

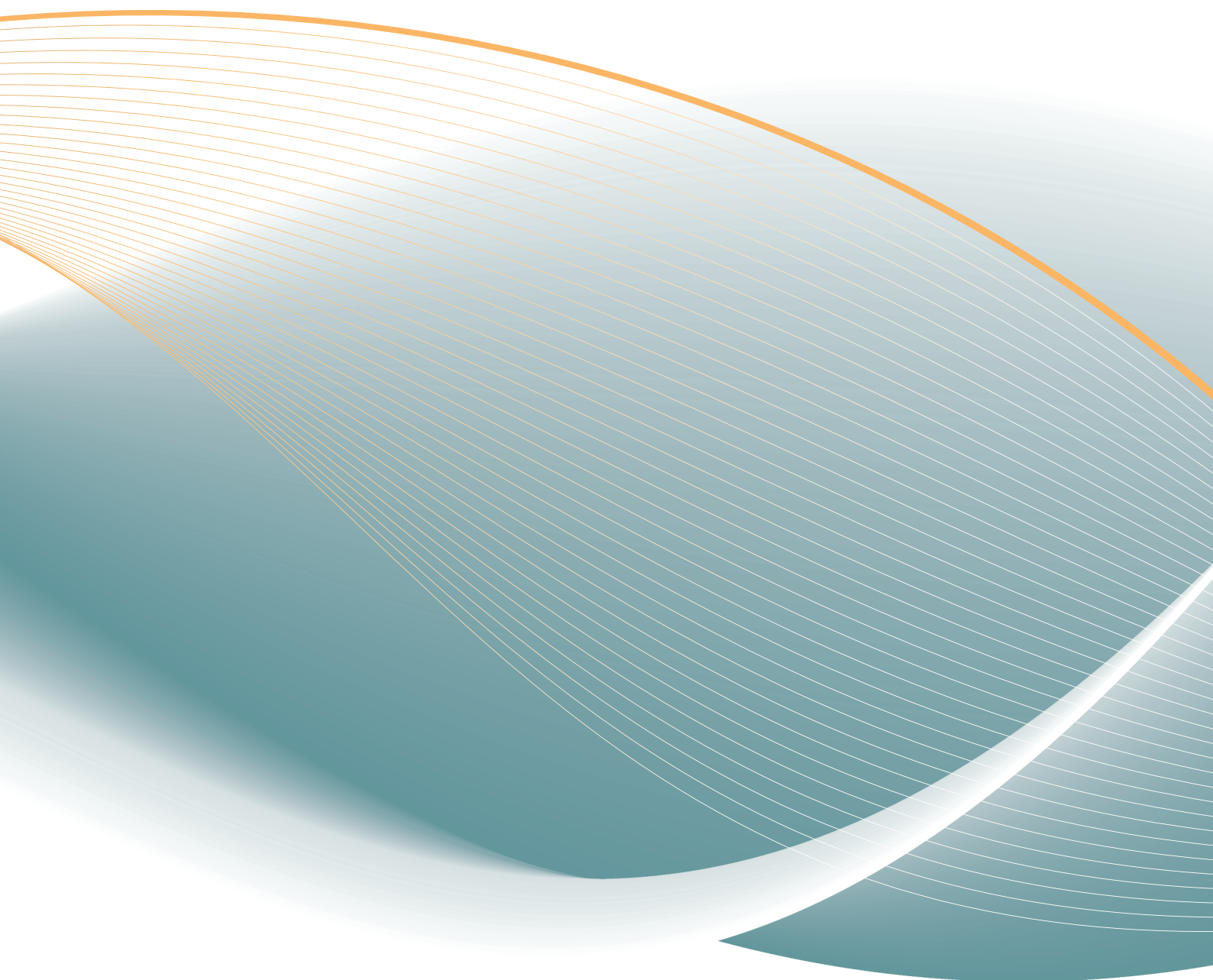


恒生投資
HANG SENG INVESTMENT

Hang Seng FTSE China 50 Index ETF

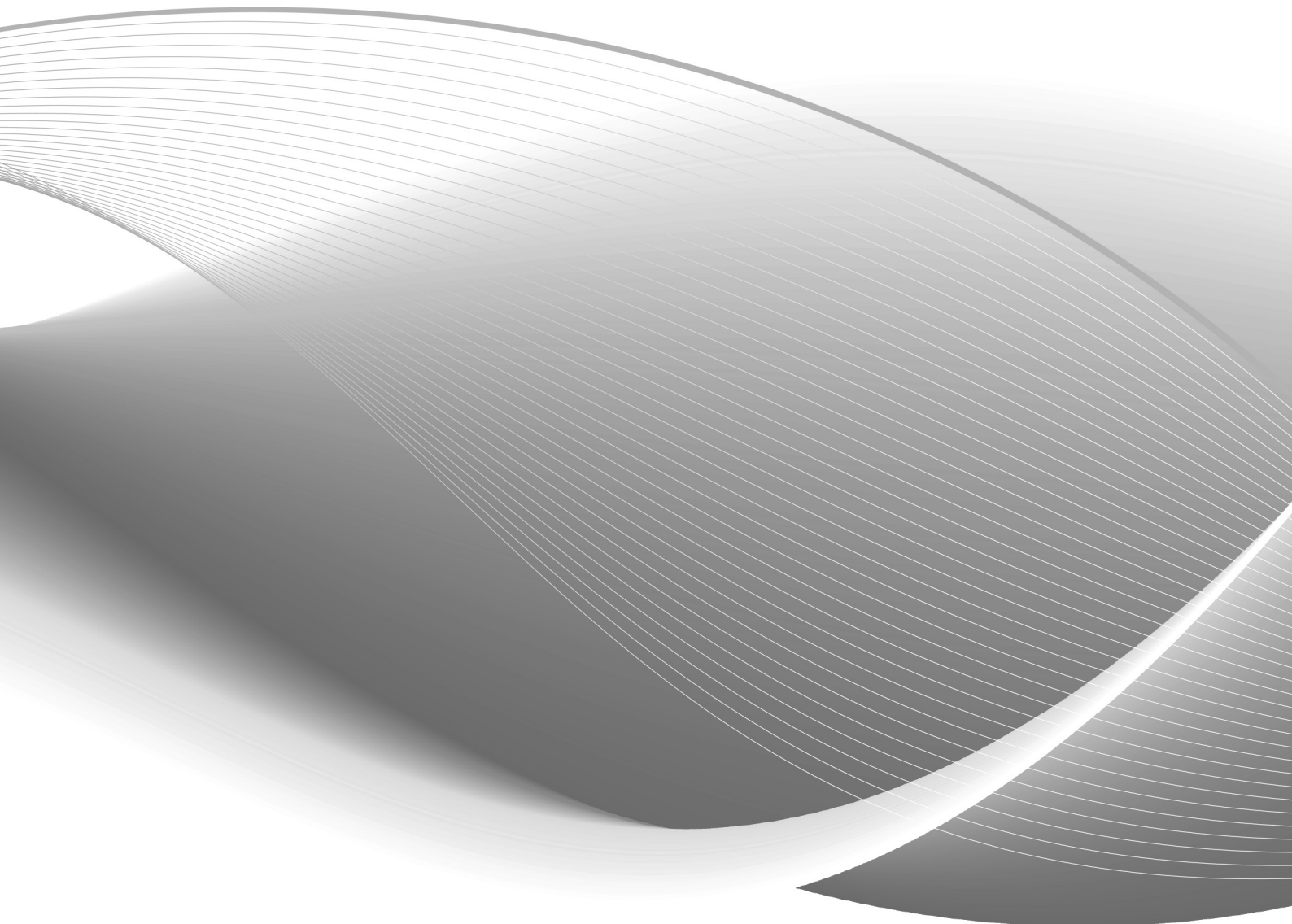
INTERIM FINANCIAL REPORT

2024



Contents

Interim Financial Report 2024	2
Investment Portfolio (Unaudited)	3
Statement of Movements in Portfolio Holdings (Unaudited)	5
Condensed Statement of Assets and Liabilities (Unaudited)	7
Condensed Statement of Comprehensive Income (Unaudited)	8
Condensed Statement of Changes in Equity (Unaudited)	9
Distribution Disclosure (Unaudited)	10
Performance of the Index and the ETF (Unaudited)	11
Comparison of Daily Closing Price and Net Asset Value per Unit of the ETF (Unaudited)	12
Index Constituent Stocks Disclosure (Unaudited)	13
Report on Investment Overweight in Constituent Stocks of the Index by the ETF (Unaudited)	14
Management and Administration	15



Interim Financial Report 2024

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 2024

Investments	Holdings	Market Value (HKD)	% of Net Assets Attributable to Unitholders
Hong Kong Stock Exchange Listed Equities			
Basic Materials			
CMOC Group	54,000	385,560	0.45%
Zijin Mining	77,472	1,276,739	1.48%
		1,662,299	1.93%
Consumer Discretionary			
Alibaba Group	107,700	7,592,850	8.79%
Anta Sports Products	16,913	1,268,475	1.48%
BYD	13,177	3,057,064	3.54%
China Tourism Group	1,500	71,775	0.09%
Great Wall Motor	31,826	383,185	0.45%
Haier Smart Home	31,000	809,100	0.94%
JD.com Inc	30,686	3,169,864	3.67%
Li Auto	14,500	1,019,350	1.18%
NetEase Inc	23,475	3,500,122	4.05%
Trip.com Group	7,150	2,678,390	3.10%
		23,550,175	27.29%
Consumer Staples			
Nongfu Spring	23,400	866,970	1.00%
Energy			
China Coal Energy	28,000	255,360	0.29%
China Petroleum & Chemical	329,513	1,667,336	1.93%
China Shenhua Energy	45,642	1,640,830	1.90%
PetroChina	280,475	2,215,752	2.57%
Yankuang Energy Group	41,600	464,256	0.54%
		6,243,534	7.23%
Financials			
Agricultural Bank of China	414,214	1,383,475	1.60%
Bank of China	1,047,717	4,033,710	4.67%
Bank of Communications	98,158	601,709	0.70%
China CITIC Bank	124,965	626,075	0.72%
China Construction Bank	1,108,522	6,396,172	7.41%
China Everbright Bank	41,864	101,730	0.12%
China International Capital	19,886	172,809	0.20%
China Life Insurance	100,063	1,104,695	1.28%
China Merchants Bank	51,159	1,813,587	2.10%
China Minsheng Banking	85,570	231,039	0.27%
China Pacific Insurance	35,138	669,730	0.78%
CITIC Securities	22,138	254,587	0.29%
CSC Financial	13,138	76,069	0.09%
Industrial and Commercial Bank of China	934,391	4,335,574	5.02%
People's Insurance	109,899	294,529	0.34%

Investment Portfolio (Unaudited) (continued)

as at 30 June 2024

Investments	Holdings	Market Value (HKD)	% of Net Assets Attributable to Unitholders
PICC Property and Casualty	90,862	881,361	1.02%
Ping An Insurance	84,027	2,974,556	3.45%
Postal Savings Bank of China	146,058	668,946	0.77%
		26,620,353	30.83%
Health Care			
Beigene	8,400	724,080	0.84%
WuXi AppTec	4,546	132,743	0.15%
		856,823	0.99%
Industrials			
China Railway	54,000	232,740	0.27%
CITIC	86,461	613,873	0.71%
Cosco Shipping Holdings	38,127	520,815	0.60%
CRRC Corporation	53,857	271,439	0.32%
		1,638,867	1.90%
Real Estate			
China Overseas Land & Investment	51,500	697,310	0.81%
China Resources Land	37,210	987,926	1.14%
		1,685,236	1.95%
Technology			
Baidu	30,000	2,557,500	2.96%
Kuaishou Technology	38,000	1,753,700	2.03%
Meituan	63,328	7,035,741	8.15%
Tencent Holdings	20,638	7,685,591	8.90%
		19,032,532	22.04%
Telecommunications			
Xiaomi Corporation	192,000	3,164,160	3.66%
Utilities			
CGN Power	150,000	516,000	0.60%
Total Investments		85,836,949	99.42%
<i>(Total cost of investments – HKD107,936,523)</i>			
Other Net Assets		501,747	0.58%
Net Assets Attributable to Unitholders		86,338,696	100.00%

Statement of Movements in Portfolio Holdings (Unaudited)

for the period from 1 January 2024 to 30 June 2024

Investments	Holdings as at 1 Jan 2024	Additions	Disposals	Holdings as at 30 Jun 2024
Hong Kong Stock Exchange Listed Equities				
Basic Materials				
CMOC Group	–	54,000	–	54,000
Zijin Mining	76,000	7,472	6,000	77,472
Consumer Discretionary				
Alibaba Group	104,400	11,900	8,600	107,700
Anta Sports Products	16,600	1,513	1,200	16,913
BYD	12,982	1,195	1,000	13,177
China Tourism Group	1,500	100	100	1,500
Great Wall Motor	30,000	4,826	3,000	31,826
Haier Smart Home	30,600	3,200	2,800	31,000
JD.com Inc	30,786	2,250	2,350	30,686
Li Auto	14,300	1,300	1,100	14,500
NetEase Inc	25,075	3,000	4,600	23,475
Trip.com Group	7,000	650	500	7,150
Yum China Holdings	5,350	100	5,450	–
Consumer Staples				
China Resources Beer Holdings	21,000	–	21,000	–
Nongfu Spring	23,000	2,000	1,600	23,400
Energy				
China Coal Energy	–	28,000	–	28,000
China Petroleum & Chemical	329,513	28,000	28,000	329,513
China Shenhua Energy	44,788	4,354	3,500	45,642
PetroChina	274,475	28,000	22,000	280,475
Yankuang Energy Group	–	41,600	–	41,600
Financials				
Agricultural Bank of China	407,214	41,000	34,000	414,214
Bank of China	1,095,717	70,000	118,000	1,047,717
Bank of Communications	98,158	9,000	9,000	98,158
China CITIC Bank	122,965	11,000	9,000	124,965
China Construction Bank	1,299,522	28,000	219,000	1,108,522
China Everbright Bank	41,238	3,626	3,000	41,864
China International Capital	19,600	1,886	1,600	19,886
China Life Insurance	98,063	9,000	7,000	100,063
China Merchants Bank	50,159	5,000	4,000	51,159
China Minsheng Banking	84,070	7,500	6,000	85,570
China Pacific Insurance	34,738	3,400	3,000	35,138
CITIC Securities	29,671	1,467	9,000	22,138
CSC Financial	13,146	1,992	2,000	13,138
Industrial and Commercial Bank of China	1,013,391	67,000	146,000	934,391
People's Insurance	107,899	10,000	8,000	109,899
PICC Property and Casualty	90,000	10,862	10,000	90,862
Ping An Insurance	82,689	7,838	6,500	84,027
Postal Savings Bank of China	143,058	13,000	10,000	146,058

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

for the period from 1 January 2024 to 30 June 2024

Investments	Holdings as at 1 Jan 2024	Additions	Disposals	Holdings as at 30 Jun 2024
Health Care				
Beigene	8,300	800	700	8,400
WuXi AppTec	4,658	388	500	4,546
WuXi Biologics	47,000	–	47,000	–
Industrials				
China Railway	54,000	4,000	4,000	54,000
CITIC	84,000	8,461	6,000	86,461
Cosco Shipping Holdings	39,950	1,677	3,500	38,127
CRRC Corporation	54,000	7,857	8,000	53,857
Real Estate				
China Overseas Land & Investment	50,500	4,500	3,500	51,500
China Resources Land	36,710	4,000	3,500	37,210
China Vanke	29,157	–	29,157	–
Technology				
Baidu	29,200	3,000	2,200	30,000
Kuaishou Technology	34,500	6,400	2,900	38,000
Meituan	74,428	1,600	12,700	63,328
Tencent Holdings	24,108	3,700	7,170	20,638
Telecommunications				
Xiaomi Corporation	194,000	12,800	14,800	192,000
Utilities				
CGN Power	–	150,000	–	150,000

Condensed Statement of Assets and Liabilities (Unaudited)

as at 30 June 2024

	30 June 2024 (Unaudited) (HKD)	31 December 2023 (Audited) (HKD)
Assets		
Financial assets at fair value through profit or loss	85,836,949	83,790,853
Dividend receivable	726,586	105,949
Other accounts receivable	4	43
Cash and cash equivalents	369,429	381,340
Total Assets	86,932,968	84,278,185
Liabilities		
Accrued expenses and other payables	230,854	270,948
Distributions payable to unitholders	363,418	–
Total Liabilities	594,272	270,948
Net assets attributable to unitholders	86,338,696	84,007,237
Representing:		
Total Equity	86,338,696	84,007,237
Total number of units in issue	726,835	770,683
Net asset value per unit*	118.7872	109.0036

* 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 2024

	Half-year ended 30 June 2024 (Unaudited) (HKD)	Half-year ended 30 June 2023 (Unaudited) (HKD)
Income		
Dividend income	1,166,042	1,083,469
Interest income	2,216	1,817
Other income	–	1,600
	1,168,258	1,086,886
Expenses		
Auditor's remuneration	(29,761)	(30,026)
Legal and professional fees	(645)	–
Management fees	(223,351)	(271,654)
Registrar's fees	(7,757)	(7,736)
Safe custody and bank charges	(1,610)	(1,922)
Sundry expenses	(170,663)	(168,510)
Investment transaction costs	(23,182)	(33,262)
Transaction fees paid to trustee	(1,300)	(600)
Trustee's fees	(19,259)	(24,696)
Valuation fees	(24,800)	(48,000)
	(502,328)	(586,406)
Income before gains/(losses) on investments	665,930	500,480
Gains/(losses) on investments		
Net gains/(losses) on investments	6,393,677	(4,406,373)
Net foreign exchange gain/(loss)	33	(463)
Securities expenses	(9,832)	(8,142)
	6,383,878	(4,414,978)
Income/(loss) before finance costs	7,049,808	(3,914,498)
Finance costs		
Interest expenses	–	(14)
Income/(loss) before taxation	7,049,808	(3,914,512)
Taxation	(68,452)	(83,094)
Income/(loss) attributable to unitholders and total comprehensive income for the period	6,981,356	(3,997,606)

Condensed Statement of Changes in Equity (Unaudited)

for the half-year ended 30 June 2024

	Half-year ended 30 June 2024 (Unaudited) (HKD)	Half-year ended 30 June 2023 (Unaudited) (HKD)
Balance at beginning of period	84,007,237	97,697,299
Income/(loss) attributable to unitholders and total comprehensive income for the period	6,981,356	(3,997,606)
Transactions with owners (i.e. unitholders), recorded directly in equity		
Received and receivable on issue of units	2,099,933	99,885
Paid and payable on redemption of units	(6,386,412)	(1,389,734)
Distributions to unitholders	(363,418)	(374,212)
Total transactions with owners (i.e. unitholders)	(4,649,897)	(1,664,061)
Balance at period end	86,338,696	92,035,632

	Half-year ended 30 June 2024 (Number of Units)	Half-year ended 30 June 2023 (Number of Units)
Movement of units in issue is listed below:		
Number of units brought forward	770,683	758,122
Number of units issued during the period	17,235	803
Number of units redeemed during the period	(61,083)	(10,500)
Number of units carried forward	726,835	748,425

Distribution Disclosure (Unaudited)

For the period from 1 January 2024 to 30 June 2024 and the comparison with the same period in 2023

	Date of Ex-distribution	Date of Payment	Distribution per Unit (HKD)	Total Distribution (HKD)
Hang Seng FTSE China 50 Index ETF				
Interim distribution 2024	27-06-2024	30-07-2024	0.50	363,418
Interim distribution 2023	29-06-2023	28-07-2023	0.50	374,212

Performance of the Index and the ETF (Unaudited)

For the period from 1 January 2024 to 30 June 2024 and the comparison with the same period in 2023

Fund/Index	Performance in HK Dollar	
	For the period from 1 January 2024 to 30 June 2024	For the period from 1 January 2023 to 30 June 2023
FTSE China 50 ETF*	9.43%	(4.19%)
FTSE China 50 Index^	10.18%	(3.56%)

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.

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

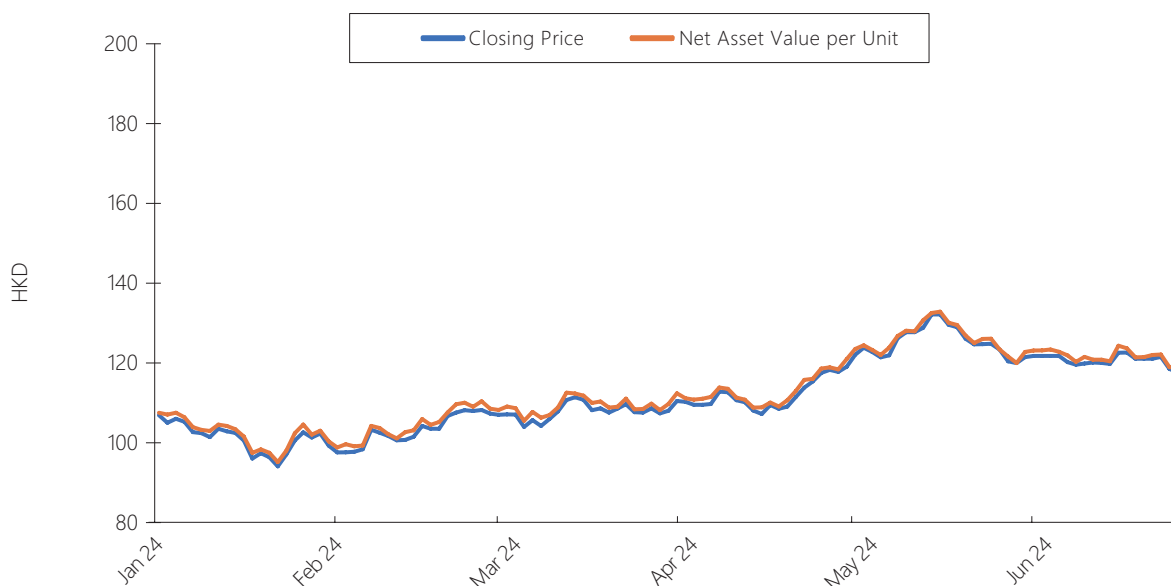
Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the 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)

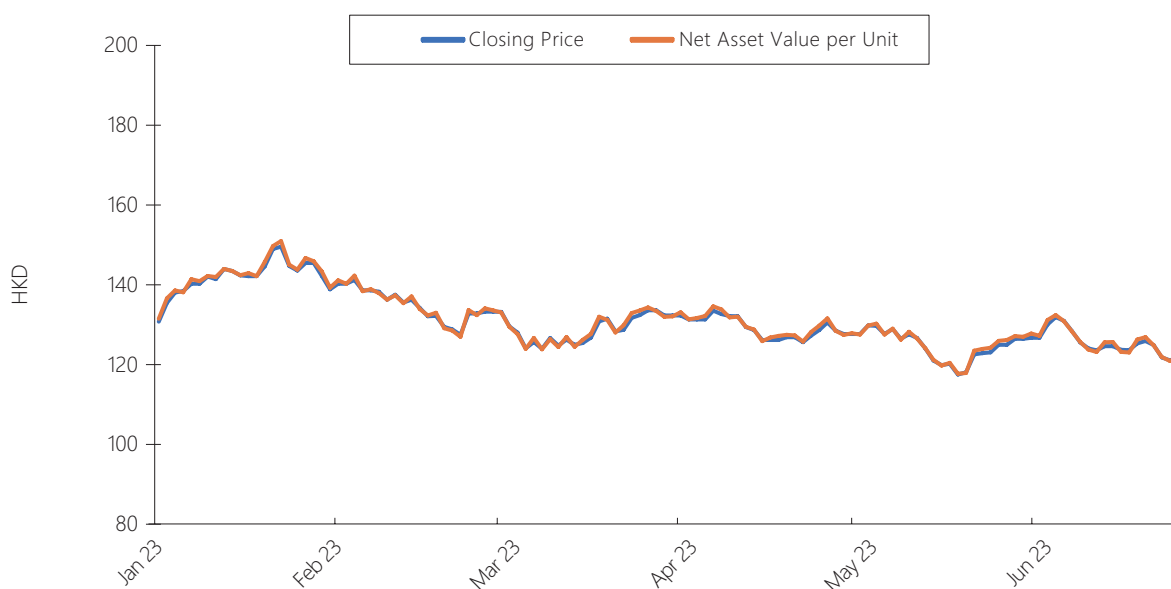
For the period from 1 January 2024 to 30 June 2024 and the comparison with the same period in 2023

Hang Seng FTSE China 50 Index ETF

Comparison of Daily Closing Price and Net Asset Value per Unit for the period from 1 January 2024 to 30 June 2024



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



Index Constituent Stocks Disclosure (Unaudited)

As at 30 June 2024

As at 30 June 2024

Fund	Index	Constituent Stocks	Weighting of the Index (%)
Hang Seng FTSE China 50 Index ETF	As of 28 June 2024, there was no constituent stock that accounted for more than 10% of the weighting of the FTSE China 50 Index.		

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.		

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

From 1 January 2024 to 30 June 2024

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% ¹
10%-30%	4%
30%-50%	3%
Above 50%	2%

¹ 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 2024 to 30 June 2024, 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
Central
Hong Kong

Directors of the Manager

CHEUNG Ka Wai, Kathy
CHIU Wai Man, Vivien
LEE Pui Shan
LEE Wah Lun, Rannie
SAW Say Pin
SIT Wing Fai, Wilfred
SKEVINGTON Dominic Adam (assigned on 27 May 2024)
WHITE Stuart Kingsley (resigned on 27 May 2024)

Trustee, Custodian and Registrar

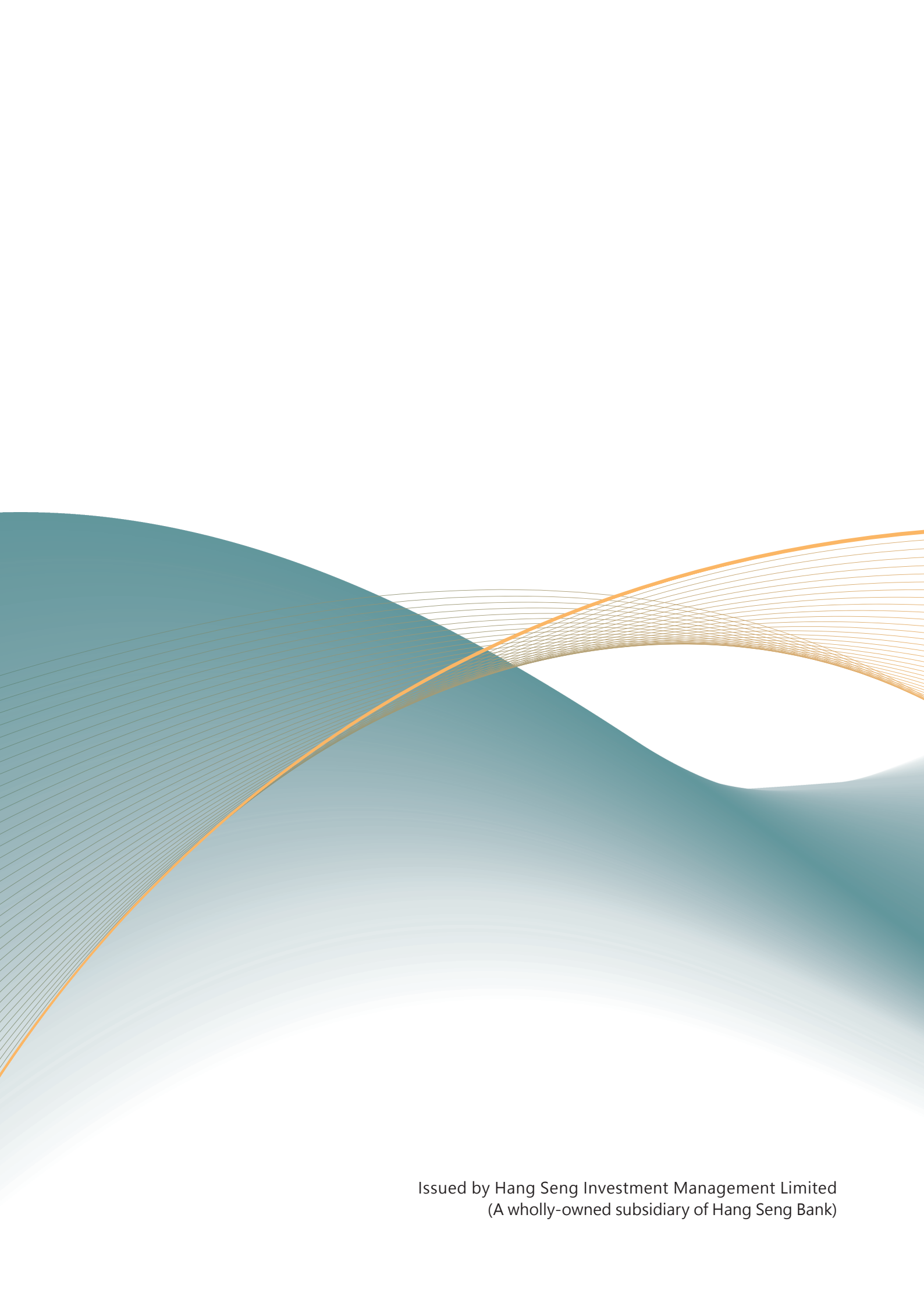
HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
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Issued by Hang Seng Investment Management Limited
(A wholly-owned subsidiary of Hang Seng Bank)