



17 May 2018

Hang Seng Indexes Launches Hang Seng Stock Connect Big Bay Area Composite Index

Hang Seng Indexes Company Limited ('Hang Seng Indexes') will launch the Hang Seng Stock Connect Big Bay Area Composite Index on 21 May 2018 (Monday). The index aims to reflect the performance of companies that are listed in Hong Kong and/or mainland China and that mainly operate in the Guangdong-Hong Kong-Macao Big Bay Area ('Big Bay Area').

The Big Bay Area encompasses nine cities and two Special Administrative Regions ('SARs'), namely Hong Kong, Macao, Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Zhaoqing, Huizhou and Jiangmen.

The index will have 250 constituents companies. The index universe includes Stock Connect eligible Hong Kong-listed stocks and Mainland-listed A-Shares that mainly operate in the Big Bay Area. The index is freefloat-adjusted market-capitalisation-weighted. More details about the index, including the list of constituent companies at launch, are provided in Appendices 1 and 2.

Mr Daniel Wong, Director & Head of Research and Analytics at Hang Seng Indexes, said: "The Guangdong-Hong Kong-Macao Big Bay Area is an economically important region that is attracting growing international interest and recognition, alongside New York Metropolitan Area, San Francisco Bay Area and Tokyo Metropolitan Area. The nine cities and two SARs in the Big Bay Area each have their own particular economic characteristics. More development and cooperation in the Area may result in greater prosperity."

From a geographic perspective, 99 of the 250 constituent companies have Shenzhen as their main base of operations. At around 48%, Shenzhen has the heaviest weighting in the index. Hong Kong and Guangzhou follow, with weightings of 26% (64 companies) and 8% (43 companies) respectively. In terms of industry distribution, Financials, Properties & Construction, Consumer Goods and Information Technology account for the majority of the index weighting, at 31%, 20%, 17% and 13% respectively. The index includes a total of 146 companies operating in these four industries, with a combined weighting of 81%. For more details, please refer to Appendix 3.

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Mr Wong added: “The Big Bay Area is a theme that is of increasing interest to investors in Hong Kong and the Mainland. The launch of Hang Seng Stock Connect Big Bay Area Composite Index is responding to this new market development. We will continue to observe Big Bay Area development and plan, with the aim of identifying the potential for launching a variety of thematic indexes that use the Hang Seng Stock Connect Big Bay Area Composite Index as the universe for constituent selection. The launch of a series of Big Bay Area indexes will facilitate the market to develop index-linked products, and further integrate the real economy and financial development. This will help drive the economic progress of the Big Bay Area.”

The new index is calculated and disseminated real-time at two-second intervals.

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 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.

End

Hang Seng Stock Connect Big Bay Area Composite Index

Universe	<u>Hong Kong-listed securities</u> <ul style="list-style-type: none"> Hang Seng Composite Index constituents that are eligible for trading via the southbound trading link of the Stock Connect scheme <u>Mainland-listed securities</u> <ul style="list-style-type: none"> Stocks that are eligible for trading via the northbound trading link of the Stock Connect scheme
Selection Criteria	<u>Eligibility Criteria</u> <ul style="list-style-type: none"> The company headquarter or primary centre of operations is located in the following cities/Special Administrative Regions : <ul style="list-style-type: none"> ➤ Dongguan ➤ Macao ➤ Foshan ➤ Shenzhen ➤ Guangzhou ➤ Zhaoqing ➤ Hong Kong ➤ Zhongshan ➤ Huizhou ➤ Zhuhai ➤ Jiangmen At least 50% of revenue derived from mainland China, Hong Kong and/or Macao in the latest complete fiscal year <u>Constituent Selection</u> <ul style="list-style-type: none"> The 250 companies with the highest total MV rank will be selected as constituent companies
Number of Constituents Companies	Fixed at 250
Launch Date	21 May 2018
Base Date	31 December 2014
Base Value	3,000
Review Frequency	Half-yearly
Weighting Methodology	Freefloat-adjusted market-capitalisation-weighted with a 10% cap on individual companies
Currency [#]	Renminbi
Dissemination	Real-time at two-second intervals
Vendor code (Thomson Reuters)	.HSBBAC

[#] Day-end closing index values in USD, CNY and HKD are available

Hang Seng Stock Connect Big Bay Area Composite Index

Weightings of the top 15 constituent companies as at 16 May 2018

Code		Name	Headquarter / Primary Centre of Operations	Industry	Weighting (%)	
A-Shares	HK Shares				A-Shares	HK Shares
601318.SH	2318	Ping An Insurance (Group) Co. of China, Ltd.	Shenzhen	Financials	6.1	3.5
	700	Tencent Holdings Ltd.	Shenzhen	Information Technology		9.3
600036.SH	3968	China Merchants Bank Co., Ltd.	Shenzhen	Financials	5.0	1.5
	388	Hong Kong Exchanges and Clearing Ltd.	Hong Kong	Financials		3.3
000333.SZ		Midea Group Co.,Ltd.	Foshan	Consumer Goods	3.1	
000651.SZ		Gree Electric Appliances,Inc. of Zhuhai	Zhuhai	Consumer Goods	2.9	
000002.SZ	2202	China Vanke Co., Ltd.	Shenzhen	Properties & Construction	2.1	0.4
000001.SZ		Ping An Bank Co. Ltd.	Shenzhen	Financials	2.5	
600030.SH	6030	CITIC Securities Co. Ltd.	Shenzhen	Financials	2.1	0.4
603288.SH		Foshan Haitian Flavouring And Food Co. Ltd.	Foshan	Consumer Goods	2.3	
	1113	CK Asset Holdings Ltd.	Hong Kong	Properties & Construction		1.9
	16	Sun Hung Kai Properties Ltd.	Hong Kong	Properties & Construction		1.8
	27	Galaxy Entertainment Group Ltd.	Macao	Consumer Services		1.7
	11	Hang Seng Bank Ltd.	Hong Kong	Financials		1.6
	2388	BOC Hong Kong (Holdings) Ltd.	Hong Kong	Financials		1.6
				Total	26.1	27.0

Hang Seng Stock Connect Big Bay Area Composite Index Constituent Weightings Distribution

Industry Headquarter/ Primary Centre of Operations	Financials	Properties & Construction	Consumer Goods	Information Technology	Consumer Services	Industrials	Utilities	Materials	Telecommunications	Conglomerates	Energy	Total
Shenzhen	22.1% (7)	5.1% (16)	3.4% (15)	11.4% (17)	0.8% (7)	4.2% (28)	0.4% (3)	0.3% (5)	-	0.1% (1)	-	47.8% (99)
Hong Kong	7.7% (10)	10.9% (23)	1.5% (7)	0.4% (1)	1.6% (7)	0.7% (4)	2.6% (4)	0.4% (2)	0.4% (5)	0.2% (1)	-	26.3% (64)
Guangzhou	0.8% (1)	2.7% (8)	1.9% (11)	0.6% (6)	1.2% (6)	0.2% (4)	0.3% (4)	0.3% (3)	-	-	-	8.2% (43)
Foshan	0.1% (1)	1.4% (2)	5.6% (4)	0.1% (2)	-	0.2% (2)	-	-	-	-	-	7.4% (11)
Macao	-	-	-	-	4.1% (6)	-	-	-	-	-	-	4.1% (6)
Zhuhai	-	0.2% (2)	3.2% (3)	0.1% (1)	-	-	-	-	-	-	-	3.5% (6)
Dongguan	-	0.03% (1)	0.1% (2)	0.5% (1)	-	0.1% (2)	-	0.3% (2)	-	-	-	1.2% (8)
Zhongshan	-	-	0.4% (2)	0.1% (2)	-	0.2% (3)	0.1% (1)	-	0.03% (1)	-	-	0.8% (9)
Huizhou	-	-	0.4% (1)	-	-	0.1% (1)	-	-	-	-	-	0.5% (2)
Zhaoqing	-	-	-	-	-	0.1% (1)	-	-	-	-	-	0.1% (1)
Jiangmen	-	-	-	-	-	0.1% (1)	-	-	-	-	-	0.1% (1)
Total	30.7% (19)	20.3% (52)	16.7% (45)	13.2% (30)	7.6% (26)	6.0% (46)	3.3% (12)	1.3% (12)	0.4% (6)	0.4% (2)	-	100.0% (250)

Remarks:

1. Figures may not add up to totals due to rounding
2. () shows the number of constituents companies

Data as at 16 May 2018