
HSIL has indexes tracking companies in healthcare, biotech and innovative drug sectors

In 2023, China's per capita disposable income grew by 6.3% YoY to RMB39,218. Additionally, according to the World Bank's forecast, China's old age dependency ratio (aged 65+/aged 20-64) is expected to reach 29% by 2030, up from 18% in 2020. This demographic shift suggests significant growth potential for healthcare expenditure in China. The Hang Seng Healthcare Index ('HSHCI') is an effective tool to track the overall performance of healthcare businesses listed in Hong Kong.

In March this year, the State Council identified the development of innovative drugs as one of the major targets and tasks in the 2024 Government Work Report. According to consulting firm Frost & Sullivan, the global market for innovative drugs is projected to grow at a compound annual growth rate ('CAGR') of 5.5% from 2022 to 2025. While generic drugs are expected to see flattish growth, innovative drugs are anticipated to experience steady increases. The Hang Seng Innovative Drug Index ('HSIDI') tracks the performance of Hong Kong-listed companies involved in the research and development or manufacturing of innovative drugs.

For investors who are keen to focus specifically on biotechnology subsector, they can follow the Hang Seng Hong Kong-Listed Biotech Index ('HSHKBIO') which tracks the performance of the 50 largest Hong Kong-listed biotech companies. Among the five indexes discussed in this report, they were down 10-13% over the past month. The sector is still impacted by a series of negative news flow.

Exhibit 1: Index performance of the HSHCI, HSHKBIO, HSIDI and HSCI (3-year basis)



Source: Hang Seng Indexes Company.

Date: 11 June 2024



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Executive Summary

Higher disposable income and global pandemic will drive up per capita health expenditure

In 2023, China's per capita disposable income was RMB39,218. According to a forecast done by a third party, China's per capita disposable income is projected to reach RMB52,500 in 2028E. This is equivalent to a CAGR of 6%. With the aging of the population and heightened awareness of personal hygiene and health maintenance (driven by COVID-19), we expect the population will spend more of their disposable income on healthcare services. According to a forecast done by a third party, the per capita health expenditure in China will grow with a CAGR of 6.4% between 2023 and 2028.

Hang Seng Healthcare Index ('HSHCI') tracks stocks related to healthcare businesses

Back in August 2015, Hang Seng Indexes Company launched the HSHCI to track the overall performance of Hong Kong-listed companies in healthcare businesses. Among the 85 constituent members which come from six different subsectors, the top 3 subsectors (in terms of weighting distribution) are: (1) Biotechnology (36% weighting distribution, 29 companies); (2) Pharmaceuticals (36% weighting distribution, 20 companies); (3) Medicine Distribution (13% weighting distribution, 7 companies).

Hang Seng Hong Kong-Listed Biotech Index ('HSHKBIO') consists of mostly Pharmaceuticals and Biotechnology companies

With more and more biotech companies choosing Hong Kong as the listing place (including stocks listed through the Chapter 18A of Listing Rules), Hang Seng Indexes Company launched the HSHKBIO in December 2019. The 50 constituent members come from four subsectors: (1) Pharmaceuticals; (2) Biotechnology; (3) Medicine Distribution; (4) Medical Devices & Supplies. Pharmaceuticals and Biotechnology account for roughly 86% weighting distribution of the index.

As government emphasised importance of innovative drugs development, Hang Seng Innovative Drug Index ('HSIDI') tracks performance of related companies

Back in March of this year, in the Report on the Work of the Government presented by Premier of the State Council, among the major targets and tasks for the year of 2024, the government emphasised the importance of innovative drugs development. According to Frost & Sullivan, the global market for the innovative drugs (on global basis) will grow with a CAGR of 5.5% over the period of 2022-25E and 3.9% over the period of 2025-30E. In May 2023, Hang Seng Indexes Company launched the HSIDI to track the performance of Hong Kong-listed companies engaged in the R&D or manufacture of innovative drugs.



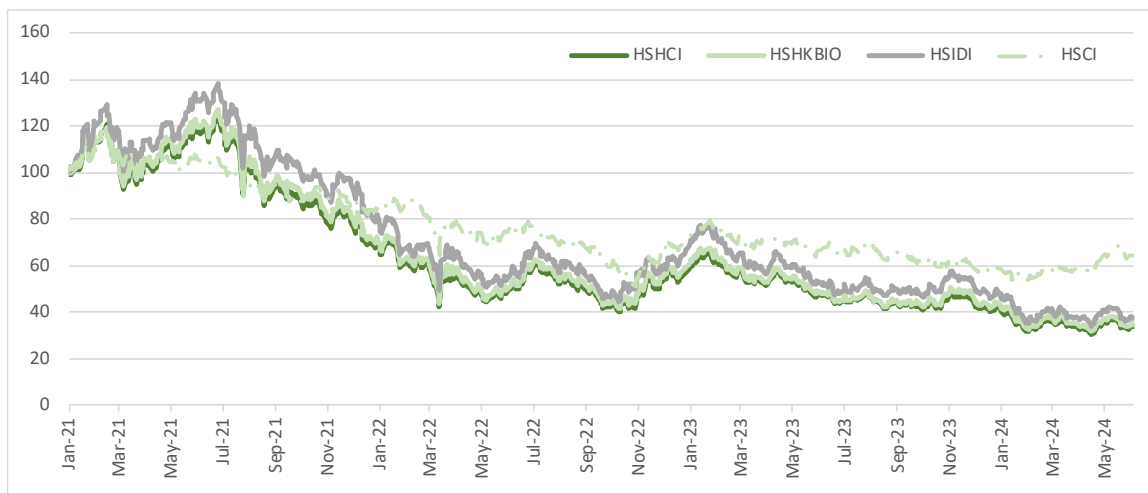
HSIL offers a comprehensive array of indexes tracking the healthcare industry

Upon initial glance, investors may find it difficult to weave through the myriad of indexes tracking healthcare industry. One easy way to differentiate the various indexes: (1) the HSHCI encompasses healthcare companies listed in Hong Kong (>80 companies); (2) the HSHKBIO specifically focuses upon biotech companies (including stocks listed through the Chapter 18A of Listing Rules); (3) the HSIDI encompasses Hong Kong-listed companies which are engaged in the R&D or manufacture of innovative drugs.

The sector is still under the overhang created by a series of negative news flow in the past 6 months

For the past month, we note that HSHCI, HSHKBIO, HSIDI, HSSCID, and HSSCPB were down 10-13% over the past month. The sector is still influenced by a series of negative news flow (for example, in Dec 2023, a bill was introduced in the US House of Senate prohibiting federal contracting with biotechnology providers connected to foreign adversaries).

Exhibit 2: Index performance of the HSHCI, HSHKBIO, HSIDI and HSCI (3-year basis)



Source: Hang Seng Indexes Company.

Date: 11 June 2024



Latest Developments of Healthcare Industry in China

External developments

During every second quarter of each year, there are many important healthcare industry conferences. At these conferences, healthcare companies will provide update on their new products or services. In event the market perceives a business opportunity associated with a new product or service, the share price of corresponding company should react in a positive manner.

Exhibit 3: List of recent and upcoming healthcare industry conferences

Time	Name of industry conference	Abbreviation of conference
5 - 7 April 2024	National Comprehensive Cancer Network	NCCN
5 - 10 April 2024	American Association for Cancer Research	AACR
3 - 7 May 2024	European Society for Radiotherapy and Oncology	ESTRO
31 May - 4 June 2024	American Society of Clinical Oncology	ASCO
13 - 16 June 2024	European Hematology Association	EHA
15 - 16 May 2024	American Head & Neck Society	AHNS

Source: Hang Seng Indexes Company.

Date: 11 June 2024

In the past few years, there has been a gradual adoption of artificial intelligence in the healthcare industry overseas. Some clinics and hospitals are utilising artificial intelligence to provide diagnosis of patients with minor health issues. In addition, clinics and hospitals may use artificial intelligence to handle simple paperwork (previously handled by human) and improve the operational efficiency. Within clinical research laboratories, artificial intelligence is being used to analyse vast amount of research data. Ideally, research laboratories want to speed up the process of drug discovery. Such a movement could drive similar trends developing in China. A higher utilisation of artificial intelligence could enhance the efficiency of innovative drugs development. For example, machine learning models can propose new molecules to fight certain diseases. This process can be completed in minutes (based on machine learning models).

Internal developments

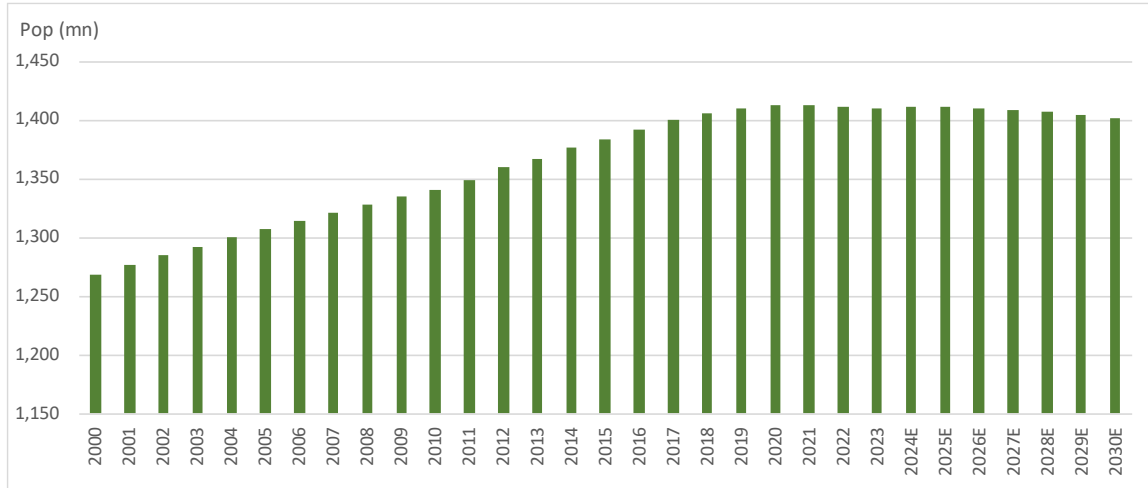
In China, the demographic of the population and the healthcare reform are the two key drivers behind the healthcare industry.

Aging population creates more demand for healthcare services. By the end of 2023, China's population reached 1.41 billion (Exhibit 4). Within this 1.41 billion, individuals aged 60 and above amounted to 297 million. According to the latest forecast made by the World Bank, China's population is expected to decline slightly to 1.40 billion by 2030E. By the time the population hits 1.40 billion, the old age dependency ratio (aged 65+/aged 20-64) in China could reach 29%. With an aging population, the demand for healthcare services will increase correspondingly.



Per capita disposable income. China's per capita disposable income (Exhibit 5) reached RMB39,218 in 2023 (+6.3% YoY). The steady improvement of China's per capita disposable income over time indicates the population can afford to spend more on healthcare services.

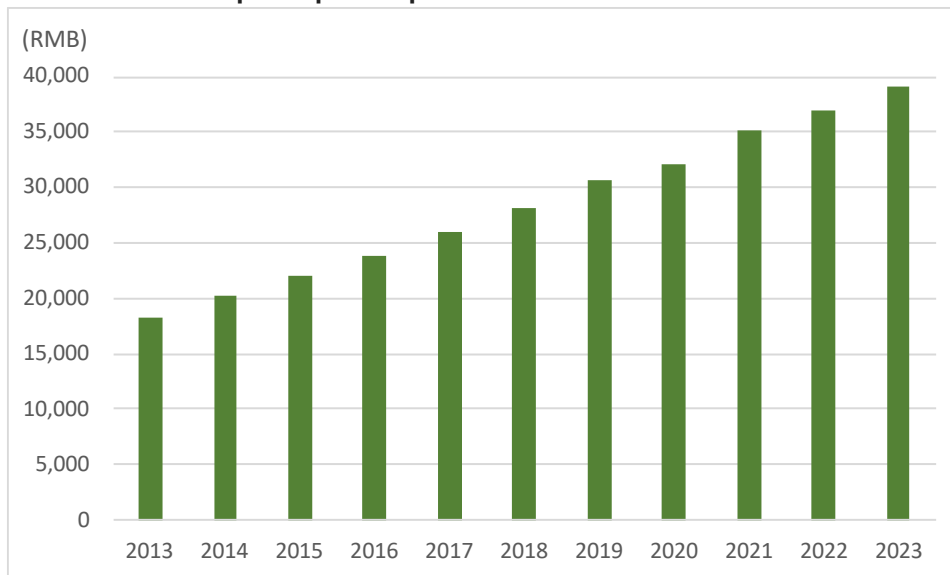
Exhibit 4: Forecast of China's population



Source: WIND, World Bank.

Date: 11 June 2024

Exhibit 5: China's per capita disposable income



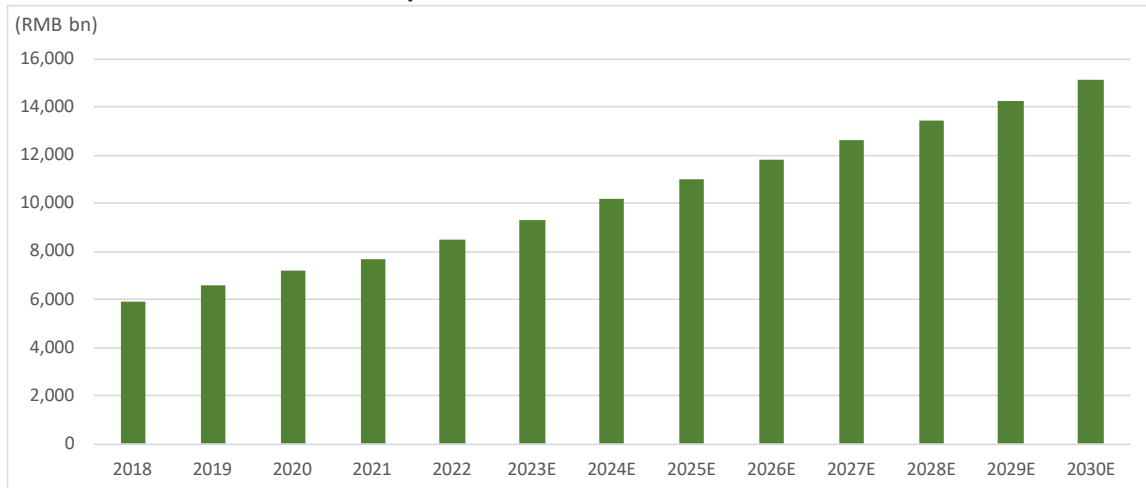
Source: WIND.

Date: 11 June 2024

Per capita health expenditure. As the general public is becoming more health conscious, they are willing to spend more and more to maintain their well-being. The outbreak of COVID-19 in 2020 has further heightened the public awareness of personal hygiene and health maintenance. In 2019, the per capita health expenditure was RMB 4,669 in China. By 2023, such figure grew to RMB 6,299. This is equivalent to a CAGR of 7.8%. According to Frost & Sullivan, the per capita health expenditure in China will grow with a CAGR of 6.4% between 2023 and 2028.



Exhibit 6: China's healthcare expenditure



Source: Frost & Sullivan.

Date: 11 June 2024

Back in March 2021, the National People's Congress and Chinese People's Political Consultative Conference promulgated the 14th Five-Year Plan to deepen the healthcare reform and boost the growth of the healthcare sector in China. Over the years, the government introduced a number of initiatives, aiming to: (1) encourage social capital to invest in the healthcare institutions; (2) promote the development of private healthcare institutions; and (3) reform the public healthcare institutions.

Exhibit 7: Summary of major policies introduced to regulate mainland's healthcare industry

Release date	Relevant policies
Mar-2009	Deepening the Reform of the Medical and Healthcare System
May-2010	Encouraging and Guiding the Healthy Development of Private Investment
Nov-2010	Further Encouraging and Guiding the Establishment of Medical Institutions by Social
Sep-2013	Promoting the Development of Healthcare Service Industry
Dec-2013	Accelerating the Development of Medical Institutions with Social Capital
Nov-2014	Innovating the Investment and Financing Mechanisms in Key Areas and Encouraging Social Investment
Jun-2015	Promotion of Accelerating the Development of the Medical Institutions Invested by Social Capital
Jun-2019	Promoting the Sustainable, Healthy and Regulated Development of Private Medical Institutions
Feb-2020	Deepening the Reform of the Medical Insurance System
Mar-2023	Further Improving the Healthcare Service System

Source: Chinese government websites.

Date: 11 June 2024



In the following exhibit, we provide a summary of key events (since beginning of this year) that affecting the healthcare industry in China.

Exhibit 8: Summary of key events affecting mainland's healthcare industry

Month	Event
Jan-2024	Draft version of US' Biosecure Act introduced in House
Mar-2024	Innovative drugs were mentioned in the Government Work Report for the first time; The Work Report called for actively fostering emerging industries and future-oriented industries, which included expediting the development of cutting-edge sectors such as innovative drugs; Medical and health services were also focuses as the Work Report promoted the coordinated development and management of medical insurance, medical services, and pharmaceuticals.
Mar-2024	US Senate Committee on Homeland Security & Governmental Affairs voted 11-1 to move the Biosecure Act forward
Apr-2024	Major cities such as Beijing, Guangzhou and Zhuhai announced measures to support the high-quality development of innovative drugs
May-2024	US House Committee on Oversight and Accountability voted 40-1 on the Biosecure Act, which advanced to the House floor
May-2024	National Health Security Administration issued a notice to promote broad-based VBP

Source: Hang Seng Indexes Company.

Date: 11 June 2024

For investors who want to track the performance of stocks listed in Hong Kong that are related to healthcare businesses, they can refer to the HSHCI. A discussion of this index will be found in later section of this research paper.

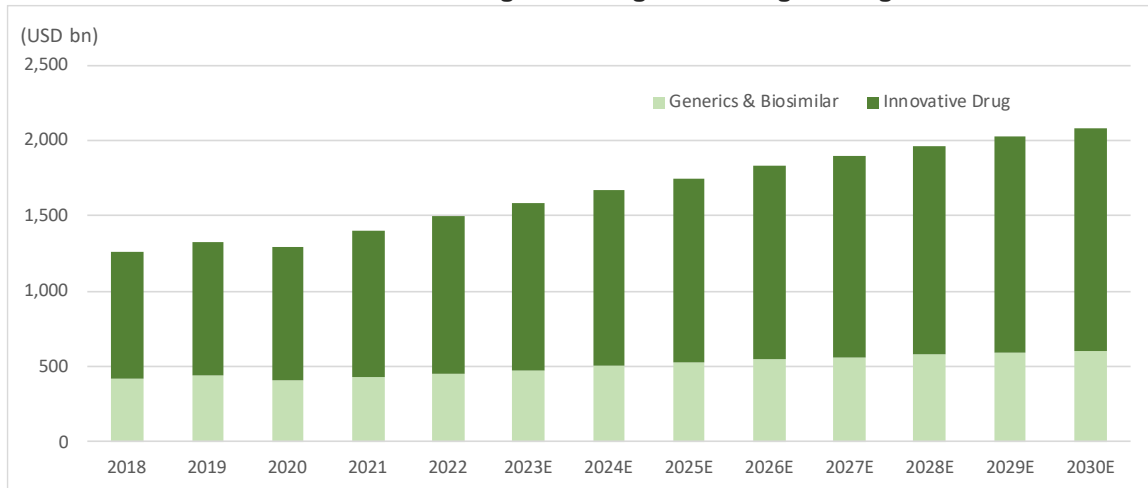
Government Emphasised the Importance of Innovative Drugs Development

Based on the Report on the Work of the Government presented by Premier of the State Council back in early March of this year, among the major targets and tasks for the year 2024, the government emphasised the importance of: (1) innovative drugs development; (2) facilitating a coordinated development between health insurance, medical treatment and medicine. Given the concern expressed by the government, we expect drug development companies will step up their research and development spending to speed up the development of innovative drugs.

According to Frost & Sullivan, the global market for the innovative drugs (on global basis) will grow with a CAGR of 5.5% over the period of 2022-25E and 3.9% over the period of 2025-30E.



Exhibit 9: Market size of innovative drugs versus generic drugs on a global basis



Source: Frost & Sullivan.

Date: 11 June 2024

For investors who want to track the performance of stocks listed in Hong Kong that are engaged in the research, development and manufacture of innovative drugs, HSIL has several indexes available. One index is the HSIID.



Hang Seng Healthcare Index ('HSHCI')

In August 2015, HSIL launched the HSHCI to track the performance of stocks listed in Hong Kong that are related to healthcare businesses.

A company will be selected as a constituent member of the HSHCI if it is classified in the healthcare industry in accordance with the Hang Seng Industry Classification System ('HSICS'). The list of constituent members is being reviewed once every six months. A 10% cap on weighting distribution is being placed on individual company.

As of 11 June 2024, there are 85 companies within the HSHCI. The constituent members come from six different subsectors: (1) Biotechnology (36% weighting distribution, 29 companies); (2) Chinese Medicines (3% weighting distribution, 3 companies); (3) Medical & Aesthetic Services (6% weighting distribution, 12 companies); (4) Medical Devices & Supplies (6% weighting distribution, 14 companies); (5) Medicine Distribution (13% weighting distribution, 7 companies); (6) Pharmaceuticals (36% weighting distribution, 20 companies).

Exhibit 10: HSHCI – Top 10 constituents (based on 11 June 2024)

	Code	Company	Industry	Weighting (%)
1	6160.HK	BEIGENE	Healthcare	10.65%
2	1093.HK	CSPC PHARMA	Healthcare	8.29%
3	1801.HK	INNOVENT BIO	Healthcare	6.47%
4	2269.HK	WUXI BIO	Healthcare	5.67%
5	1177.HK	SINO BIOPHARM	Healthcare	4.13%
6	1099.HK	SINOPHARM	Healthcare	3.94%
7	6618.HK	JD HEALTH	Healthcare	3.73%
8	0241.HK	ALI HEALTH	Healthcare	3.29%
9	9926.HK	AKESO	Healthcare	3.29%
10	2367.HK	GIANT BIOGENE	Healthcare	3.01%
		Subtotal		52.48%

Source: Hang Seng Indexes Company.

Date: 11 June 2024



Hang Seng Hong Kong-Listed Biotech Index ('HSHKBIO')

In December 2019, HSIL launched the HSHKBIO to track the performance of biotech companies listed in Hong Kong, including stocks listed through the Chapter 18A of Listing Rules.

To be eligible as a constituent member of the HSHKBIO, a company has to be classified in one of the following subsectors within the HSICS: (1) Pharmaceuticals; (2) Biotechnology; (3) Medicine Distribution; (4) Medical Devices & Supplies. The top 50 companies with the highest market cap will be selected as constituent members. The list of constituent members is being reviewed once every three months. A 10% cap on weighting distribution is being placed on individual company.

As of 11 June 2024, the distribution of the HSHKBIO members is: (1) Pharmaceuticals (45% weighting distribution, 18 companies); (2) Biotechnology (41% weighting distribution, 20 companies); (3) Medicine Distribution (8% weighting distribution, 5 companies); (4) Medical Devices & Supplies (6% weighting distribution, 7 companies).

Exhibit 11: HSHKBIO – Top 10 constituents (based on 11 June 2024)

	Code	Company	Industry	Weighting (%)
1	6160.HK	BEIGENE	Healthcare	10.67%
2	1093.HK	CSPC PHARMA	Healthcare	10.21%
3	1801.HK	INNOVENT BIO	Healthcare	8.38%
4	2269.HK	WUXI BIO	Healthcare	7.34%
5	1177.HK	SINO BIOPHARM	Healthcare	5.35%
6	9926.HK	AKESO	Healthcare	4.26%
7	2367.HK	GIANT BIOGENE	Healthcare	3.91%
8	3692.HK	HANSOH PHARMA	Healthcare	3.65%
9	0013.HK	HUTCHMED	Healthcare	2.82%
10	9688.HK	ZAI LAB	Healthcare	2.75%
		Subtotal		59.34%

Source: Hang Seng Indexes Company.

Date: 11 June 2024



Hang Seng Innovative Drug Index ('HSIDI')

In May 2023, HSIL launched the HSIDI to track the performance of stocks listed in Hong Kong that are engaged in the research, development and manufacture of innovative drugs.

To be eligible as a constituent member of the HSIDI, a company has to be classified in the Pharmaceutical or Biotechnology subsector in accordance with the HSICS. Based on the business exposure to the innovative drug industry, each eligible company will be assigned a relevance score. The top 40 companies with the highest relevance score will be selected as constituent members. The list of constituent members is being reviewed once every six months. A 10% cap on weighting distribution is being placed on individual company.

As of 11 June 2024, the distribution of the HSIDI members is: (1) Biotechnology (59% weighting distribution, 25 companies); (2) Pharmaceuticals (41% weighting distribution, 15 companies).

Exhibit 12: HSIDI – Top 10 constituents (based on 11 June 2024)

	Code	Company	Industry	Weighting (%)
1	6160.HK	BEIGENE	Healthcare	10.78%
2	1801.HK	INNOVENT BIO	Healthcare	9.78%
3	2269.HK	WUXI BIO	Healthcare	9.63%
4	9926.HK	AKESO	Healthcare	6.97%
5	1093.HK	CSPC PHARMA	Healthcare	6.69%
6	9688.HK	ZAI LAB	Healthcare	6.43%
7	1177.HK	SINO BIOPHARM	Healthcare	5.63%
8	9995.HK	REMEGEN	Healthcare	4.09%
9	0013.HK	HUTCHMED	Healthcare	3.54%
10	2157.HK	LEPU BIO - B	Healthcare	3.46%
		Subtotal		67.02%

Source: Hang Seng Indexes Company.

Date: 11 June 2024



Hang Seng SCHK Innovative Drug Index ('HSSCID')

In July 2023, HSIL launched the HSSCID to track the performance of stocks listed in Hong Kong that are engaged in the research, development and manufacture of innovative drugs. While the HSSCID and the HSIDI are quite similar, the constituent members of the HSSCID are eligible under the Southbound Stock Connect.

To be eligible as a constituent member of the HSSCID, a company has to be classified in the Pharmaceutical subsector or Biotechnology subsector in accordance with the HSICS. Based on the business exposure to the innovative drug industry, each eligible company will be assigned a relevance score. The top 40 companies with the highest relevance score will be selected as constituent members. The list of constituent members is being reviewed once every six months. A 10% cap on weighting distribution is being placed on individual company.

As of 11 June 2024, the distribution of the HSSCID members is: (1) Biotechnology (47% weighting distribution, 24 companies); (2) Pharmaceuticals (53% weighting distribution, 16 companies).

Exhibit 13: HSSCID – Top 10 constituents (based on 11 June 2024)

	Code	Company	Industry	Weighting (%)
1	6160.HK	BEIGENE	Healthcare	10.75%
2	1093.HK	CSPC PHARMA	Healthcare	10.28%
3	1801.HK	INNOVENT BIO	Healthcare	9.75%
4	2269.HK	WUXI BIO	Healthcare	9.60%
5	1177.HK	SINO BIOPHARM	Healthcare	7.38%
6	9926.HK	AKESO	Healthcare	5.87%
7	3692.HK	HANSOH PHARMA	Healthcare	5.03%
8	0013.HK	HUTCHMED	Healthcare	3.88%
9	9688.HK	ZAI LAB	Healthcare	3.79%
10	1548.HK	GENSCRIPT BIO	Healthcare	3.02%
		Subtotal		69.35%

Source: Hang Seng Indexes Company.

Date: 11 June 2024



Hang Seng SCHK Innovative Drug Select Index ('HSSCPB')

In July 2023, HSIL launched the HSSCPB to track the performance of stocks listed in Hong Kong that are engaged in the research, development and manufacture of innovative drugs. While HSSCPB and HSIDI are quite similar, the constituent members of HSSCPB are eligible under the Southbound Stock Connect.

In addition, this index imposes two additional requirements (not required by HSSCID) on member selection: (1) a 12-month Average Daily Turnover \geq HK\$10 million; (2) companies ranked in the bottom 5% in terms of YoY R&D expense growth will be removed.

To be eligible as a constituent member of the HSSCPB, a company has to be classified in the Pharmaceutical or Biotechnology subsector in accordance with the HSICS. Based on the business exposure to the innovative drug industry, each eligible company will be assigned a relevance score. The top 50 companies with the highest relevance score will be selected as constituent members. The list of constituent members is being reviewed once every six months. A 12% cap on weighting distribution is being placed on individual company.

As of 11 June 2024, the distribution of the HSSCPB members is: (1) Biotechnology (43% weighting distribution, 18 companies); (2) Pharmaceuticals (57% weighting distribution, 19 companies).

Exhibit 14: HSSCPB – Top 10 constituents (based on 11 June 2024)

	Code	Company	Industry	Weighting (%)
1	6160.HK	BEIGENE	Healthcare	12.87%
2	1093.HK	CSPC PHARMA	Healthcare	12.32%
3	1801.HK	INNOVENT BIO	Healthcare	11.05%
4	2269.HK	WUXI BIO	Healthcare	9.67%
5	1177.HK	SINO BIOPHARM	Healthcare	7.05%
6	9926.HK	AKESO	Healthcare	5.61%
7	3692.HK	HANSOH PHARMA	Healthcare	4.81%
8	0013.HK	HUTCHMED	Healthcare	3.71%
9	1548.HK	GENSCRIPT BIO	Healthcare	2.89%
10	1530.HK	3SBIO	Healthcare	2.79%
		Subtotal		72.78%

Source: Hang Seng Indexes Company.

Date: 11 June 2024



In the following exhibit, we highlight HSIL has launched a series of sector indexes which track performance of companies engaged in healthcare (general) or innovative drugs (specific).

Exhibit 15: Summary of major characteristics for healthcare indexes

Name	Hang Seng Healthcare Index	Hang Seng Hong Kong-Listed Biotech Index	Hang Seng Innovative Drug Index	Hang Seng SCHK Innovative Drug Index	Hang Seng SCHK Innovative Drug Select Index
Index Ticker	HSHCI	HSHKBIO	HSIDI	HSSCID	HSSCPB
Launch date	17-Aug-2015	16-Dec-2019	15-May-2023	10-Jul-2023	17-Jul-2023
Eligibility universe	A company is classified in Healthcare industry	A biotech company	A company is engaged in the R&D, manufacture of innovative drugs	A company is engaged in the R&D, manufacture of innovative drugs	A company is engaged in the R&D, manufacture of innovative drugs
Listing place	Hong Kong	Hong Kong	Hong Kong	Hong Kong	Hong Kong
Stock Connect	-	-	-	Southbound	Southbound
Sector requirements	-	Pharmaceutical, Biotechnology, Medicine Distribution, Medical Devices	Pharmaceutical, Biotechnology	Pharmaceutical, Biotechnology	Pharmaceutical, Biotechnology
Relevance score used in member selection	No	No	Yes	Yes	Yes
Turnover requirements	-	Velocity Test	Velocity Test	-	12-mth ADT >= HK\$10 mn
Fundamental requirements	-	-	-	-	Companies ranked in bottom 5% in terms of YoY R&D expense growth will be removed
Constituents	No limit	Fixed at 50	Fixed at 40	Fixed at 40	Fixed at 50
Weight cap	10%	10%	10%	10%	12%
Review frequency	Half-yearly	Quarterly	Half-yearly	Half-yearly	Half-yearly

Source: Hang Seng Indexes Company.

Date: 11 June 2024

One easy way to differentiate the abovementioned indexes: (1) the HSHCI encompasses healthcare companies listed in Hong Kong (>80 companies); (2) the HSHKBIO specifically focuses upon biotech companies (including stocks listed through the Chapter 18A of Listing Rules); (3) the HSIDI encompasses Hong Kong-listed companies which are engaged in the R&D or manufacture of innovative drugs; (4) while the HSSCID and the HSIDI are quite similar, the constituent members of the HSSCID are eligible under the Southbound Stock Connect; (5) the HSSCPB applies an Average Daily Turnover requirement and R&D expense growth requirement in constituent selection.



Index Performance

Due to a series of negative news flow (for example, in Dec 2023, a bill was introduced in the US House of Senate prohibiting federal contracting with biotechnology providers connected to foreign adversaries), we note that the HSHCI, HSHKBIO, HSIDI, HSSCID, and HSSCPB were down 10-13% over the past month.

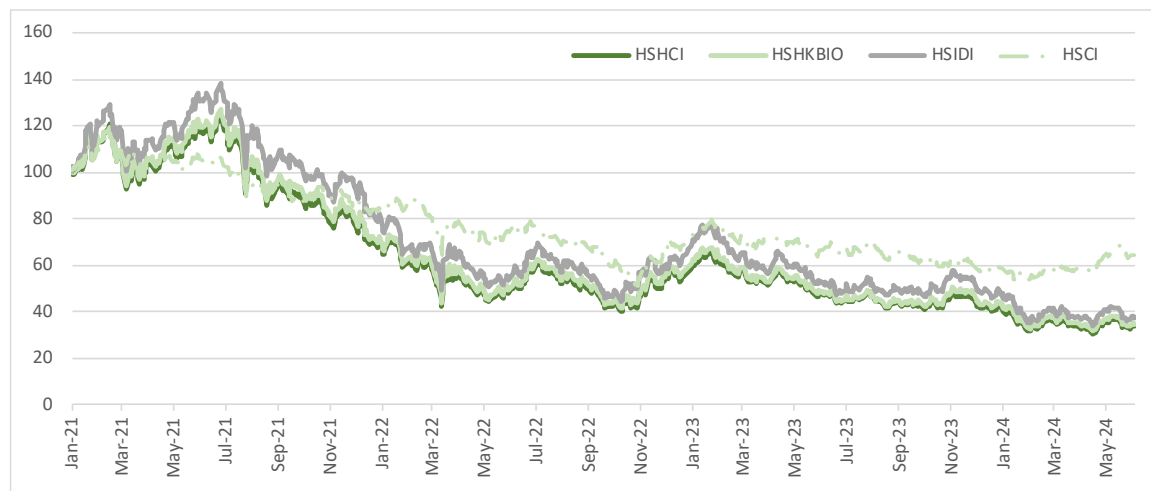
Exhibit 16: Comparison of index performance

Index name	Bloomberg ticker	2021	2022	2023	YTD 1-month	
Return (%)						
Hang Seng Healthcare Index	HSHCI	-29.6	-19.3	-24.5	-23.1	-9.9
Hang Seng Hong Kong-Listed Biotech Index	HSHKBIO	-27.8	-18.7	-24.0	-24.1	-10.9
Hang Seng Innovative Drug Index	HSIDI	-17.7	-19.1	-25.5	-26.0	-12.9
Hang Seng SCHK Innovative Drug Index	HSSCID	-13.3	-19.3	-18.2	-24.5	-11.7
Hang Seng SCHK Innovative Drug Select Index	HSSCPB	-22.7	-16.5	-19.7	-25.3	-11.8
Volatility (%)						
Hang Seng Healthcare Index	HSHCI	38.6	47.9	31.0		
Hang Seng Hong Kong-Listed Biotech Index	HSHKBIO	38.6	48.1	32.1		
Hang Seng Innovative Drug Index	HSIDI	39.9	50.3	35.4		
Hang Seng SCHK Innovative Drug Index	HSSCID	39.2	48.6	33.9		
Hang Seng SCHK Innovative Drug Select Index	HSSCPB	38.5	48.4	32.5		

Source: Hang Seng Indexes Company.

Date: 11 June 2024

Exhibit 17: Comparison of index performance in graphical format (since January 2021)



Source: Hang Seng Indexes Company.

Date: 11 June 2024



Appendix 1 – HSHCI Constituent Details (Top 30 Stocks)

Exhibit 18: HSHCI – Top 30 constituents (based on 11 June 2024)

	Code	Company	Sector	3-mth ADT (HK\$ m)	Weighting (%)	Acc. Weighting (%)
1	6160.HK	BEIGENE	Pharmaceuticals & Biotechnology	133.8	10.65	10.65
2	1093.HK	CSPC PHARMA	Pharmaceuticals & Biotechnology	308.1	8.29	18.94
3	1801.HK	INNOVENT BIO	Pharmaceuticals & Biotechnology	301.3	6.47	25.42
4	2269.HK	WUXI BIO	Pharmaceuticals & Biotechnology	867.8	5.67	31.08
5	1177.HK	SINO BIOPHARM	Pharmaceuticals & Biotechnology	164.7	4.13	35.21
6	1099.HK	SINOPHARM	Pharmaceuticals & Biotechnology	133.8	3.94	39.15
7	6618.HK	JD HEALTH	Pharmaceuticals & Biotechnology	203.6	3.73	42.88
8	0241.HK	ALI HEALTH	Pharmaceuticals & Biotechnology	188.9	3.29	46.17
9	9926.HK	AKESO	Pharmaceuticals & Biotechnology	403.9	3.29	49.46
10	2367.HK	GIANT BIOGENE	Pharmaceuticals & Biotechnology	208.5	3.01	52.48
11	3692.HK	HANSOH PHARMA	Pharmaceuticals & Biotechnology	90.8	2.82	55.29
12	0013.HK	HUTCHMED	Pharmaceuticals & Biotechnology	107.8	2.17	57.47
13	9688.HK	ZAI LAB	Pharmaceuticals & Biotechnology	95.3	2.12	59.59
14	0570.HK	TRAD CHI MED	Pharmaceuticals & Biotechnology	99.5	2.04	61.63
15	6078.HK	HYGEIA HEALTH	Healthcare Equipment & Services	90.3	1.70	63.33
16	1548.HK	GENSCRIPT BIO	Pharmaceuticals & Biotechnology	200.6	1.69	65.02
17	1530.HK	3SBIO	Pharmaceuticals & Biotechnology	68.6	1.63	66.66
18	2359.HK	WUXI APTEC	Pharmaceuticals & Biotechnology	332.1	1.56	68.21
19	1066.HK	WEIGAO GROUP	Healthcare Equipment & Services	39.1	1.48	69.69
20	3320.HK	CHINARES PHARMA	Pharmaceuticals & Biotechnology	56.8	1.46	71.15
21	0867.HK	CMS	Pharmaceuticals & Biotechnology	112.2	1.28	72.43
22	2607.HK	SH PHARMA	Pharmaceuticals & Biotechnology	37.0	1.16	73.59
23	3933.HK	UNITED LAB	Pharmaceuticals & Biotechnology	42.9	1.15	74.75
24	0512.HK	GRAND PHARMA	Pharmaceuticals & Biotechnology	20.7	1.04	75.79
25	6600.HK	SCICLONE PHARMA	Pharmaceuticals & Biotechnology	89.9	1.02	76.81
26	2186.HK	LUYE PHARMA	Pharmaceuticals & Biotechnology	31.4	1.00	77.80
27	1833.HK	PA GOODDOCTOR	Healthcare Equipment & Services	61.7	0.95	78.75
28	1951.HK	JXR	Pharmaceuticals & Biotechnology	59.9	0.93	79.68
29	2196.HK	FOSUN PHARMA	Pharmaceuticals & Biotechnology	72.2	0.91	80.59
30	2273.HK	GUSHENGTANG	Healthcare Equipment & Services	43.2	0.90	81.49

Source: Hang Seng Indexes Company.

Date: 11 June 2024



Appendix 2 – HSHKBIO Constituent Details (Top 30 Stocks)

Exhibit 19: HSHKBIO – Top 30 constituents (based on 11 June 2024)

	Code	Company	Subsector	3-mth ADT (HK\$ m)	Weighting (%)	Acc. Weighting (%)
1	6160.HK	BEIGENE	Biotechnology	133.8	10.67	10.67
2	1093.HK	CSPC PHARMA	Pharmaceuticals	308.1	10.21	20.88
3	1801.HK	INNOVENT BIO	Pharmaceuticals	301.3	8.38	29.26
4	2269.HK	WUXI BIO	Biotechnology	867.8	7.34	36.60
5	1177.HK	SINO BIOPHARM	Pharmaceuticals	164.7	5.35	41.96
6	9926.HK	AKESO	Biotechnology	403.9	4.26	46.21
7	2367.HK	GIANT BIOGENE	Biotechnology	208.5	3.91	50.12
8	3692.HK	HANSOH PHARMA	Pharmaceuticals	90.8	3.65	53.77
9	0013.HK	HUTCHMED	Pharmaceuticals	107.8	2.82	56.59
10	9688.HK	ZAI LAB	Biotechnology	95.3	2.75	59.34
11	1099.HK	SINOPHARM	Medicine Distribution	133.8	2.55	61.89
12	6618.HK	JD HEALTH	Medicine Distribution	203.6	2.41	64.30
13	1548.HK	GENSCRIPT BIO	Biotechnology	200.6	2.19	66.50
14	0241.HK	ALI HEALTH	Medicine Distribution	188.9	2.13	68.63
15	1530.HK	3SBIO	Pharmaceuticals	68.6	2.12	70.75
16	2359.HK	WUXI APPTEC	Biotechnology	332.1	2.01	72.76
17	1066.HK	WEIGAO GROUP	Medical Devices & Supplies	39.1	1.92	74.68
18	3320.HK	CHINARES PHARMA	Pharmaceuticals	56.8	1.89	76.57
19	0867.HK	CMS	Pharmaceuticals	112.2	1.66	78.23
20	3933.HK	UNITED LAB	Pharmaceuticals	42.9	1.50	79.72
21	6600.HK	SCICLONE PHARMA	Pharmaceuticals	89.9	1.32	81.04
22	2186.HK	LUYE PHARMA	Pharmaceuticals	31.4	1.29	82.33
23	1951.HK	JXR	Biotechnology	59.9	1.20	83.54
24	2196.HK	FOSUN PHARMA	Pharmaceuticals	72.2	1.18	84.72
25	2005.HK	SSY GROUP	Pharmaceuticals	12.6	1.09	85.81
26	2162.HK	KEYMED BIO - B	Biotechnology	51.1	1.05	86.85
27	0853.HK	MICROPORT	Medical Devices & Supplies	63.7	1.03	87.88
28	6606.HK	NH HEALTH	Medical Devices & Supplies	27.9	0.96	88.84
29	9969.HK	INNOCARE	Biotechnology	17.8	0.96	89.80
30	2096.HK	SIMCERE PHARMA	Pharmaceuticals	32.2	0.94	90.74

Source: Hang Seng Indexes Company.

Date: 11 June 2024



Appendix 3 – HSIID Constituent Details (Top 30 Stocks)

Exhibit 20: HSIID – Top 30 constituents (based on 11 June 2024)

	Code	Company	Subsector	3-mth ADT (HK\$ m)	Weighting (%)	Acc. Weighting (%)
1	6160.HK	BEIGENE	Biotechnology	133.8	10.78	10.78
2	1801.HK	INNOVENT BIO	Pharmaceuticals	301.3	9.78	20.56
3	2269.HK	WUXI BIO	Biotechnology	867.8	9.63	30.19
4	9926.HK	AKESO	Biotechnology	403.9	6.97	37.16
5	1093.HK	CSPC PHARMA	Pharmaceuticals	308.1	6.69	43.85
6	9688.HK	ZAI LAB	Biotechnology	95.3	6.43	50.29
7	1177.HK	SINO BIOPHARM	Pharmaceuticals	164.7	5.63	55.92
8	9995.HK	REMEGEN	Biotechnology	54.3	4.09	60.01
9	0013.HK	HUTCHMED	Pharmaceuticals	107.8	3.54	63.56
10	2157.HK	LEPU BIO - B	Biotechnology	22.5	3.46	67.02
11	3692.HK	HANSOH PHARMA	Pharmaceuticals	90.8	2.88	69.90
12	1877.HK	JUNSHI BIO	Biotechnology	15.4	2.53	72.43
13	1530.HK	3SBIO	Pharmaceuticals	68.6	1.98	74.41
14	6990.HK	SKB BIO - B	Biotechnology	71.2	1.85	76.27
15	2359.HK	WUXI APTEC	Biotechnology	332.1	1.84	78.11
16	1548.HK	GENSCRIPT BIO	Biotechnology	200.6	1.75	79.86
17	2096.HK	SIMCERE PHARMA	Pharmaceuticals	32.2	1.75	81.62
18	3320.HK	CHINARES PHARMA	Pharmaceuticals	56.8	1.69	83.31
19	3347.HK	TIGERMED	Biotechnology	77.1	1.40	84.71
20	9969.HK	INNOCARE	Biotechnology	17.8	1.34	86.05
21	0867.HK	CMS	Pharmaceuticals	112.2	1.30	87.35
22	3759.HK	PHARMARON	Pharmaceuticals	51.0	1.24	88.59
23	6660.HK	AIM VACCINE	Pharmaceuticals	3.1	1.23	89.81
24	6600.HK	SCICLONE PHARMA	Pharmaceuticals	89.9	1.16	90.97
25	2196.HK	FOSUN PHARMA	Pharmaceuticals	72.2	1.14	92.11
26	2162.HK	KEYMED BIO - B	Biotechnology	51.1	1.04	93.15
27	9966.HK	ALPHAMAB - B	Biotechnology	25.2	0.97	94.12
28	2105.HK	LAEKNA - B	Biotechnology	29.2	0.75	94.87
29	1952.HK	EVEREST MED - B	Biotechnology	99.1	0.74	95.61
30	6855.HK	ASCENTAGE - B	Biotechnology	28.4	0.73	96.34

Source: Hang Seng Indexes Company.

Date: 11 June 2024



Appendix 4 – HSSCID Constituent Details (Top 30 Stocks)

Exhibit 21: HSSCID – Top 30 constituents (based on 11 June 2024)

	Code	Company	Subsector	3-mth ADT (HK\$ m)	Weighting (%)	Acc. Weighting (%)
1	6160.HK	BEIGENE	Biotechnology	133.8	10.75	10.75
2	1093.HK	CSPC PHARMA	Pharmaceuticals	308.1	10.28	21.03
3	1801.HK	INNOVENT BIO	Pharmaceuticals	301.3	9.75	30.78
4	2269.HK	WUXI BIO	Biotechnology	867.8	9.60	40.38
5	1177.HK	SINO BIOPHARM	Pharmaceuticals	164.7	7.38	47.76
6	9926.HK	AKESO	Biotechnology	403.9	5.87	53.63
7	3692.HK	HANSOH PHARMA	Pharmaceuticals	90.8	5.03	58.66
8	0013.HK	HUTCHMED	Pharmaceuticals	107.8	3.88	62.54
9	9688.HK	ZAI LAB	Biotechnology	95.3	3.79	66.33
10	1548.HK	GENSCRIPT BIO	Biotechnology	200.6	3.02	69.35
11	1530.HK	3SBIO	Pharmaceuticals	68.6	2.92	72.27
12	2359.HK	WUXI APPTec	Biotechnology	332.1	2.78	75.05
13	3320.HK	CHINARES PHARMA	Pharmaceuticals	56.8	2.60	77.65
14	0867.HK	CMS	Pharmaceuticals	112.2	2.29	79.94
15	0512.HK	GRAND PHARMA	Pharmaceuticals	20.7	1.85	81.79
16	2186.HK	LUYE PHARMA	Pharmaceuticals	31.4	1.78	83.57
17	2196.HK	FOSUN PHARMA	Pharmaceuticals	72.2	1.63	85.20
18	2162.HK	KEYMED BIO - B	Biotechnology	51.1	1.44	86.64
19	9969.HK	INNOCARE	Biotechnology	17.8	1.32	87.96
20	2096.HK	SIMCERE PHARMA	Pharmaceuticals	32.2	1.29	89.25
21	9995.HK	REMEGEN	Biotechnology	54.3	1.06	90.31
22	6990.HK	SKB BIO - B	Biotechnology	71.2	1.06	91.37
23	1513.HK	LIVZON PHARMA	Pharmaceuticals	17.6	1.01	92.38
24	3347.HK	TIGERMED	Biotechnology	77.1	0.94	93.31
25	1952.HK	EVEREST MED - B	Biotechnology	99.1	0.86	94.18
26	2157.HK	LEPU BIO - B	Biotechnology	22.5	0.67	94.84
27	3759.HK	PHARMARON	Pharmaceuticals	51.0	0.65	95.49
28	0460.HK	SIHUAN PHARM	Pharmaceuticals	6.4	0.53	96.03
29	1477.HK	OCUMENSION - B	Biotechnology	6.3	0.50	96.53
30	6660.HK	AIM VACCINE	Pharmaceuticals	3.1	0.50	97.03

Source: Hang Seng Indexes Company.

Date: 11 June 2024



Appendix 5 – HSSCPB Constituent Details (Top 30 Stocks)

Exhibit 22: HSSCPB – Top 30 constituents (based on 11 June 2024)

	Code	Company	Subsector	3-mth ADT (HK\$ m)	Weighting (%)	Acc. Weighting (%)
1	6160.HK	BEIGENE	Biotechnology	133.8	12.87	12.87
2	1093.HK	CSPC PHARMA	Pharmaceuticals	308.1	12.32	25.19
3	1801.HK	INNOVENT BIO	Pharmaceuticals	301.3	11.05	36.24
4	2269.HK	WUXI BIO	Biotechnology	867.8	9.67	45.91
5	1177.HK	SINO BIOPHARM	Pharmaceuticals	164.7	7.05	52.97
6	9926.HK	AKESO	Biotechnology	403.9	5.61	58.58
7	3692.HK	HANSOH PHARMA	Pharmaceuticals	90.8	4.81	63.39
8	0013.HK	HUTCHMED	Pharmaceuticals	107.8	3.71	67.10
9	1548.HK	GENSCRIPT BIO	Biotechnology	200.6	2.89	69.99
10	1530.HK	3SBIO	Pharmaceuticals	68.6	2.79	72.78
11	2359.HK	WUXI APTEC	Biotechnology	332.1	2.65	75.43
12	3320.HK	CHINARES PHARMA	Pharmaceuticals	56.8	2.49	77.92
13	0867.HK	CMS	Pharmaceuticals	112.2	2.19	80.11
14	3933.HK	UNITED LAB	Pharmaceuticals	42.9	1.97	82.08
15	6600.HK	SCICLONE PHARMA	Pharmaceuticals	89.9	1.74	83.82
16	2186.HK	LUYE PHARMA	Pharmaceuticals	31.4	1.70	85.52
17	2196.HK	FOSUN PHARMA	Pharmaceuticals	72.2	1.56	87.08
18	2162.HK	KEYMED BIO - B	Biotechnology	51.1	1.38	88.46
19	9969.HK	INNOCARE	Biotechnology	17.8	1.26	89.72
20	2096.HK	SIMCERE PHARMA	Pharmaceuticals	32.2	1.24	90.95
21	6855.HK	ASCENTAGE - B	Biotechnology	28.4	1.05	92.00
22	9995.HK	REMEGEN	Biotechnology	54.3	1.01	93.02
23	6990.HK	SKB BIO - B	Biotechnology	71.2	1.01	94.03
24	3347.HK	TIGERMED	Biotechnology	77.1	0.90	94.92
25	0512.HK	GRAND PHARMA	Pharmaceuticals	20.7	0.88	95.81
26	1952.HK	EVEREST MED - B	Biotechnology	99.1	0.83	96.63
27	3759.HK	PHARMARON	Pharmaceuticals	51.0	0.62	97.25
28	1513.HK	LIVZON PHARMA	Pharmaceuticals	17.6	0.48	97.74
29	6185.HK	CANSINO BIO	Biotechnology	26.2	0.47	98.20
30	9966.HK	ALPHAMAB - B	Biotechnology	25.2	0.32	98.52

Source: Hang Seng Indexes Company.

Date: 11 June 2024



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