



Hang Seng Indexes Company Launches Hang Seng Property Service and Management Index

New index tracks high growth potential of property management sector

(Hong Kong, 19 April 2021) – Hang Seng Indexes Company today launched the Hang Seng Property Service and Management Index, which will serve as a benchmark to reflect the overall stock price movement of the 30 largest Hong Kong-listed property management and related services companies.

The property service and management sector has been enjoying substantial growth in recent months. Compared to their parent real estate developers, Mainland property management companies could enjoy the benefits of asset-light model, leading to a higher return on assets and greater flexibility in response to changing market environment. Last year, 18 Mainland property management companies listed in Hong Kong – an all-time high in a single year. The market predictions indicate that by the end of 2021 there may be over 70 such companies listed in Hong Kong¹.

The sector has also benefited from a business-friendly regulatory environment in mainland China. A circular issued jointly by the Ministry of Housing and Urban-Rural Development and relevant Chinese government departments on “Strengthening and Improving the Administration of Residential Property” took effect in December 2020². This circular paves the way for qualified property management companies to expand their businesses into a wide range of sectors, including elderly nursing care, childcare, housekeeping, culture, healthcare, real estate agencies, and courier services, thus enhancing the exposure and revenue base of property management companies.

Daniel Wong, Director & Head of Research and Analytics at Hang Seng Indexes Company, said: “The Hang Seng Property Service and Management Index allows investors to tap into a sector which is counter-cyclical in nature and operates under an asset-light model, enabling them to capture the high growth potential amid changing market conditions.”

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¹ <https://fdc.fang.com/news/2021-03-26/39074338.htm>

² http://www.gov.cn/zhengce/zhengceku/2021-01/05/content_5577326.htm



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The new index is calculated and disseminated in real-time at two-second intervals. More details about the new index is provided in the appendices below.

- End -

About Hang Seng Indexes Company Limited

Hang Seng Indexes Company Limited ('Hang Seng Indexes Company') manages and compiles the Hang Seng Family of Indexes, which cover stocks listed in Hong Kong and Mainland China. Our index series includes the Hang Seng Index, the Hang Seng China Enterprises Index and the Hang Seng TECH Index, as well as Stock Connect, Greater Bay Area and sector-related indexes. As at the end of 2020, assets under management in products passively tracking indexes in the Hang Seng Family of Indexes had reached a total of about US\$38 billion. Hang Seng Indexes Company is a wholly owned subsidiary of Hang Seng Bank. For further information on the Hang Seng Family of Indexes, please visit www.hsi.com.hk

Appendix 1

Hang Seng Property Service and Management Index

Universe	<ul style="list-style-type: none"> Securities listed on the Mainboard of the HKEX and are classified in Property Service and Management under the Hang Seng Industry Classification System
Selection Criteria	<p><u>Eligibility Criteria</u></p> <ul style="list-style-type: none"> Average daily turnover in the past three months must be at least HKD3 million <p><u>Constituent Selection</u></p> <ul style="list-style-type: none"> Securities are ranked in terms of 12-month-average market value and the largest 30 eligible securities will be selected as constituents
Number of Constituents	Fixed at 30
Launch Date	19 April 2021
Base Date	31 December 2018
Base Value	3,000
Review Frequency	Half-yearly
Weighting	<ul style="list-style-type: none"> Free-float market-capitalisation-weighted with a 15% weight cap for individual constituent stock If the aggregate weighting of the five largest constituents exceed 60%, the weight cap will be changed to 12%
Currency [#]	Hong Kong Dollar
Dissemination	Real-time at two-second intervals
Vendor Code	<p><u>Price Index</u> HSPSM (Bloomberg) .HSPSM (Refinitiv)</p> <p><u>Total Return Index</u> .HSPSMT (Refinitiv)</p>

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

Note: Please refer to the index methodology for details

Appendix 2

Hang Seng Property Service and Management Index

Top 10 constituent weightings as at 16 April 2021:

Code	Name	Weightings (%)
6098	Country Garden Services Holdings Company Limited	17.01
6666	Evergrande Property Services Group Limited	12.72
1209	China Resources Mixc Lifestyle Services Limited	11.17
1516	Sunac Services Holdings Limited	8.14
2869	Greentown Service Group Co. Ltd.	6.86
3319	A-Living Smart City Services Co., Ltd.	6.32
873	Shimao Services Holdings Limited	5.95
1995	Ever Sunshine Lifestyle Services Group Limited	4.88
2669	China Overseas Property Holdings Limited	3.41
9666	Jinke Smart Services Group Co., Ltd.	3.26