
NEWS RELEASE

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**CESEC Licenses HuaAn Fund Management to Use
CES Stock Connect Hong Kong Select 100 Index for SSE-listed ETF**

China Exchanges Services Company Limited (CESEC) has licensed its CES Stock Connect Hong Kong Select 100 Index (CES SCHK100) to HuaAn Fund Management Co, Ltd (HuaAn Fund) to serve as the underlying index for the HuaAn CES Stock Connect Hong Kong Select 100 ETF (HuaAn CES100 ETF) that will be listed on the Shanghai Stock Exchange (SSE) in mid-May.

The CES SCHK100 is comprised of the top 100 Hong Kong-listed stocks by market capitalization eligible for Southbound Trading under Stock Connect, the mutual market access programme of the stock exchanges in Hong Kong, Shanghai and Shenzhen, excluding dual-listed A+H share companies. With a robust Hong Kong stock market in recent years, the CES SCHK100 had a 40.8 per cent return in 2017. In terms of sector distribution, the CES SCHK100 is more balanced than many of the other Hong Kong indices, with higher weighting of high-growth industries, such as information technology, health care and consumer discretionary. Compared to Hong Kong's traditional indices, it captures the growth opportunities in the market more effectively.

“The investment concept of the CES SCHK100 can satisfy Mainland investors’ needs for overseas asset allocation. The index design will help investors avoid overlapping their investment in companies dual-listed in Mainland China and Hong Kong. Compared to Mainland China’s existing financial products, which mainly focus on A shares or H shares, we believe that the HuaAn CES100 ETF will provide investors with an excellent option since the CES100 includes a wide range of Hong Kong stocks,” said HuaAn Fund Indexing and Quantitative Investment Division Associate Director and HuaAn CES100 ETF Portfolio Manager Richard Xu.

“We are delighted to license our CES SCHK100 to HuaAn Fund for an ETF for Mainland investors. We believe the CES SCHK100 will help Mainland investors to capture the investment opportunities in the Hong Kong market. In the future, CESEC will continue to launch new indices to satisfy market demands and facilitate the internationalisation of the capital market in Mainland China,” said CESEC Chief Executive Mao Zhirong.

An index overview and the constituent list are available in Appendix 1 and 2.

About CESC

CESC is a joint venture formed and equally owned by Hong Kong Exchanges and Clearing Limited, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. Its aim is to contribute to the development of China's capital markets. Registered and incorporated in Hong Kong, CESC was officially launched in September 2012 and commenced operations on 30 October. CESC's principal businesses include compiling cross-border indices based on products traded on the Hong Kong and Mainland securities markets, developing industry classifications for listed companies, and developing information standards and information products. CESC also develops financial products to link the Mainland and Hong Kong markets with global investors. China Securities Index Company Limited is commissioned to calculate, provide index maintenance and dissemination service for the CES indices.

For further information on CESC, please visit the website at www.cesc.com.

Ends

Appendix 1

Overview of CES Stock Connect Hong Kong Select 100 Index

Index Abbreviation	CES SCHK100
Index Code	CES100
Universe	The top 100 Hong Kong-listed stocks eligible for Southbound Trading, excluding the dual-listed A+H shares
Launch Date	15 December 2014
Base Date	31 December 2008
Base Value	2,000
Number of Constituents	100
Calculation and Dissemination	Real time at 5-second intervals
Calculation Methodology	Free float-adjusted and market capitalisation weighted, with a 10% cap
Review Frequency	Half-yearly
Real-time Price Index (Currency)	HKD
End of Day Index (Currency)	CNY and HKD
Total Return	CNY and HKD

Notes

CNY – Renminbi

HKD – Hong Kong dollar

Appendix 2

Top 30 Constituents of CES Stock Connect Hong Kong Select 100 Index

(as at 9 April 2018)

Stock Code	Stock Name	Weighting (%)
0700.HK	Tencent Hldg	10.43
0005.HK	HSBC	9.44
1299.HK	AIA Group	8.97
0941.HK	China Mobile Ltd	4.95
0388.HK	HKEX	3.47
0001.HK	CK HUTCHISON HOLDINGS LIMITED	2.72
0883.HK	CNOOC	2.21
0027.HK	Galaxy Entertain	2.03
0016.HK	SHK PPT	2.03
1113.HK	CK Asset Holdings Limited	1.87
2007.HK	Country Garden	1.84
2388.HK	BOC HK Hldg	1.71
0002.HK	CLP Holdings	1.57
0011.HK	Hang Seng Bank	1.56
0003.HK	HK & China Gas	1.49
0175.HK	Geely	1.38
0688.HK	China Overseas	1.33
2382.HK	Sunny Optical	1.27
1177.HK	Sino Biopharm	1.25
3333.HK	China Evergrande Group	1.13
1928.HK	Sands China	1.11
2018.HK	AAC Technologies	1.11
1658.HK	Postal Savings Bank of China Co., Ltd.	1.11
1093.HK	CSPC Pharma Grp	1.07
0762.HK	China Unicom	1.03
0006.HK	Power Assets	1.00
1109.HK	China Res Land	0.87
0066.HK	MTR	0.85
2319.HK	Mengniu Dairy	0.83
0017.HK	New World Dev	0.74