



6 February 2018

Hang Seng Indexes Announces Index Review Results

Hang Seng Indexes Company Limited (“Hang Seng Indexes”) today announced the results of its review of the Hang Seng Family of Indexes for the quarter ended 29 December 2017. All changes will come into effect on 5 March 2018 (Monday).

1. Hang Seng Index

Wharf Holdings Spin-off Constituent Review

In the technical notice issued on 7 November 2017, it was announced that Wharf Real Estate Investment Company Limited (“Wharf REIC”), being a spin-off by The Wharf (Holdings) Limited as a separate listing vehicle, was temporarily retained in the Hang Seng Index (“HSI”) and its constituency would be reviewed in the following regular index review. After careful deliberation, the constituency of Wharf Holdings (before spin-off of Wharf REIC) in the HSI will be taken up by Wharf REIC (SEHK Code: 1997) while the Remaining Wharf Holdings (SEHK Code: 4) will be removed from the HSI.

Regular HSI Constituent Changes Review

There are no other changes to the constituents of the Hang Seng Index.

Removal:

Code	Company
4	The Wharf (Holdings) Ltd.

On the effective date of the constituent changes, i.e. 5 March 2018, the total number of constituents will return to 50.

The list of constituents is provided in Appendix 1.

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2. Hang Seng China Enterprises Index

HSCEI Enhancement

As announced on 17 August 2017 regarding the HSCEI Enhancement, a total of 10 Red-chips and P-chips have been selected to join the HSCEI as constituents in this review cycle. These 10 constituents will be added on top of the 40 existing H-shares constituents. Additional eligibility screenings, i.e. listing history, price volatility and financial requirements, were applied in selecting the 10 Red-chips / P-chips constituents to address the different risk profiles of Red-chips / P-chips as compared with H-shares. The 10 Red-chips and P-chips constituents will be added to the HSCEI in five phases over a period of 12 months with an inclusion factor and an adjusted cap level in each phase according to the following timetable:

Phase	Date	Inclusion Factor	Adjusted Cap Level
1	5 March 2018	0.2	2%
2	4 June 2018	0.4	4%
3	10 September 2018	0.6	6%
4	10 December 2018	0.8	8%
5	March 2019*	1.0	10%

* The rebalancing date of regular index review. Exact dates will be announced in February 2019.

Red-chips and P-chips

The top 10 Red-chips and P-chips that met all the selection criteria for joining the HSCEI are as follows:

Inclusion:

Code	Company
267	CITIC Ltd.
270	Guangdong Investment Ltd.
384	China Gas Holdings Ltd.
700	Tencent Holdings Ltd.
883	CNOOC Ltd.
941	China Mobile Ltd.
1044	Hengan International Group Co. Ltd.
1093	CSPC Pharmaceutical Group Ltd.
1109	China Resources Land Ltd.
2313	Shenzhou International Group Holdings Ltd.

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H-shares

The H-shares constituents have gone through an independent review according to the standard index methodology of the HSCEI. The following constituent changes will be made to the Hang Seng China Enterprises Index.

Inclusion:

Code	Company
6060	ZhongAn Online P & C Insurance Co., Ltd. - H Shares

Removal:

Code	Company
1186	China Railway Construction Corporation Ltd. - H Shares

On the effective date of the constituent changes, the total number of constituents will increase to 50.

The list of constituents is provided in Appendix 2.

Index Tracking Pure H-shares Segment

To cater for the market interest in a benchmark that reflects the pure H-shares segment, a day-end pure H-shares index, namely the Hang Seng H-Share Index (“HSHI”), will be launched. The constituents of the HSHI will be the 40 H-shares in the HSCEI. The index calculation will be freefloat-adjusted market-value-weighted with a 10% cap on individual constituents. Further index information will be announced in due course.

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3. Hang Seng Composite LargeCap & MidCap Index

The following constituent changes will be made to the Hang Seng Composite LargeCap & MidCap Index. The total number of constituents will increase from 291 to 297.

Inclusion:

Code	Company
45	The Hongkong and Shanghai Hotels, Ltd.
87	Swire Pacific Ltd. 'B'
127	Chinese Estates Holdings Ltd.
582	Landing International Development Ltd.
754	Hopson Development Holdings Ltd.
772	China Literature Ltd.
1030	Future Land Development Holdings Ltd.
1141	CMBC Capital Holdings Ltd.
1269	China First Capital Group Ltd.
1378	China Hongqiao Group Ltd.
1628	Yuzhou Properties Co. Ltd.
1638	Kaisa Group Holdings Ltd.
2196	Shanghai Fosun Pharmaceutical (Group) Co., Ltd. - H Shares
2232	Crystal International Group Ltd.
2858	Yixin Group Ltd.
3993	China Molybdenum Co., Ltd. - H Shares

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Removal:

Code	Company
41	Great Eagle Holdings Ltd.
787	Global Brands Group Holding Ltd.
861	Digital China Holdings Ltd.
1031	Kingston Financial Group Ltd.
1315	Vision Fame International Holding Ltd.
2199	Regina Miracle International (Holdings) Ltd.
2329	Guorui Properties Ltd.
2888	Standard Chartered PLC
3331	Vinda International Holdings Ltd.
3698	Huishang Bank Corporation Ltd. - H shares

The complete review results of the Hang Seng Composite Index and its sub-indexes have been released in a separate index notice.

4. Hang Seng China AH Index Series

The following company changes will be made to the Hang Seng China AH Index Series. The total number of companies will remain as 71.

Inclusion:

Code		Company
HK Share	A Share	
1513	000513	Livzon Pharmaceutical Group Inc.
3958	600958	Orient Securities Company Limited

Removal:

Code		Company
HK Share	A Share	
548	600548	Shenzhen Expressway Co. Ltd.
1065	600874	Tianjin Capital Environmental Protection Group Co. Ltd.

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5. Hang Seng China 50 Index

The following constituent changes will be made to the Hang Seng China 50 Index. The total number of constituents is fixed at 50.

Inclusion:

Code		Company
HK Share	A Share	
1336	601336	New China Life Insurance Co. Ltd.
2007	-	Country Garden Holdings Co. Ltd.
3333	-	China Evergrande Group
-	002352	S.F. Holding Co., Ltd.
-	600019	Baoshan Iron & Steel Co., Ltd.
-	600050	China United Network Communications Limited

Removal:

Code		Company
HK Share	A Share	
1339	-	The People's Insurance Co. (Group) of China Ltd.
1776	000776	GF Securities Co., Ltd.
-	000166	Shenwan Hongyuan Group Co., Ltd.
-	002736	Guosen Securities Co., Ltd.
-	601989	China Shipbuilding Industry Company Limited

6. Other Benchmark and Thematic Indexes

The Benchmark and Thematic Indexes in the Hang Seng Family of Indexes were also part of the index review.

The review results of the Benchmark Indexes and Thematic Indexes have been released in a separate index notice.

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About Hang Seng Indexes Company Limited

The Hang Seng Family of Indexes is managed and compiled by Hang Seng Indexes Company Limited (formerly HSI Services Limited), which is a wholly-owned subsidiary of Hang Seng Bank. The Hang Seng Family of Indexes comprises a wide range of Flagship, Benchmark, Thematic, Strategy and Bond indexes that cover stocks/bonds listed in Hong Kong/mainland China markets. For further information on the Hang Seng Family of Indexes, please visit the company's website at www.hsi.com.hk.

About HSI Advisory Committee

Hang Seng Indexes Company Limited has appointed an independent advisory committee which meets regularly to discuss matters pertaining to the indexes, including changes of constituents and the launch of new indexes.

About Index Review

Hang Seng Indexes Company Limited conducts regular reviews of indexes in the Hang Seng Family of Indexes. The review frequency of each index is on a quarterly, half-yearly or annual basis according to its index methodology. Reviews will usually be completed within eight weeks after each calendar quarter-end.

End

Hang Seng Index

Constituent Change		(Effective 5 March 2018)	
ADD	REMOVE		
NIL	Code	Company Name	
	4	WHARF HOLDINGS	

Index Information

Number of Constituents (Effective 5 March 2018):	50
Market Value Coverage Ratio* (As at 29 December 2017):	57.7%
Turnover Coverage Ratio* (Fourth Quarter of 2017):	51.3%

* The universe comprises Main Board primary listings excluding foreign companies

Constituent List (Assuming the constituent changes had been effective on 2 February 2018)

Code	Company Name	FAF (%)^	Weighting (%) *	
			Before	After **
Finance			49.41	49.03
5	HSBC HOLDINGS	100	9.89	10.00
939	CCB (H)	40 #	9.40	8.46
1299	AIA	100	7.64	7.74
1398	ICBC (H)	85	5.29	5.36
2318	PING AN (H)	70	4.59	4.65
3988	BANK OF CHINA (H)	95	3.59	3.64
388	HKEX	95	3.30	3.35
2628	CHINA LIFE (H)	100	1.92	1.94
2388	BOC HONG KONG	35	1.43	1.44
11	HANG SENG BANK	40	1.37	1.38
3328	BANKCOMM (H)	25	0.57	0.58
23	BANK OF E ASIA	55 #	0.44	0.49
Utilities			4.37	4.43
2	CLP HOLDINGS	75	1.47	1.49
3	HK & CHINA GAS	60	1.26	1.27
6	POWER ASSETS	65	0.93	0.94
1038	CKI HOLDINGS	25	0.44	0.45
836	CHINA RES POWER	40	0.27	0.27
Properties			11.45	11.19
1113	CK ASSET	70	1.87	1.90
16	SHK PPT	45	1.69	1.71
823	LINK REIT	100	1.45	1.46
2007	COUNTRY GARDEN	35	1.21	1.23
688	CHINA OVERSEAS	35	1.15	1.17
1109	CHINA RES LAND	40	0.86	0.87
17	NEW WORLD DEV	60	0.71	0.74
1997	WHARF REIC	40	0.65	0.66
12	HENDERSON LAND	30	0.63	0.63
83	SINO LAND	45 #	0.45	0.42
101	HANG LUNG PPT	45	0.40	0.41
4	WHARF HOLDINGS	40	0.38	-
Commerce & Industry			34.76	35.35
700	TENCENT	60	9.81	10.00
941	CHINA MOBILE	30	4.82	4.88
1	CKH HOLDINGS	70	2.76	2.79
883	CNOOC	40	2.19	2.22
386	SINOPEC CORP (H)	100	1.73	1.75
27	GALAXY ENT	55	1.57	1.59
857	PETROCHINA (H)	100	1.30	1.31
175	GEELY AUTO	60	1.29	1.31
1928	SANDS CHINA LTD	30	1.05	1.06
2018	AAC TECH	60	1.00	1.02
762	CHINA UNICOM	25 #	0.81	0.88
1088	CHINA SHENHUA (H)	100	0.84	0.85
288	WH GROUP	60 #	0.89	0.83
2382	SUNNY OPTICAL	65	0.78	0.79
66	MTR CORPORATION	30	0.77	0.78
267	CITIC	20	0.69	0.70
2319	MENGNIU DAIRY	70	0.66	0.67
1044	HENGAN INT'L	60	0.54	0.54
151	WANT WANT CHINA	50	0.40	0.40
19	SWIRE PACIFIC A	55	0.38	0.38
992	LENOVO GROUP	60 #	0.26	0.31
144	CHINA MER PORT	45 #	0.24	0.28
Total			100.00	100.00

^ FAF is subject to change resulted from substantial capital change issues.

* Figures may not add up to totals due to rounding.

** The weighting changes reflect a re-capping of HSBC and TENCENT to 10%, and changes in FAF.

FAF changed in this review. New FAF will take effect on 5 March 2018.

(H): H-share company

Hang Seng China Enterprises Index

Constituent Change (H-shares) (Effective 5 March 2018)

ADD		REMOVE	
Code	Company Name	Code	Company Name
6060	ZA ONLINE	1186	CHINA RAIL CONS

Constituent Change (Red-chips and P-chips)

ADD			
Code	Company Name	Code	Company Name
267	CITIC	941	CHINA MOBILE
270	GUANGDONG INV	1044	HENGAN INTL
384	CHINA GAS HOLD	1093	CSPC PHARMA
700	TENCENT	1109	CHINA RES LAND
883	CNOOC	2313	SHENZHOU INTL

Constituent List (Assuming the constituent changes had been effective on 2 February 2018)

Code	Company Name	FAF (%) [^]	Weighting (%) [^]	
			Before	After ^{**}
H-shares			100.00	94.01
939	CCB	40 [#]	11.20	10.00
1398	ICBC	85	10.38	10.00
2318	PING AN	70	9.60	10.00
3988	BANK OF CHINA	95	10.49	9.63
2628	CHINA LIFE	100	5.60	5.14
386	SINOPEC CORP	100	5.04	4.63
3968	CM BANK	85	4.23	3.88
857	PETROCHINA	100	3.78	3.47
1288	ABC	90	3.71	3.41
2601	CPIC	95 [#]	2.69	2.76
1088	CHINA SHENHUA	100	2.46	2.26
2328	PICC P&C	100	2.16	1.98
998	CITIC BANK	65	1.77	1.63
3328	BANKCOMM	25	1.67	1.53
1988	MINSHENG BANK	90	1.56	1.44
914	CONCH CEMENT	95	1.56	1.44
2202	CHINA VANKE	100	1.44	1.32
728	CHINA TELECOM	95	1.44	1.32
1211	BYD COMPANY	70	1.32	1.21
1658	PSBC	40 [#]	0.88	1.07
1336	NCI	80 [#]	1.10	1.07
1099	SINOPHARM	100	1.16	1.07
1800	CHINA COMM CONS	100	1.16	1.06
6837	HAITONG SEC	95	1.15	1.06
6030	CITIC SEC	85	1.11	1.02
2238	GAC GROUP	95	1.04	0.96
1339	PICC GROUP	85	0.99	0.91
1766	CRRG	100	0.95	0.87
2333	GREATWALL MOTOR	100	0.82	0.75
1359	CHINA CINDA	65	0.82	0.75
6886	HTSC	95	0.80	0.73
489	DONGFENG GROUP	95	0.77	0.70
1776	GF SEC	90	0.74	0.68
753	AIR CHINA	45	0.69	0.63
6060	ZA ONLINE	75	-	0.63
390	CHINA RAILWAY	95	0.68	0.62
3898	CRRG TIMES ELEC	100 [#]	0.64	0.62
1816	CGN POWER	95	0.66	0.60
6881	CGS	95	0.62	0.57
902	HUANENG POWER	90	0.60	0.55
1186	CHINA RAIL CONS	-	0.52	-
Red-chips & P-chips^{##}			0.00	5.99
700	TENCENT	60	-	2.00
941	CHINA MOBILE	30	-	1.72
883	CNOOC	40	-	0.78
1109	CHINA RES LAND	40	-	0.31
1093	CSPC PHARMA	75	-	0.28
267	CITIC	20	-	0.24
2313	SHENZHOU INTL	50	-	0.20
1044	HENGAN INTL	60	-	0.19
384	CHINA GAS HOLD	35	-	0.14
270	GUANGDONG INV	45	-	0.12
Total			100.00	100.00

Total number of constituents: 50

[^] FAF is subject to change resulted from substantial capital change issues.^{*} Figures may not add up to totals due to rounding.^{**} The weighting changes reflect a re-capping of CCB, ICBC and PING AN to 10%, and changes in FAF.[#] FAF changed in this review. New FAF will take effect on 5 March 2018.^{##} An Inclusion Factor of 0.2 was applied in the calculation.