



恒生銀行

HANG SENG BANK

Press Release

7 June 2005

HANG SENG FTSE / XINHUA CHINA 25 INDEX ETF TO BE LISTED ON 8 JUNE

The Hang Seng FTSE / Xinhua China 25 Index ETF ("HS FXI25 ETF"), with a stock code of 2838, will be listed on the Stock Exchange of Hong Kong Limited (SEHK) tomorrow (8 June 2005).

The HS FXI25 ETF provides investors with an opportunity to benefit from the potential growth of H-shares and red chip shares. It aims to track as closely as is practicable the performance of the FTSE/Xinhua China 25 Index. It is managed by Hang Seng Investment Management Limited, a wholly-owned subsidiary of Hang Seng Bank.

The HS FXI25 ETF is the third exchange traded fund issued by Hang Seng Investment Management Limited, following the successful listing of the Hang Seng H-Share Index ETF (2828) in 2003 and the Hang Seng Index ETF (2833) in 2004, which have a net asset value of HK\$1,716 million and HK\$7,925 million respectively as at 6 June 2005. The launch of the HS FXI25 ETF makes Hang Seng Investment Management Limited a major ETF manager with the largest number of ETF issued in the local ETF market.

Outside Hong Kong, the HS FXI25 ETF has been registered with the Financial Services Agency in Japan so that Japanese investors can trade the HS FXI25 ETF in the SEHK via brokers in Japan.

Mr Cheung Ka Ming, Director and General Manager of Hang Seng Investment Management Limited, said: "The HS FXI25 ETF will help investors to capture the potential growth of H shares and red chip shares in the expanding economy of mainland China while diversifying the risks. It also broadens our range of China equity investment funds to meet the risk appetites of different customers."

The FTSE / Xinhua China 25 Index consists of the 25 largest and most liquid Chinese stocks (H shares and red chip shares) listed and traded on the SEHK. It is designed to represent the performance of the largest companies in the China equity market that are available to international investors.

The HS FXI25 ETF will be traded in a board lot size of 100 units at a unit price of approximately 1/100 of the FTSE / Xinhua China 25 Index. Cash dividends (if any) will be distributed to investors on a semi-annual basis. The transaction costs of dealing in the units of the HS FXI25 ETF are the same as those for trading stocks listed on the SEHK.

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Real-time trading information on the HS FXI25 ETF will be available on the teletext screen of the SEHK. Real-time updates about the FTSE / Xinhua China 25 Index can be obtained through Reuters, Bloomberg, Moneyline Telerate and www.ftsexinhua.com.

Further information on the HS FXI25 ETF can be obtained by visiting the website www.hangseng.com/etf.

Apart from ETFs, Hang Seng Investment Management Limited also manages the Hang Seng Investment Series which covers different asset classes including equity, bond and money markets, and encompasses different geographical locations. Assets under the management of Hang Seng Investment Management Limited amounted to over HK\$59 billion as at 31 May 2005.

Founded in 1933, Hang Seng Bank is a principal member of the HSBC Group and the second largest listed bank in Hong Kong in terms of market capitalisation. It operates 156 branches and automated banking centres in Hong Kong; a branch in Macau; and a network of five branches (in Shanghai, Guangzhou, Shenzhen, Fuzhou and Nanjing), three sub-branches (two in Shanghai and one in Shenzhen) and two representative offices (in Beijing and Xiamen) in mainland China. The Bank also has a representative office in Taipei.

With consolidated assets of HK\$548.6 billion at the end of 2004, the Bank reported a profit attributable to shareholders of HK\$11.40 billion for 2004. For further information on Hang Seng, please visit the Bank's website at www.hangseng.com.

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