

Technical Notice

28 March 2019

Changes to Hang Seng Industry Classification System

The Hang Seng Industry Classification System (“HSICS”) currently classifies stocks into 11 industries, 31 sectors and 89 subsectors. To reflect the latest developments in Hong Kong and mainland China stock markets, the HSICS will be changed to classify stocks into 12 industries, 31 sectors and 94 subsectors. The following changes to the HSICS will take effect on 9 September 2019 (Monday).

Comparison between the new and existing industries under HSICS

New		Existing	
Industry Code	Industry (Total: 12)	Industry Code	Industry (Total: 11)
00	Energy	00	Energy
05	Materials	05	Materials
10	Industrials	10	Industrials
23	Consumer Discretionary	20	Consumer Goods
25	Consumer Staples	30	Consumer Services
28	Healthcare	35	Telecommunications
35	Telecommunications	40	Utilities
40	Utilities	50	Financials
50	Financials	60	Properties Construction
60	Properties Construction	70	Information Technology
70	Information Technology	80	Conglomerates
80	Conglomerates		

1. Reorganisation of ‘Consumer Goods’ and ‘Consumer Services’ industries into ‘Consumer Discretionary’, ‘Consumer Staples’ and ‘Healthcare’ industries

- All sectors and subsectors currently classified under ‘Consumer Goods’ or ‘Consumer Services’ will be reorganised and classified according to their business nature under the ‘Consumer Discretionary’, ‘Consumer Staples’ and ‘Healthcare’ industries.

Sectors under ‘Consumer Discretionary’, ‘Consumer Staples’ and ‘Healthcare’ industries

New		Existing
Industry	Sector	Industry
Consumer Discretionary	Automobiles	Consumer Goods
	Household Goods & Electronics	
	Textiles & Clothing	
	Travel & Leisure	Consumer Services
	Media & Entertainment	
	Support Services	
	Specialty Retail (new sector)	
Consumer Staples	Food & Beverages	Consumer Goods
	Agricultural Products	
	Consumer Staple Retailers	Consumer Services
Healthcare (new industry)	Pharmaceuticals & Biotechnology	Consumer Goods
	Healthcare Equipment & Services	Consumer Services

2. Other Changes

- A new ‘Electronic Components’ subsector will be added to the ‘Industrial Engineering’ sector under ‘Industrials’ industry.
- In addition, the definitions of the ‘Building Construction’, ‘Heavy Construction & Engineering’ and ‘Telecommunications Equipment’ subsectors will be updated.

For more details, please refer to the Appendix.

Should you have any enquiries, please e-mail info@hsi.com.hk.

End

Hang Seng Industry Classification System

Industry		Sector		Subsector		Definition
00	Energy	0010	Oil & Gas	001010	Oil & Gas Producers	Companies involved in exploration for, refining, distribution and supply and production of oil and gas
				001020	Oil & Gas Equipment & Services	Manufacturers of equipment and providers of supplies and services to oil and gas producers
		0020	Coal	002010	Coal	Companies involved in mining, distribution and supply of coal
05	Materials	0510	Gold & Precious Metals	051010	Gold & Precious Metals	Companies engaged in exploration for and refining of gold and other precious metals as well as diamonds; and companies involved in the development of mines for the same
				052010	Iron & Steel	Producers, processors and traders of iron and steel and related products; includes companies that primarily mine for the same
		0520	Diversified Metals & Minerals	052020	Copper	Producers, processors and traders of copper and related products; includes companies that primarily mine for the same
				052030	Aluminium	Producers, processors and traders of aluminium and related products; includes companies that primarily mine for the same
				052040	Other Metals & Minerals	Producers, processors and traders of metals and minerals not classified elsewhere; and companies engaged in general mining
				053010	Fertilisers & Agricultural Chemicals	Producers and distributors of fertilisers, pesticides or other agriculture-related chemicals
		0530	Basic Materials	053020	Forestry & Timber	Manufacturers and distributors of timber and related wood products; owners and operators of timber tracts, forest nurseries and sawmills
				053030	Paper	Manufacturers and distributors of all grades of paper
				053040	Specialty Chemicals	Companies that produce and supply polymers (e.g. plastics and synthetic fibres), dyes, coatings and other chemicals for specialised applications
10	Industrials	1010	Industrial Engineering	101010	Commercial Vehicles & Trucks	Manufacturers and distributors of commercial vehicles such as trucks, buses, ferries and cruisers; container producers and companies that provide assemblies and parts of the related
				101020	Industrial Components & Equipment	Makers, distributors and installers of general industrial machinery and components such as casting and moulding equipment, laminates, printed circuit boards, electrical wires and glass
				101025	Electronic Components	Makers or distributors of electrical parts for high-technology products such as smartphones, computers and tablets. Include makers of camera modules, display modules and loudspeaker assembly
				101030	Environmental Engineering	Manufacturers of power-generating equipment and suppliers of environmental protection related products and services such as power turbines, waste treatment and pollution control equipment

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Industry	Sector		Subsector		Definition			
	1020	Industrial Transportation	101040	Heavy Industrial Machinery	Manufacturers & distributors of heavy machinery including construction equipment, heavy agricultural machinery and producers of related parts			
			101050	New Energy Materials	Producers and distributors of environmental friendly energy materials & devices such as solar cells and green energy storage devices			
			101060	Aerospace & Defence	Manufacturers of civil or military aerospace and defence equipment, parts or products			
			102010	Shipping & Port Operation	Owners and operators of ports and terminal facilities; providers of marine transportation for commercial use			
			102020	Railway & Tollroad Operation	Providers of industrial railway transportation and railway lines; companies that operate roads, highways, bridges and tunnels			
			102030	Air Freight & Logistics	Companies providing air freight transportation, courier and logistics services; providers of mail and package delivery services for commercial and consumer use			
	1030	Commercial & Professional Services	103010	Sourcing & Supply Chain Service	Providers of procurement service of diversified products for the commercial and industrial sectors; companies providing contract logistics solutions along the entire supply chain			
			103020	Printing & Packaging	Makers and distributors of cardboard, bags, boxes, cans and containers used for packaging; companies providing commercial printing services			
23	Consumer Discretionary	2310	Automobiles	231010	Automobiles	Companies that produce and distribute passenger automobiles and light trucks		
				231020	Auto Parts	Manufacturers of parts and accessories for automobiles and motorcycles		
				2320	Household Goods & Electronics	232010	Home Appliances	Manufacturers of electric household appliances and related products
						232020	Consumer Electronics	Manufacturers of consumer electronics, such as TVs and other audio-visual products
						232030	Toys & Leisure Products	Manufacturers of leisure products and equipment including sports equipment, bicycles and toys
						232040	Household Goods	Manufacturers of durable household products, including soft home furnishings or furniture, kitchenware and consumer specialties not classified elsewhere
				2330	Textiles & Clothing	233010	Textiles & Fabrics	Producers and traders of fabrics, yarns and related textile products; providers of related processing services
						233020	Apparel	Designers and makers of all types of clothing

Industry	Sector		Subsector	Definition
	2340	Travel & Leisure	233030 Footwear	Designers and makers of all types of footwear
			233040 Jewellery & Timepieces	Designers and makers of jewellery, jadeites, gemstones, watches, timepieces and similar items
			233050 Other Accessories	Manufacturers of leather goods, handbags, eyewear and other accessories not classified elsewhere
			234010 Transportation	Companies that provide passenger transportation, such as buses, taxis, rail and ferry companies
			234020 Airlines	Companies that provide passenger air transportation, including airport operators and service providers to airline companies
			234030 Casinos & Gaming	Owners and operators of casinos and gaming facilities including companies which provide lottery and betting services
			234040 Hotels & Resorts	Operators and managers of hotels, motels, lodges, resorts, spas and campgrounds
			234050 Travel & Tourism	Companies providing travel and tourism related services, including travel agents, online travel reservation services, cruise-ship operators and automobile rental firms
			234060 Restaurants	Owners and operators of restaurants, bars, coffee shops, fast-food facilities; providers of food catering services
			234070 Leisure & Recreational Facilities	Providers of leisure facilities and services, including fitness centres, sports team management and amusement parks
	2350	Media & Entertainment	235010 Advertising & Marketing	Companies providing advertising, marketing or public relations services
			235020 Broadcasting	Owners and operators of television or radio broadcasting systems
			235030 Movies & Entertainment	Companies engaged in the production and distribution of movies, television shows, music, artiste management and theatre operation
			235040 Publishing	Publishers of newspapers, magazines and books; providers of information via print or electronic media
	2360	Support Services	236010 Education	Companies that provide education related services (e.g. provision of formal education, tutorial classes, consultancy services, educational materials, vocational training, interest classes, and online training courses)
			236020 Other Support Services	Providers of non-financial services to consumer sectors not classified elsewhere (e.g. employment, cleaning and laundry, funeral services, multi-media contact services, auction and security services)

Industry		Sector		Subsector	Definition
25	Consumer Staples	2370	Specialty Retail	237010 Automotive Retailers	Owners and operators of stores specializing in automotive retail
				237020 Apparel Retailers	Retailers specialized in apparel and accessories
				237030 Home Improvement Retailers	Retailers and wholesalers concentrating on the sale of home improvement products, including garden equipment, carpets, wallpaper, paint, home furniture, blinds and curtains, and building materials
				237040 Diversified Retailers	Retail outlets and wholesalers offering a wide variety of products including both hard goods and soft goods
				237050 Other Retailers	Owners and operators of specialty retail stores not classified elsewhere. Include jewelry stores, toy stores, office supply stores, health & vision care stores, beauty supply stores and book & entertainment stores
	Consumer Staples	2510	Food & Beverages	251010 Packaged Foods	Producers and distributors of processed food, including noodles, snacks, fruit, vegetables and frozen food products
				251020 Dairy Products	Producers and suppliers of milk, ice cream and other dairy-related products
				251030 Non-alcoholic Beverages	Manufacturers and distributors of non-alcoholic beverages, such as soda, fruit juices, tea, coffee and bottled water
				251040 Alcohols	Producers and traders of beer, wine, spirits and other alcoholic beverages
				251050 Food Additives	Producers and distributors of food additives such as flavours and fragrances
		2520	Agricultural Products	252010 Poultry & Meat	Companies engaged in livestock raising, livestock slaughtering, and the production and supply of meat, poultry or fish products
				252020 Agricultural Products	Companies that grow, process and trade agricultural goods, such as crops, fruits, brewing materials, edible oil and corn-based-refined products
				252030 Animal Feeds	Companies engaged in the manufacturing, development and distribution of feedstock products and related activities
		2530	Consumer Staple Retailers	253010 Supermarkets & Convenience Stores	Owners and operators of stores offering diversified general merchandise
				253020 Personal Care	Manufacturers and distributors of personal care, including toiletries, personal-care and hygiene products
28	Healthcare	2810	Pharmaceuticals & Biotechnology	281010 Pharmaceuticals	Companies engaged in the research, development, production or distribution of pharmaceuticals

Industry	Sector	Subsector	Definition
		281020 Biotechnology	Companies engaged in the research, development and manufacturing of biological substances usually involving genetic analysis and engineering for medicine discovery and diagnostic development, such as providers of these medicines and diagnostic products
	2820 Healthcare Equipment & Services	282010 Medical Devices	Manufacturers and suppliers of healthcare equipment and devices
		282020 Medical & Aesthetic Services	Medical & aesthetic service providers including hospital, clinic and beauty shop
35	Telecommunications	350010 Satellite & Wireless Communication	Providers of satellite and wireless data communication solutions and related services
		350020 Telecommunication Services	Operators of primarily mobile and fixed-line telecommunication networks
40	Utilities	400010 Electricity	Companies that produce or distribute electricity
		400020 Gas Distribution	Companies that distribute and transmit gas to end-users
		400030 Water	Companies that provide water to end-users, including operators of water treatment plants
		400040 Alternative/ Renewable Energy	Companies which develop, manage and operate clean energy projects such as hydropower and wind farms
50	Financials	5010 Banks	501010 Banks
		5020 Insurance	502010 Insurance
		5030 Other Financials	503010 Securities & Brokerage
			503020 Investment & Asset Management
			503030 Financing
			503040 Other Financials
60	Properties & Construction	6010 Properties	601010 Real Estate Agencies

Industry	Sector		Subsector		Definition
				601020	Property Development Companies that develop and sell property
				601030	Property Investment Companies engaged in property ownership mainly for the purpose of leasing and rental income
				601040	Real Estate Investment Trusts Real estate investment trusts that focus investment in a portfolio of income-generating properties, such as shopping malls, offices, hotels and service apartments
				601050	Property Service and Management Companies that provide property management and related services
		6020	Construction	602010	Construction Materials Manufacturers and wholesalers of building materials including cement, concrete and tiles
				602020	Building Construction Constructors of commercial and residential buildings and providers of building construction-related services such as renovation, fitting-out, general architecture, landscape architecture, interior design and other ancillary services
				602030	Heavy Construction & Engineering Companies engaged in civil engineering projects such as construction of railways, roads, highways, reclamation dredging and slope works
70	Information Technology	7010	IT Hardware	701010	Telecommunication Equipment Producers and distributors of telecommunication equipment, such as telephones, handsets and providers of repair and maintenance services for the same
				701020	Computers & Peripherals Manufacturers and distributors of personal computers, servers, mainframes, workstations and related peripherals, such as mass-storage drives, mouse, keyboards, printers and smartcards
		7020	Software & Services	702010	System Applications & IT Consulting Companies that provide consulting services relating to information technology, such as computer system design, systems integration, network and systems operations, data management and storage solutions
				702020	E-Commerce & Internet Services Companies providing Internet-related services, such as Internet access providers, search engines and providers of website design, web hosting and e-mail services, including companies that provide solutions and platforms for e-commerce or electronic payments
				702030	Software Companies engaged in developing and producing software designed for specialised applications such as providers of online game, information service, business software and mobile application
				7030	Semiconductors Companies engaged in the manufacturing and distribution of semiconductors and semiconductor equipment
				703010	Semiconductors
80	Conglomerates	8000	Conglomerates	800010	Conglomerates Diversified companies engaged in three or more businesses classified in different sectors with each business contributing more than 10% but not substantially to turnover