
Press Release

24 June 2019

CESC Enhances Dissemination Frequency of CES Forecast High Dividend Yield Index to Real-time

China Exchanges Services Company Limited (CESC) today (Monday) announced it has enhanced the dissemination frequency of the CES Forecast High Dividend Yield Index (CES High Yield) to a real-time basis. The index is designed to track the overall performance of 40 eligible securities for Southbound Trading under Stock Connect that have the highest forecast dividend yield.

CES High Yield introduces the factor of forecast dividend yield, avoiding the drawbacks of predicting future dividends by tracking historical dividend performance, and therefore is able to capture the maximum potential dividend yield. As of 30 April 2019, the average forecast dividend yield of the constituent stocks reached 7.03 per cent. Besides, the index is weighted by the forecast dividend yield and hence provides a more stable dividend yield and return than the capitalization-weighted index. The index has been licensed to a fund house as an underlying for the index-linked financial products.

“CES High Yield constitutes 40 Hong Kong listed stocks with high forecast dividend yields and are eligible for trading under Stock Connect. It is suitable for the long-term holding of both institutional and retail investors with low-risk appetite. CESC is now enhancing the dissemination frequency of a current index and will provide more diversified investment options to the market,” said CESC Chief Executive Mao Zhirong.

Please refer to Appendix 1 to 2 for more information about CESC’s index.

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 Forecast High Dividend Yield Index

Index Abbreviation	CES High Yield
Constituent Eligibility	40 eligible securities for the Southbound Trading under Stock Connect, with the highest forecast dividend yield
Launch Date	3 April 2018
Base Date	30 December 2011
Base Value	2,000
Number of stocks	40
Calculation Methodology	Forecast dividend yield weighted
Review Frequency	Half-yearly
Currency	HKD
Calculation and Dissemination	Real Time

Appendix 2

CES Forecast High Dividend Yield Index's Top 10 Constituents and Weightings (Pro forma and subject to final announcement)

(As at 21 June 2019)

Stock Code	Stock Name	Weighting (%)
02777	GUANGZHOU R&F PROPERTIES CO LTD	4.52
01382	PACIFIC TEXTILES HOLDINGS LTD	3.02
03383	AGILE GROUP HOLDINGS LTD	3.01
03883	CHINA AOYUAN PROPERTY GROUP LTD	2.87
01813	KWG PROPERTY HOLDING LTD	2.81
01668	CHINA SOUTH CITY HOLDINGS LTD	2.80
00386	CHINA PETROLEUM & CHEMICAL CORP	2.79
01628	YUZHOU PROPERTIES CO LTD	2.76
00884	CIFI HOLDINGS GROUP CO LTD	2.76
02877	CHINA SHINEWAY PHARMACEUTICAL GROUP LTD	2.75