



恒生銀行

HANG SENG BANK

Press Release



新聞稿

14 February 2012

WORLD'S FIRST RMB GOLD ETF LISTS TODAY ON STOCK EXCHANGE OF HONG KONG

The Hang Seng RMB Gold ETF (the "Fund") (stock code: 83168) – the world's first RMB-denominated gold exchange-traded fund ("ETF") – was listed on The Stock Exchange of Hong Kong (the "SEHK") today (14 February).

The listing ceremony held at the SEHK was attended by Mrs Margaret Leung, Vice-Chairman and Chief Executive, Hang Seng Bank (the "Bank"); Mr Andrew Fung, the Bank's Executive Director and Head of Treasury and Investment; Professor K C Chan, Secretary for Financial Services and the Treasury, The Government of the HKSAR; Mr Charles Li, Chief Executive, Hong Kong Exchanges and Clearing Limited; Mrs Alexa Lam, Deputy Chief Executive Officer and Executive Director of the Policy, China and Investment Products Division, Securities and Futures Commission; Mr Mu Huaipeng, Senior Advisor, Hong Kong Monetary Authority; and Mr Xu Lin, Deputy Director-General, Department of Economic Affairs, Liaison Office of the Central People's Government in the HKSAR.

Officiating at the ceremony, Mrs Leung said: "Hang Seng is delighted to mark a new milestone in the development of RMB investment products in Hong Kong. The Fund is the world's first RMB-denominated gold ETF and provides investors with a new investment choice combining gold, RMB and ETF features. The Fund also further diversifies the Hong Kong RMB market. Hang Seng is committed to developing the RMB business and introducing new products and services, which will further strengthen Hong Kong's position as an offshore RMB centre and international financial hub."

To celebrate the listing of the Fund, the Bank donated HKD1 million to The Community Chest of Hong Kong to support social welfare services in Hong Kong through the Stock Code Balloting for Charity Scheme (the "Scheme"). Including today's donation, the Bank has contributed HKD4 million to the Scheme in total.

The board lot size of the Fund for trading on the SEHK is 100 units, which may be traded like shares during exchange trading hours, offering liquidity, convenience and transparency to investors. From now until 31 March 2012, investors can enjoy a brokerage fee waiver for trading the Fund via the Bank's securities services.

more...



恒生銀行

HANG SENG BANK



World's First RMB Gold ETF Lists Today on Stock Exchange of Hong Kong/ 2

The Fund is managed by Hang Seng Investment Management Limited ("HSVM"), a wholly owned subsidiary of the Bank. HSVM, which has strong expertise in the Mainland and Hong Kong investment markets, currently manages 13 index funds and 4 ETFs.

About Hang Seng Bank

Founded in 1933, Hang Seng Bank operates around 220 service outlets serving both personal and business customers. The Bank also maintains a branch in Shenzhen for foreign currency wholesale business, branches in Macau and Singapore, and representative offices in Xiamen and Taipei.

Established on 28 May 2007, wholly owned subsidiary Hang Seng Bank (China) Limited operates a mainland China network of 39 outlets in Beijing, Shanghai, Guangzhou, Shenzhen, Dongguan, Fuzhou, Nanjing, Hangzhou, Ningbo, Tianjin, Kunming, Foshan, Zhongshan and Huizhou.

With consolidated assets of HK\$973.2 billion as at 30 June 2011, Hang Seng Bank reported a profit attributable to shareholders of HK\$8,057 million for the first six months of 2011 and HK\$14,917 million in 2010. Hang Seng Bank is a principal member of the HSBC Group, one of the world's largest banking and financial services organisations. For further information on Hang Seng Bank, please visit the Bank's website at www.hangseng.com.

END

IMPORTANT RISK WARNINGS / FUND INFORMATION:

- Hang Seng RMB Gold ETF (the “Fund”) is to provide investment results denominated in Renminbi (“RMB”) that, before fees and expenses and other hedging costs, closely correspond to the performance of the London Gold Fixing Price in US dollars (“USD”). The Fund will seek to hedge against the foreign exchange rate movements between RMB and USD so that its performance in RMB will, before fees and expenses and other hedging costs, track the performance of the London Gold Fixing Price in USD as closely as possible. **The performance of the Fund is not expected to be materially affected by the foreign exchange rate movements between RMB and USD. However, investors will be subject to the foreign exchange rate risk when they realise their investment and convert the RMB proceeds into other currencies (for example HK dollars).**
- The trading price of the Units of the Fund on The Stock Exchange of Hong Kong Limited (the “SEHK”) will be subject to market forces and may deviate significantly from the Net Asset Value per Unit.
- The Fund primarily invests in Bullion. There is no guarantee that the price of Bullion will appreciate. The Fund may experience greater volatility and may be adversely affected by the performance of industries and sectors or events related to gold and to its production and sale and will cause a fall in the price of the Fund.
- The custody of Bullion for the Fund is different to custody arrangements typical in mutual funds/unit trusts which invest in equities and bonds. Among which includes, but not limited to, the Bullion held by the Custodian may be lost or damaged and such Bullion may not be insured.
- The Fund is denominated in RMB which currently is not freely convertible and is subject to exchange controls and restrictions. The Fund is subject to risks associated with RMB including RMB foreign exchange risk, RMB hedging risk, offshore RMB (“CNH”) market risk and RMB trading and settlement of Units risk.
- The London Gold Fixing Price is quoted in USD. The Fund will enter into a series of swaps with the Swap Counterparty to hedge against the foreign exchange rate movements between RMB and USD. In the event of an insolvency or default by the Swap Counterparty, the Fund may be exposed to RMB/USD foreign exchange risk on an unhedged basis.
- The Fund is also subject to tracking error risks, risks associated with passive investments and risks of concentration in a particular commodity (i.e. gold).
- Investment involves risks and investors may lose a substantial part of their investment in the Fund.

Investors should not only base on this material alone to make the investment decision, but should read the Fund’s offering documents (including the full text of the risk factors stated therein) in detail.

Each of those risk factors may affect the net asset value, yield, total return and trading price of the Fund’s Units. Prices of the Units may rise as well as fall and past performance is not indicative of future performance. Prospective investors should carefully evaluate the merits and risks of an investment in the Fund in the context of their overall financial circumstances, knowledge and experience as an investor before making an investment decision. Prospective investors should note that the decision whether or not to invest remains with them. If prospective investors have any doubt as to whether or not the Fund is suitable for them, they should obtain independent professional advice.

The Fund has been authorised by the Securities and Futures Commission (“SFC”). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.