



Hang Seng China Enterprises Index

This methodology document should be read in conjunction with the Index Methodology General Guide on Hang Seng Indexes Co Ltd (“HSIL”)’s website.

Readers are reminded that there might be exceptions in the index handling to the below general approach in some special situations and HSIL reserves the right to determine the most appropriate handling.

Objective: To serve as a benchmark to reflect the overall performance of Mainland Securities listed in Hong Kong.

Universe: Securities listed on the Main Board of the HKEX excluding Stapled Securities, Foreign Companies, Biotech Companies with stock names end with marker “B”, Specialist Technology Companies with stock names end with marker “P”, and Investment Companies listed under Chapter 21 of HKEX’s Listing Rules.

Eligibility Criteria

Geographical Requirements: Mainland Securities

Listing History Requirements: At least one month

Turnover Requirements: Velocity Test for Tradable Indexes
(minimum velocity of 0.1% on monthly basis, details please refer to the Index Methodology General Guide)

Constituent Selection

Selection Criteria: The top 50 securities with the highest Combined MV Rank will be selected as constituents.
(definition of Combined MV Rank please refer to the Index Methodology General Guide)

Number of Constituents: Fixed at 50

Buffer Zone: Existing constituents ranked lower than 60th will be removed from the index, while non-constituent stocks ranked 40th or above will be included;
Securities will be added or excluded according to their Combined MV Rank to maintain the number of constituents at 50.



Hang Seng China Enterprises Indexes Index

Review Frequency:	Quarterly (Data cut-off end-March / June / September / December)
Rebalancing Frequency:	Quarterly
Fast Entry:	A newly listed security will be added to the index if its full market capitalisation ranks within the top 10 of the existing constituents on its first trading day. The ad hoc addition will normally be implemented after the close of the 10th trading day of the new issue. The constituent number will be reset in the next regular review.
Replacement for Ad-hoc Removal:	Yes, the outgoing constituent will be replaced by the highest ranked candidate from last regular review.
Weighting :	Freefloat-adjusted market capitalisation weighted
Capping:	8% on individual securities
Launch Date:	8 August 1994
Base Date:	3 January 2000
Base Value:	2,000
Currency:	Hong Kong Dollars
Dissemination Frequency:	Real-time at every two seconds

Vendor Codes:	Refinitiv	Bloomberg
PI	.HSCE	HSCEI
Gross TRI	.HSCEDV	HSCEIRH
Net TRI	.HSCEDVN	HSCEINH

For more information on the terms used in this document and calculation details, please refer to the Index Methodology General Guide on HSIL's website.



Amendment History

	Date	Description
1.0	September 2011	• First Issue
1.1	August 2012	• Updated turnover requirement for constituent eligibility
1.2	February 2015	• Updated description of universe for constituent eligibility
1.3	March 2015	• Updated description of turnover requirement for constituent eligibility
1.4	April 2016	• Updated treatment to trading suspension
1.5	June 2016	• Added exclusion of companies with High Shareholding Concentration
1.6	December 2017	• Updated to reflect Interim treatment during Index enhancement transition period
1.7	May 2018	• Rectified section numbers about Index Review
1.8	February 2019	• Updated to reflect the Interim treatment for further index enhancement
1.9	September 2019	• Updated the description of universe for constituent eligibility
2.0	June 2020	• Added weighted voting rights and/ or secondary-listed Greater China companies to the universe and their weighting cap
2.1	September 2020	• Updated vendor codes
2.2	October 2020	• Added Fast Entry Rule
3.0	June 2021	• Aligned the weighting cap on individual constituent to 8% • Updated format of the Index Methodology
3.1	May 2023	• Added exclusion of Specialist Technology Companies from the index universe



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