



18 November 2019

Hang Seng Indexes Launches Hang Seng SCHK High Dividend Yield Index

Hang Seng Indexes Company Limited (“Hang Seng Indexes”) today launched the Hang Seng SCHK High Dividend Yield Index.

The index tracks the overall performance of high-dividend-yield securities that are listed in Hong Kong and eligible for trading via the southbound trading link of the Stock Connect Scheme. The index comprises the 50 highest dividend yielding stocks among sizable Hong Kong-listed securities that have also demonstrated relatively lower price volatility and a persistent dividend payment record for the latest three fiscal years. The new index will serve as a benchmark for investors who are looking to build a stable income-oriented investment portfolio and a basis for issuers who are looking to create index-linked financial products for dividend yield-related investment strategies.

The Hang Seng SCHK High Dividend Yield Index is calculated and disseminated in real-time at two-second intervals. More details about the new index are provided in the appendices that accompany this release.

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 SCHK High Dividend Yield Index

Universe	Constituents of the Hang Seng Composite Index
Selection Criteria	<p><u>Eligibility Criteria</u></p> <ul style="list-style-type: none"> • Minimum 12-month-average Market Value of HKD 5 billion • Minimum Velocity Ratio of 0.1% • REITs, stapled securities and weighted-voting-rights companies are not eligible <p><u>Constituent Selection</u> (applied to eligible securities in sequential order)</p> <ol style="list-style-type: none"> 1) Top 150 securities in terms of 12-month-average Market Value will be shortlisted 2) Top 20% of securities in terms of one-year historical volatility will be excluded 3) Shortlisted securities must have a cash dividend paid record of the latest three consecutive fiscal years 4) Top 50 securities in terms of the latest three years' average yield that pass all the previous requirements will be selected as constituents
Number of Constituents	Fixed at 50
Launch Date	18 November 2019
Base Date	31 December 2014
Base Value	3,000
Review Frequency	Half yearly
Weighting Methodology	<ul style="list-style-type: none"> • Net dividend yield weighted • 10% cap on individual constituents
Currency [#]	Hong Kong dollar
Dissemination	Real-time at two-second intervals
Vendor code	<p><u>Price Index</u> .HSSCHKY (Thomson Reuters)</p> <p><u>Gross Total Return Index</u> HSSCHKYT (Bloomberg) .HSSCHKYT (Thomson Reuters)</p>

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

Note: Please refer to the index methodology for calculation details

Hang Seng SCHK High Dividend Yield Index

Top 10 constituent weightings as at 15 November 2019

Code	Name	Weighting (%)
2314	Lee & Man Paper Manufacturing Ltd.	3.36
386	China Petroleum & Chemical Corporation - H Shares	3.19
836	China Resources Power Holdings Co. Ltd.	2.94
1313	China Resources Cement Holdings Ltd.	2.93
2689	Nine Dragons Paper (Holdings) Ltd.	2.88
144	China Merchants Port Holdings Co. Ltd.	2.82
152	Shenzhen International Holdings Ltd.	2.81
3377	Sino-Ocean Group Holding Ltd.	2.80
8	PCCW Ltd.	2.73
551	Yue Yuen Industrial (Holdings) Ltd.	2.56