



恒生投資  
HANG SENG INVESTMENT

# Hang Seng FTSE China 50 Index ETF

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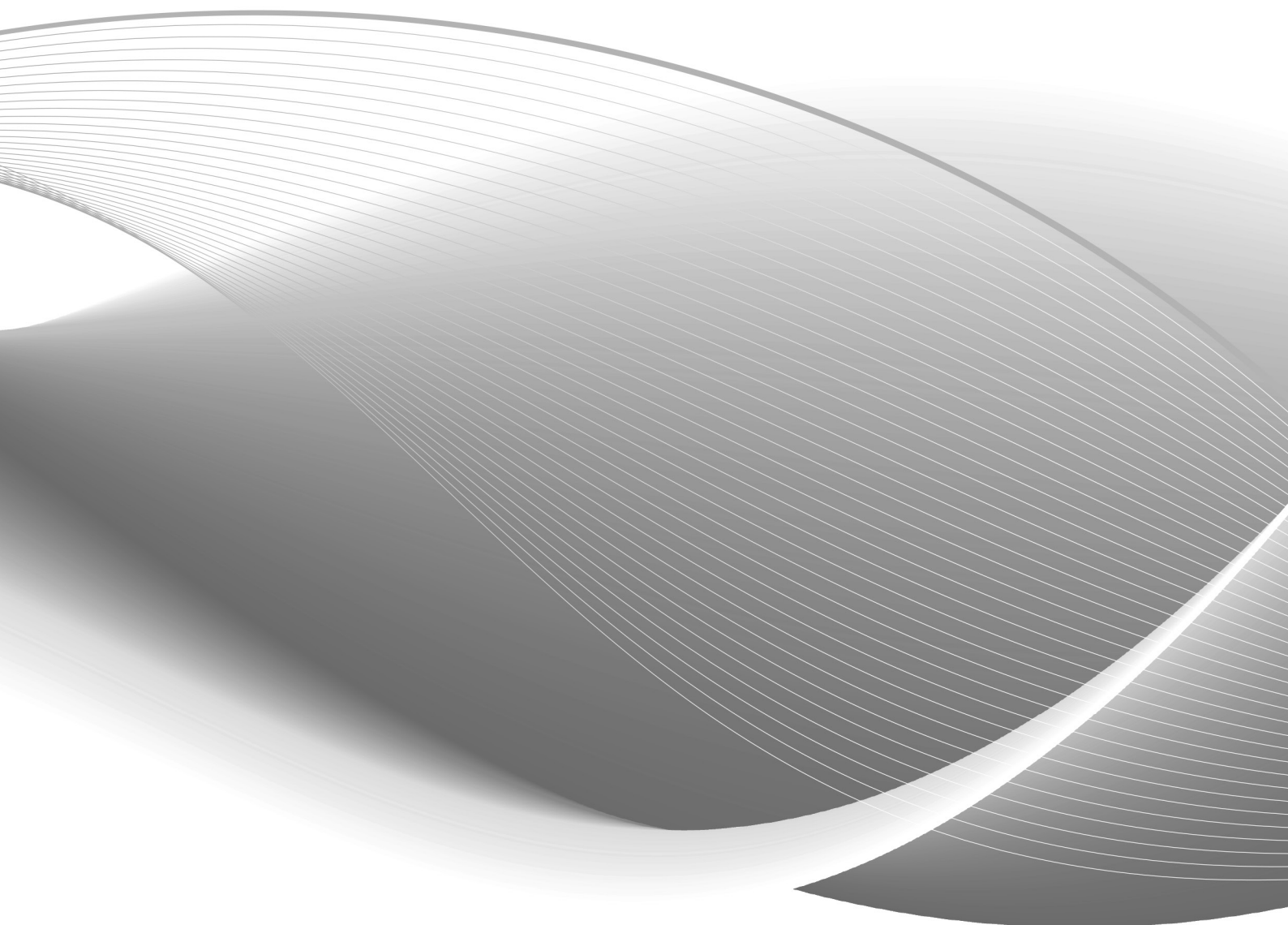
INTERIM FINANCIAL REPORT

# 2023



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# Interim Financial Report 2023

## **Hang Seng Investment Index Funds Series III**

Hang Seng FTSE China 50 Index ETF (Stock Code: 2838)

The interim financial report has applied the same accounting policies and methods of computation as are applied in the annual report of the ETF.

# Investment Portfolio (Unaudited)

as at 30 June 2023

Investments	Holdings	Market Value (HKD)	% of Net Assets Attributable to Unitholders
<b>Hong Kong Stock Exchange Listed Equities</b>			
<b>Basic Materials</b>			
Zijin Mining	78,000	897,000	0.97%
<b>Consumer Discretionary</b>			
Alibaba Group	101,500	8,241,800	8.96%
Anta Sports Products	17,200	1,376,860	1.50%
BYD	13,500	3,375,000	3.67%
China Tourism Group	1,500	159,000	0.17%
Great Wall Motor	31,500	282,555	0.31%
Haier Smart Home	31,600	778,940	0.85%
JD.com Inc	29,936	3,963,526	4.31%
Li Auto	14,500	1,964,750	2.13%
NetEase	24,200	3,692,920	4.01%
Yum China Holdings	5,550	2,450,880	2.66%
		26,286,231	28.57%
<b>Consumer Staples</b>			
China Resources Beer Holdings	23,000	1,186,800	1.29%
JD Health International	14,100	697,245	0.76%
Nongfu Spring	23,800	1,029,350	1.12%
		2,913,395	3.17%
<b>Energy</b>			
China Petroleum & Chemical	341,513	1,567,545	1.70%
China Shenhua Energy	45,788	1,096,623	1.19%
PetroChina	282,475	1,531,015	1.66%
		4,195,183	4.55%
<b>Financials</b>			
Agricultural Bank of China	420,214	1,294,259	1.41%
Bank of China	1,032,717	3,242,731	3.52%
Bank of Communications	99,433	516,057	0.56%
China CITIC Bank	126,965	467,231	0.51%
China Construction Bank	1,181,522	5,990,317	6.51%
China Everbright Bank	41,238	92,785	0.10%
China International Capital	20,400	280,296	0.30%
China Life Insurance	102,063	1,332,943	1.45%
China Merchants Bank	52,159	1,856,860	2.02%
China Minsheng Banking	86,570	251,053	0.27%
China Pacific Insurance	35,201	712,820	0.77%
CITIC Securities	30,171	428,428	0.47%
CSC Financial	12,500	101,000	0.11%
Industrial and Commercial Bank of China	980,391	4,098,034	4.45%
People's Insurance	111,899	317,793	0.35%
PICC Property and Casualty	92,000	801,320	0.87%
Ping An Insurance	78,189	3,897,722	4.24%
Postal Savings Bank of China	127,058	612,420	0.67%
		26,294,069	28.58%

# Investment Portfolio (Unaudited) (continued)

as at 30 June 2023

Investments	Holdings	Market Value (HKD)	% of Net Assets Attributable to Unitholders
<b>Health Care</b>			
Wuxi Apptec	4,708	294,250	0.32%
Wuxi Biologics	48,500	1,821,175	1.98%
		2,115,425	2.30%
<b>Industrials</b>			
Anhui Conch Cement	15,765	327,912	0.36%
China Railway	55,000	284,350	0.31%
CITIC	67,000	626,450	0.68%
Cosco Shipping Holdings	41,950	296,167	0.32%
CRRC Corporation	55,000	235,950	0.26%
		1,770,829	1.93%
<b>Real Estate</b>			
China Overseas Land & Investment	52,500	896,700	0.97%
China Resources Land	38,349	1,273,187	1.38%
China Vanke	30,157	317,252	0.34%
		2,487,139	2.69%
<b>Technology</b>			
Baidu	28,850	3,831,280	4.16%
Kuaishou Technology	35,800	1,917,090	2.08%
Meituan	67,028	8,197,524	8.91%
Tencent Holdings	25,308	8,392,133	9.12%
		22,338,027	24.27%
<b>Telecommunications</b>			
Xiaomi Corporation	200,400	2,148,288	2.33%
<b>British Virgin Islands Unlisted Equity</b>			
China Common	500,000	–	–%
<b>Total Investments</b> <i>(Total cost of investments – HKD124,411,104)</i>		91,445,586	99.36%
<b>Other Net Assets</b>		590,046	0.64%
<b>Net Assets Attributable to Unitholders</b>		92,035,632	100.00%

# Statement of Movements in Portfolio Holdings (Unaudited)

for the period from 1 January 2023 to 30 June 2023

Investments	Holdings as at 1 Jan 2023	Additions	Disposals	Holdings as at 30 Jun 2023
<b>Hong Kong Stock Exchange Listed Equities</b>				
<b>Basic Materials</b>				
Ganfeng Lithium	5,840	200	6,040	–
Zijin Mining	88,000	–	10,000	78,000
<b>Consumer Discretionary</b>				
Alibaba Group	96,800	7,000	2,300	101,500
Anta Sports Products	17,400	1,600	1,800	17,200
BYD	12,500	1,500	500	13,500
China Tourism Group	–	1,500	–	1,500
Great Wall Motor	47,000	–	15,500	31,500
Haier Smart Home	35,600	–	4,000	31,600
JD.com Inc	26,136	4,250	450	29,936
Li Auto	–	14,600	100	14,500
Li Ning	34,000	–	34,000	–
NetEase	27,500	–	3,300	24,200
Yum China Holdings	6,350	–	800	5,550
<b>Consumer Staples</b>				
China Resources Beer Holdings	23,000	6,000	6,000	23,000
JD Health International	11,300	3,150	350	14,100
Nongfu Spring	27,000	–	3,200	23,800
<b>Energy</b>				
China Longyuan Power Group	52,000	–	52,000	–
China Petroleum & Chemical	379,513	4,000	42,000	341,513
China Shenhua Energy	51,788	500	6,500	45,788
PetroChina	318,475	2,000	38,000	282,475
Yanzhou Coal Mining	28,000	–	28,000	–
<b>Financials</b>				
Agricultural Bank of China	473,214	–	53,000	420,214
Bank of China	1,137,717	–	105,000	1,032,717
Bank of Communications	111,433	1,000	13,000	99,433
China CITIC Bank	143,965	1,000	18,000	126,965
China Construction Bank	1,005,522	193,000	17,000	1,181,522
China Everbright Bank	48,238	1,000	8,000	41,238
China International Capital	22,800	–	2,400	20,400
China Life Insurance	114,063	2,000	14,000	102,063
China Merchants Bank	56,659	1,000	5,500	52,159
China Minsheng Banking	98,070	500	12,000	86,570
China Pacific Insurance	39,601	200	4,600	35,201
CITIC Securities	34,171	500	4,500	30,171
CSC Financial	14,000	–	1,500	12,500
Industrial and Commercial Bank of China	1,116,391	–	136,000	980,391
People's Insurance	125,899	1,000	15,000	111,899
PICC Property and Casualty	–	92,000	–	92,000
Ping An Insurance	84,189	–	6,000	78,189
Postal Savings Bank of China	143,058	1,000	17,000	127,058

# Statement of Movements in Portfolio Holdings (Unaudited) (continued)

for the period from 1 January 2023 to 30 June 2023

Investments	Holdings as at 1 Jan 2023	Additions	Disposals	Holdings as at 30 Jun 2023
<b>Health Care</b>				
Wuxi Apptec	5,208	300	800	4,708
Wuxi Biologics	53,000	–	4,500	48,500
<b>Industrials</b>				
Anhui Conch Cement	17,765	500	2,500	15,765
China Railway	62,000	–	7,000	55,000
CITIC	76,000	–	9,000	67,000
Cosco Shipping Holdings	49,950	500	8,500	41,950
CRRC Corporation	–	55,000	–	55,000
<b>Real Estate</b>				
China Overseas Land & Investment	59,000	–	6,500	52,500
China Resources Land	42,349	6,000	10,000	38,349
China Vanke	29,257	3,800	2,900	30,157
<b>Technology</b>				
Baidu	32,500	–	3,650	28,850
Kuaishou Technology	28,800	8,700	1,700	35,800
Meituan	46,798	21,330	1,100	67,028
Tencent Holdings	27,308	500	2,500	25,308
<b>Telecommunications</b>				
Xiaomi Corporation	218,600	–	18,200	200,400
<b>British Virgin Islands Unlisted Equity</b>				
China Common	500,000	–	–	500,000

# Condensed Statement of Assets and Liabilities (Unaudited)

as at 30 June 2023

	30 June 2023 (Unaudited) (HKD)	31 December 2022 (Audited) (HKD)
<b>Assets</b>		
Financial assets at fair value through profit or loss	91,445,586	97,613,971
Dividend receivable	592,592	10,471
Other accounts receivable	22	4
Cash and cash equivalents	632,385	351,686
<b>Total Assets</b>	<b>92,670,585</b>	<b>97,976,132</b>
<b>Liabilities</b>		
Accrued expenses and other payables	260,741	278,833
Distribution payable to unitholders	374,212	–
<b>Total Liabilities</b>	<b>634,953</b>	<b>278,833</b>
<b>Net assets attributable to unitholders</b>	<b>92,035,632</b>	<b>97,697,299</b>
Representing:		
<b>Total Equity</b>	<b>92,035,632</b>	<b>97,697,299</b>
<b>Total number of units in issue</b>	<b>748,425</b>	<b>758,122</b>
<b>Net asset value per unit*</b>	<b>122.9724</b>	<b>128.8675</b>

\* The number of decimal places in the net asset value per unit has been changed from two to four with effect from 8 Jun 2023.



# Condensed Statement of Comprehensive Income (Unaudited)

for the half-year ended 30 June 2023

	Half-year ended 30 June 2023 (Unaudited) (HKD)	Half-year ended 30 June 2022 (Unaudited) (HKD)
<b>Income</b>		
Dividend income	1,083,469	1,672,889
Interest income	1,817	3
Other income	1,600	–
	1,086,886	1,672,892
<b>Expenses</b>		
Auditor's remuneration	(30,026)	(29,558)
Management fees	(271,654)	(294,846)
Registrar's fees	(7,736)	(7,736)
Safe custody and bank charges	(1,922)	(2,177)
Sundry expenses	(168,510)	(182,886)
Investment transaction costs	(33,262)	(65,669)
Transaction fees paid to trustee	(600)	(1,600)
Trustee's fees	(24,696)	(26,804)
Valuation fees	(48,000)	(48,000)
	(586,406)	(659,276)
<b>Income before loss on investments</b>	500,480	1,013,616
<b>Loss on investments</b>		
Net losses on investments	(4,406,373)	(8,280,189)
Net foreign exchange loss	(463)	(272)
Securities expenses	(8,142)	(19,024)
	(4,414,978)	(8,299,485)
<b>Loss before finance costs</b>	(3,914,498)	(7,285,869)
<b>Finance costs</b>		
Interest expenses	(14)	–
<b>Loss before taxation</b>	(3,914,512)	(7,285,869)
Taxation	(83,094)	(128,635)
<b>Loss attributable to unitholders and total comprehensive income for the period</b>	(3,997,606)	(7,414,504)

# Condensed Statement of Changes in Equity (Unaudited)

for the half-year ended 30 June 2023

	Half-year ended 30 June 2023 (Unaudited) (HKD)	Half-year ended 30 June 2022 (Unaudited) (HKD)
<b>Balance at beginning of period</b>	97,697,299	112,917,812
<b>Loss attributable to unitholders and total comprehensive income for the period</b>	(3,997,606)	(7,414,504)
<b>Transaction with owners (i.e. unitholders), recorded directly in equity</b>		
Received and receivable on issue of units	99,885	12,429,092
Paid and payable on redemption of units	(1,389,734)	(2,326,513)
Distributions to unitholders	(374,212)	(994,638)
<b>Transaction with owners (i.e. unitholders)</b>	(1,664,061)	9,107,941
<b>Balance at period end</b>	92,035,632	114,611,249

	Half-year ended 30 June 2023 (Number of Units)	Half-year ended 30 June 2022 (Number of Units)
<b>Movement of units in issue is listed below:</b>		
Number of units brought forward	758,122	685,182
Number of units issued during the period	803	87,424
Number of units redeemed during the period	(10,500)	(15,000)
Number of units carried forward	748,425	757,606

# Distribution Disclosure (Unaudited)

For the period from 1 January 2023 to 30 June 2023 and the comparison with the same period in 2022

	Date of Ex-distribution	Date of Payment	Distribution per Unit (HKD)	Total Distribution (HKD)
<b>Hang Seng FTSE China 50 Index ETF</b>				
Interim distribution 2023	29-06-2023	28-07-2023	0.50	374,212
Interim distribution 2022	23-06-2022	28-07-2022	1.30	994,638

# Performance of the Index and the ETF (Unaudited)

For the period from 1 January 2023 to 30 June 2023 and the comparison with the same period in 2022

Fund/Index	Performance in HK Dollar	
	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
FTSE China 50 ETF*	(4.19%)	(7.42%)
FTSE China 50 Index^	(3.56%)	(6.69%)

Source: NAV is provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of the ETF is provided by the Manager. Index information is provided by Bloomberg.

\* Performance is calculated in base currency with NAV to NAV, dividend (if any) reinvested. The performance information presented is calculated based on the assumption that there were no distribution to Unitholders, and is for reference only.

To achieve comparability among fund's performance presentations in the market for investors, the Manager is to change the methodology used to calculate portfolio and composite returns with effective from 1 September 2022 onward. The change is the total return with dividend reinvested at ex-dividend date instead of payment date. Performance data published prior to 1 September 2022 is incomparable with the performance calculated by the new calculation methodology.

^ Performance is calculated in total return with dividend reinvested, net of withholding tax.

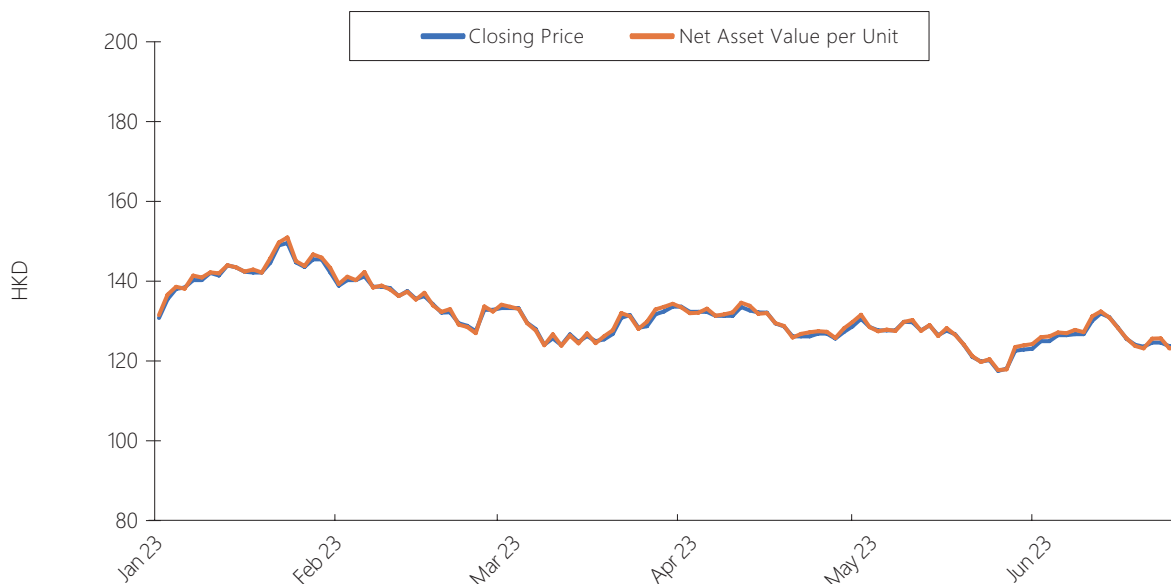
Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

# Comparison of Daily Closing Price and Net Asset Value per Unit of the ETF (Unaudited)

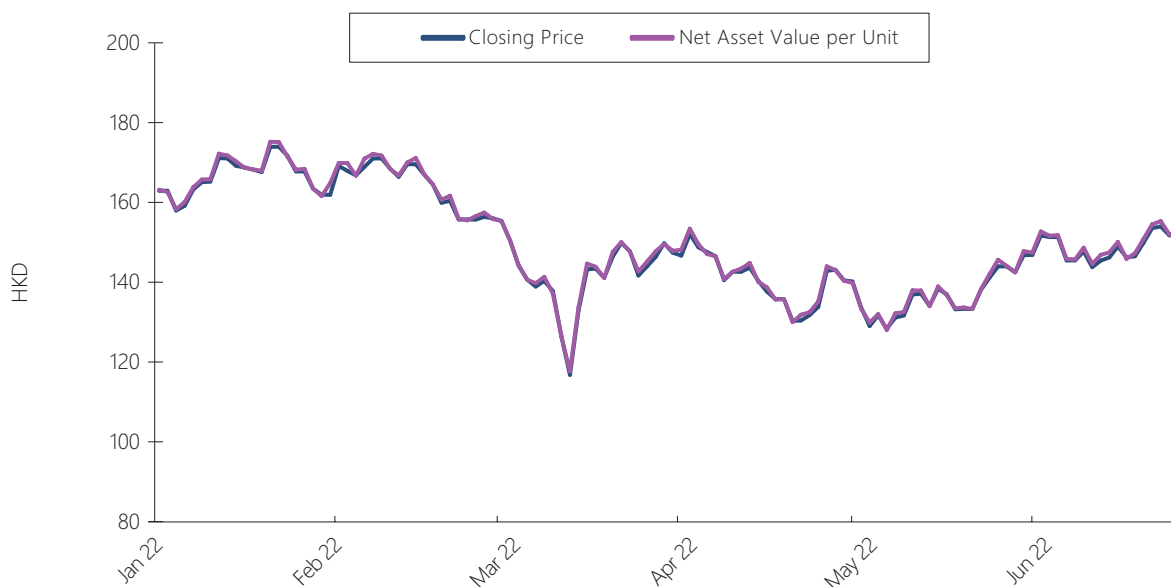
For the period from 1 January 2023 to 30 June 2023 and the comparison with the same period in 2022

## Hang Seng FTSE China 50 Index ETF

Comparison of Daily Closing Price and Net Asset Value per Unit for the period from 1 January 2023 to 30 June 2023



Comparison of Daily Closing Price and Net Asset Value per Unit for the period from 1 January 2022 to 30 June 2022



# Index Constituent Stocks Disclosure (Unaudited)

as at 30 June 2023

## As at 30 June 2023

Fund	Index	Constituent Stocks	Weighting of the Index (%)
Hang Seng FTSE China 50 Index ETF	As of 30 June 2023, there was no constituent stock that accounted for more than 10% of the weighting of the FTSE China 50 Index.		

## As at 30 June 2022

Fund	Index	Constituent Stocks	Weighting of the Index (%)
Hang Seng FTSE China 50 Index ETF	As of 30 June 2022, there was no constituent stock that accounted for more than 10% of the weighting of the FTSE China 50 Index.		

# Report on Investment Overweight in Constituent Stocks of the Index by the ETF (Unaudited)

From 1 January 2023 to 30 June 2023

As stated in the Hong Kong Offering Document of the Fund, if a representative sampling strategy is implemented when investing for the Fund, the Manager (Hang Seng Investment Management Limited) will apply such strategy in accordance with the Fund's relevant investment restrictions thereby enabling the Manager to overweight the constituent stocks of the Index relative to their respective weightings in the Index in accordance with the below limits.

Stock's weight in the Index	Maximum extra weighting to be allocated
Below 10%	4% <sup>1</sup>
10%-30%	4%
30%-50%	3%
Above 50%	2%

<sup>1</sup> Where the weighting of a constituent stock in the Index is below 10% and if the total allocation to this constituent stock is still below 10% after allocating the maximum extra weighting of 4%, the total allocation to it may be adjusted up to maximum of 10%.

During the period from 1 January 2023 to 30 June 2023, the Manager has complied in full to the above maximum extra weighting for the Hang Seng FTSE China 50 Index ETF.

# Management and Administration

## **Manager and Listing Agent**

Hang Seng Investment Management Limited  
83 Des Voeux Road Central  
Hong Kong

## **Directors of the Manager and Listing Agent**

CHEUNG Ka Wai, Kathy  
CHIU Wai Man, Vivien  
LEE Pui Shan  
LEE Wah Lun, Rannie  
SAW Say Pin  
SIT Wing Fai, Wilfred  
TSANG Hing Keung (resigned on 1 June 2023)  
WHITE Stuart Kingsley

## **Trustee, Custodian and Registrar**

HSBC Institutional Trust Services (Asia) Limited  
1 Queen's Road Central  
Hong Kong

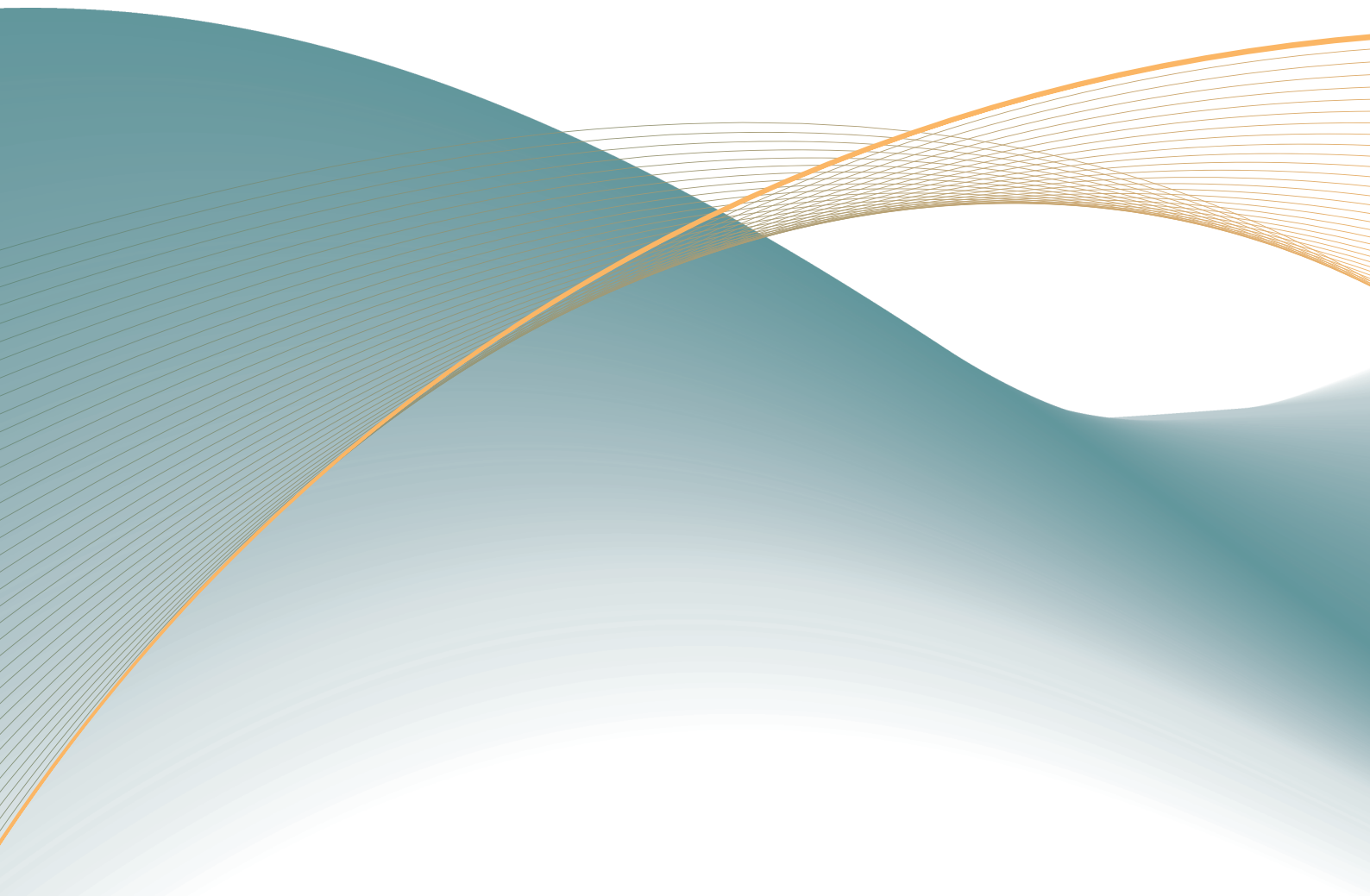
## **Conversion Agent**

HK Conversion Agency Services Limited  
8th Floor, Two Exchange Square  
8 Connaught Place  
Central Hong Kong

## **Auditor**

KPMG  
Certified Public Accountants  
Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance  
8th Floor, Prince's Building  
10 Chater Road  
Central Hong Kong





Issued by Hang Seng Investment Management Limited  
(A wholly-owned subsidiary of Hang Seng Bank)