



恒生銀行

HANG SENG BANK

# Press Release

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## HANG SENG INVESTMENT LAUNCHES HANG SENG INDEX ETF

Hang Seng Investment will launch the Hang Seng Index ETF (“HSI ETF”) tomorrow (21 September 2004), offering investors a convenient and cost-effective way to invest in a portfolio of the constituent stocks of the Hang Seng Index (“the Index”). This follows the successful listing of the Hang Seng H-Share Index ETF in December 2003.

The HSI ETF, an Exchange Traded Fund, will be listed on the Stock Exchange of Hong Kong (SEHK) tomorrow. The stock code is 2833. Apart from Hong Kong, it has already been registered with the Financial Services Agency in Japan and Japanese investors can trade the HSI ETF in the SEHK via brokers in Japan.

The HSI ETF will be traded in a board lot size of 100 units at a unit price of approximately 1/100 of the Index. Cash dividends (if any) will be distributed to investors on a semi-annual basis.

The transaction costs of the HSI ETF are the same as those for trading stocks listed on the SEHK.

Mr Cheung Ka Ming, Director and General Manager of Hang Seng Investment Management Limited, said: “With a long-standing history, the Hang Seng Index has become the benchmark of the performance of the Hong Kong stock market among retail as well as institutional investors. The HSI ETF aims to track, as closely as practicable, the performance of the Hang Seng Index. In the improving economy, investors can capture the rising potential of the stock market while diversifying the risks through investing in HSI ETF.

“Compared with the US and Japan, the ETF market in Hong Kong is still in its initial stage of development. Hang Seng Investment will continue to develop different kinds of ETFs to meet the growing needs of investors,” Mr Cheung added.

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新聞稿

## **Hang Seng Investment Launches Hang Seng Index ETF / 2**

Real-time trading information on the HSI ETF will be available on the teletext screen of the SEHK. Real-time updates on the Index can be obtained through Reuters, Bloomberg, Moneyline Telerate and [www.hsi.com.hk](http://www.hsi.com.hk).

The 33 constituent stocks of the Hang Seng Index account for about 70% of the total market capitalisation of all stocks listed on the Main Board of the SEHK as at 31 August 2004. The total turnover of the Index's constituents represented 56% of the total stock market turnover in August 2004, up by 16 percentage points from 40% in December 2003.

The HSI ETF is managed by Hang Seng Investment Management Limited, a wholly-owned subsidiary of Hang Seng Bank. Apart from managing the HSI ETF, the company manages the Hang Seng Investment Series which covers different asset classes including equity, bond and money markets with comprehensive geographical choices. Assets under management amounted to over HK\$53.6 billion as at 31 August 2004.

Further information on the HSI ETF can be obtained by visiting the website [www.hangseng.com/etf](http://www.hangseng.com/etf).

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 159 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), two sub-branches (in Shanghai) 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\$503.9 billion as at 30 June 2004, the Bank reported a profit attributable to shareholders of HK\$6.24 billion for the first six months of 2004, and HK\$9.54 billion in 2003. For further information on Hang Seng, please visit the Bank's website at [www.hangseng.com](http://www.hangseng.com).

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