



17 February 2020

Hang Seng Indexes Launches Hang Seng China High Dividend Yield Index and Hang Seng SCHK China Technology Index

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

The Hang Seng China High Dividend Yield Index aims to reflect the overall performance of high-dividend-yield mainland China securities that are listed in Hong Kong and are not classified in the Casinos and Gaming or Tobacco sectors. The index comprises the 50 highest dividend yielding stocks in the eligible sectors among sizable Hong Kong-listed Mainland securities that have also demonstrated relatively lower price volatility and a persistent dividend payment record for the latest three fiscal years. This index aims to meet the needs of product issuers looking to create funds that target investors who are looking for exposure to high-dividend-yield Mainland companies in Hong Kong with industry screening.

The Hang Seng SCHK China Technology Index tracks the performance of Mainland companies in the technology sector that are listed in Hong Kong and are eligible for trading via the Southbound Trading Link of the Stock Connect Scheme. This index aims to meet the needs of product issuers looking to create funds targeting investors who are looking for exposure to this sector of Mainland companies in Hong Kong.

The two new indexes are calculated and disseminated in real-time at two-second intervals. More details about the new indexes 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.

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Hang Seng China High Dividend Yield Index

| | |
|------------------------|---|
| Universe | Mainland China securities that are constituents of the Hang Seng Composite Index (“HSCI”) |
| Selection Criteria | <p><u>Eligibility Criteria</u></p> <ul style="list-style-type: none"> • Large-cap or mid-cap constituents of HSCI • A minimum velocity of 0.1% and an average daily turnover of at least HKD20 million • With a cash dividend paid record of at least three consecutive fiscal years • Securities that are classified in the sector of “Casinos & Gaming” or “Tobacco” will be excluded • REITs, stapled securities and weighted voting rights companies are not eligible <p><u>Constituent Selection</u></p> <ol style="list-style-type: none"> 1) Top 25% securities in terms of one-year historical volatility will be excluded 2) Top 50 securities in terms of trailing 12-month net dividend yield that pass all requirements will be selected as constituents |
| Number of Constituents | Fixed at 50 |
| Launch Date | 17 February 2020 |
| Base Date | 31 December 2013 |
| Base Value | 3000 |
| Review Frequency | Annually |
| 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> HSCHDY (Bloomberg) .HSCHDY (Refinitiv)</p> <p><u>Gross Total Return Index</u> HSCHDYT (Bloomberg) .HSCHDYT (Refinitiv)</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 China High Dividend Yield Index

Top 10 constituent weightings as at 14 February 2020

| Code | Name | Weighting (%) |
|------|--|---------------|
| 2689 | Nine Dragons Paper (Holdings) Ltd. | 4.03 |
| 148 | Kingboard Holdings Ltd. | 3.42 |
| 868 | Xinyi Glass Holdings Ltd. | 3.17 |
| 1628 | Yuzhou Properties Co. Ltd. | 3.09 |
| 152 | Shenzhen International Holdings Ltd. | 3.05 |
| 2039 | China Int'l Marine Containers (Group) Co., Ltd. - H Shares | 3.04 |
| 2777 | Guangzhou R&F Properties Co., Ltd. - H Shares | 2.96 |
| 2314 | Lee & Man Paper Manufacturing Ltd. | 2.68 |
| 144 | China Merchants Port Holdings Co. Ltd. | 2.62 |
| 165 | China Everbright Ltd. | 2.47 |

Hang Seng SCHK China Technology Index

| | |
|------------------------|--|
| Universe | Mainland China securities that are constituents of the Hang Seng Composite Index eligible for Southbound Trading under the Stock Connect Scheme |
| Selection Criteria | <p><u>Eligibility Criteria</u></p> <ul style="list-style-type: none"> • Listing history of at least one month • Minimum Velocity Ratio of 0.1% • Classified as following subsectors under the Hang Seng Industry Classification System: <ul style="list-style-type: none"> 101025 Electronic Components 350010 Satellite & Wireless Communication 701010 Telecommunication Equipment 701020 Computers & Peripherals 702010 System Applications & IT Consulting 702020 E-Commerce & Internet Services 702030 Software 703010 Semiconductors <p><u>Constituent Selection</u></p> <ul style="list-style-type: none"> • Top 30 securities in terms of 12-month-average Market Value that pass all requirements will be selected as constituents |
| Number of Constituents | Maximum of 30 (27 as at 17 February 2020) |
| Launch Date | 17 February 2020 |
| Base Date | 31 December 2014 |
| Base Value | 3000 |
| Review Frequency | Semi-annually |
| Weighting Methodology | <ul style="list-style-type: none"> • Freefloat-adjusted, market-capitalisation weighted • 10% cap on individual constituents |
| Currency [#] | Hong Kong dollar |
| Dissemination | Real-time at two-second intervals |
| Vendor code | <p><u>Price Index</u> HSSCT (Bloomberg) .HSSCT (Refinitiv)</p> <p><u>Gross Total Return Index</u> .HSSCTT (Refinitiv)</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 China Technology Index

Top 10 constituent weightings as at 14 February 2020

| Code | Name | Weighting (%) |
|------|---|---------------|
| 1810 | Xiaomi Corporation - W | 12.25 |
| 700 | Tencent Holdings Ltd. | 10.80 |
| 788 | China Tower Corporation Ltd. - H Shares | 9.94 |
| 981 | Semiconductor Manufacturing International Corporation | 8.94 |
| 3690 | Meituan Dianping - W | 8.50 |
| 2382 | Sunny Optical Technology (Group) Co. Ltd. | 8.20 |
| 992 | Lenovo Group Ltd. | 6.39 |
| 2018 | AAC Technologies Holdings Inc. | 6.39 |
| 268 | Kingdee International Software Group Co. Ltd. | 4.16 |
| 3888 | Kingsoft Corporation Ltd. | 3.65 |