

JPX International Conference -

The Path to a Leading Global Vertically-Integrated Multi-Asset Class Exchange - A Brief Intro of HKEx Group Strategy

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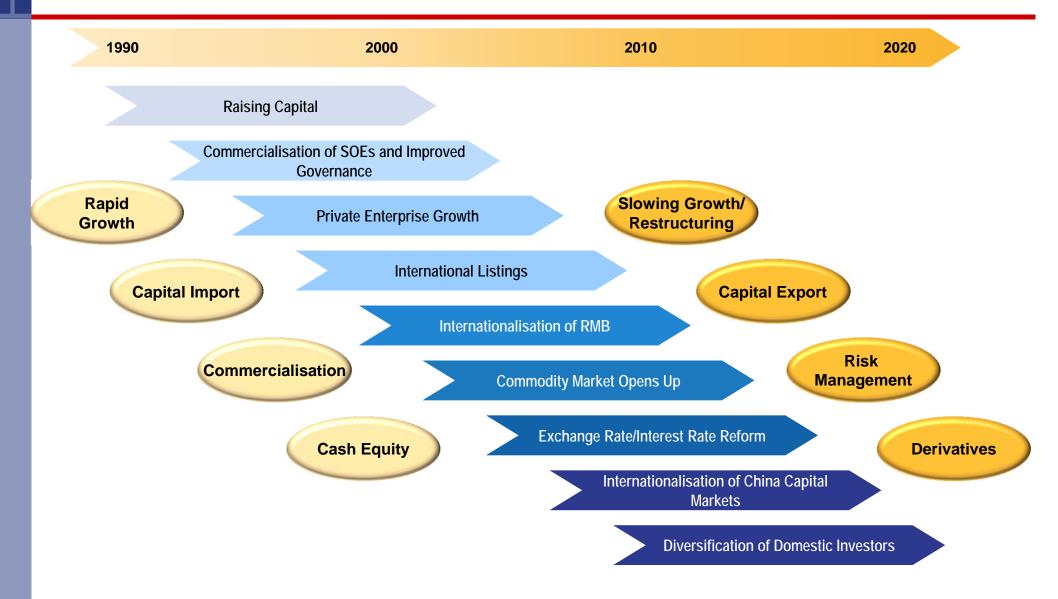
Clear Strategic Focus



| Leverage | Successful Acquisition of the LME |
|-----------|---|
| Expand | Across Asset Classes into FIC & Commodities |
| Integrate | Vertical Value Chain, from Products to Trading and Clearing |
| Build | China Connectivity |
| Enhance | IT Platform & Infrastructure |

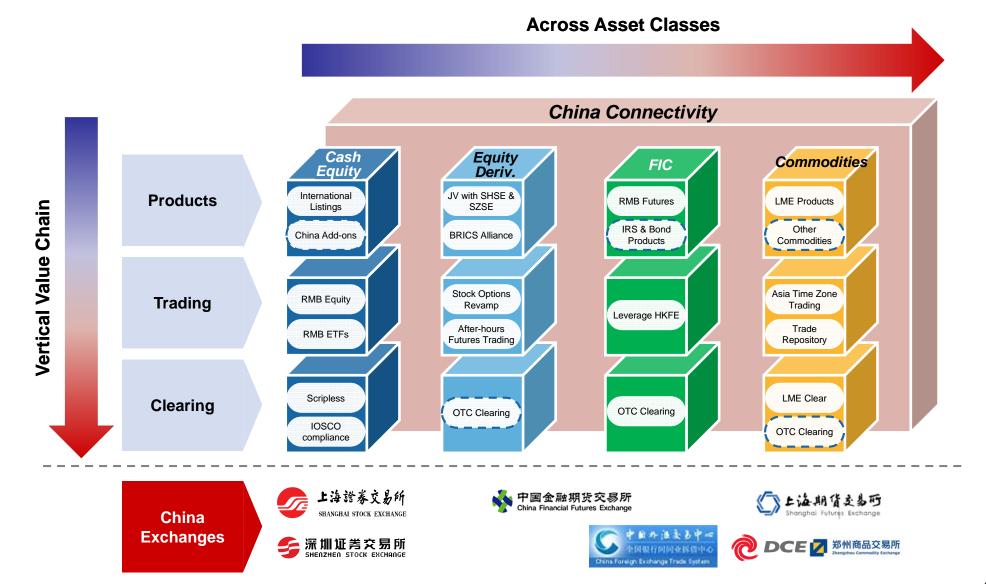






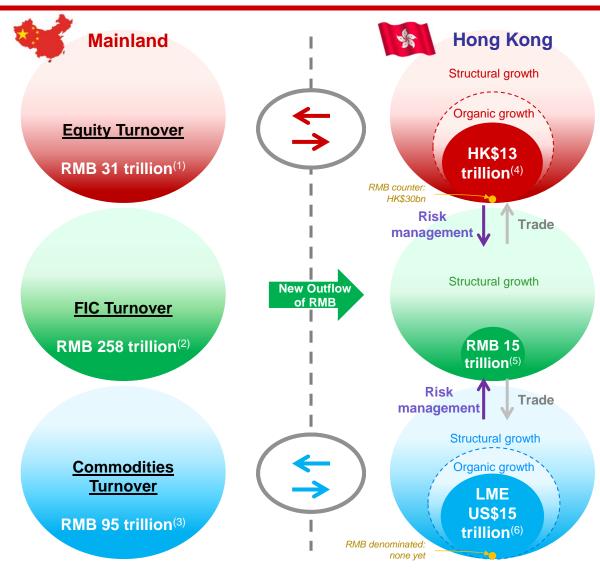
HKEx Group Business Strategy Horizontal Asset Classes + Full Vertical Integration





Offshore Asset Class Growth Potential





GROWTH CATALYSTS:

Diversification need

- China's overseas equity investments are only 0.8% of GDP (Japan 10%; USA 30%)
- Expansion of QDII → QDII-2
- Mutual market access

Risk management need

- Only 11% of China's trade is settled in RMB: massive structural growth expected
- Investment need for CNH liquidity pool
- CNH IR & FX daily fix: first crucial steps taken

Physical market need

- China often largest producer and consumer
- Greater integration with global benchmarks
- Risk management = key volume component

Note (1): SHSE and SZSE total trading volume in 2012

(2): China FIC trading volume in 2012 (interbank bonds, etc.)

(3): SHFE+DCE+ZCE volume (nominal value) in 2012

(4): HKEx cash market total trading volume in 2012

(5): Estimated annualised current CNH FX and dim sum bond turnover in Hong Kong

(6): LME trading volume (nominal value) in 2012



Platform & Infrastructure Strategy



| | Current | | Future |
|----------------|---|---|--|
| Platforms | Market Specific Platforms | Next Generation Foundation | Common Platforms |
| | Vertical silos from historical legacy Vendor dependent support | "Seed" best of breed technology in certain asset classes Prepare for extending the platform to other asset classes | Cross-asset class platforms Fewer vendors Horizontal deployment – synergy In-house support capability |
| Infrastructure | Consolidation | Access | Connectivity |
| | Next Generation Data Centre Consolidate IT offices and multiple data centres | Hosting Services Lower latency & Ecosystem With connectivity to Cash, Derivatives and Clearing | Mainland Market Data Hub LME Connectivity Global network to increase exposure to overseas participants |



Opportunities and Challenges of HKEx Group



| Opportunities | | Challenges |
|--|----|--|
| Connectivity and Positioning as Gateway | VS | Flexibility of Infrastructure and Platform |
| Market Innovation (e.g. Algo Trading) | VS | Microstructure and Risk Management |
| OTC Clearing | VS | Regulation Extraterritoriality |
| Global Exchange | VS | Global Competition |



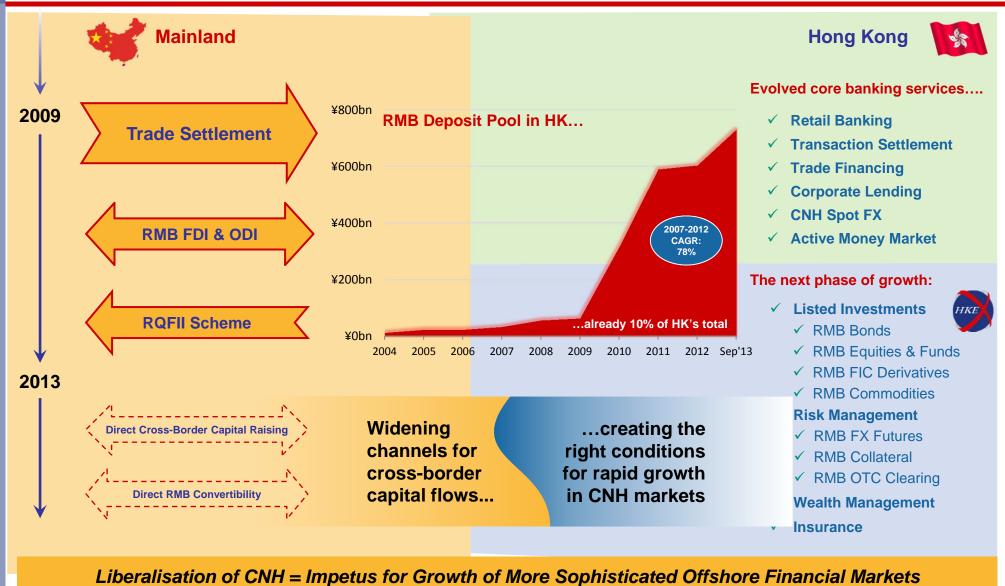


Appendix



CNH: Explosive Growth Ahead

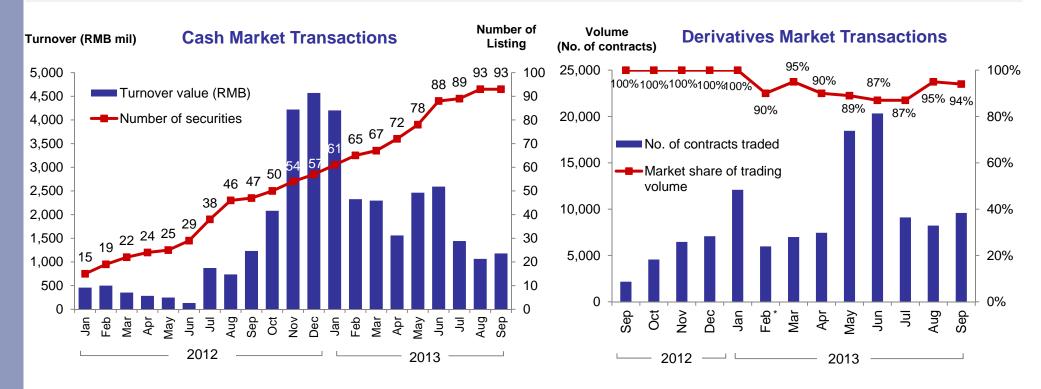




Existing RMB Products Listed on HKEx *A Wide Product Range*



| | Securities Products | | | | Derivatives Products | |
|-----------------------|---------------------|------------|---------------|--------------|-----------------------------|----------------------|
| | RMB Bonds | RMB REIT | RMB ETF | RMB Equity | Derivative Warrants | RMB Currency Futures |
| Date of 1st Listing | October 2010 | April 2011 | February 2012 | October 2012 | December 2012 | September 2012 |
| Total No. of Listings | 73 | 1 | 10 | 1 | 8 | 1 |



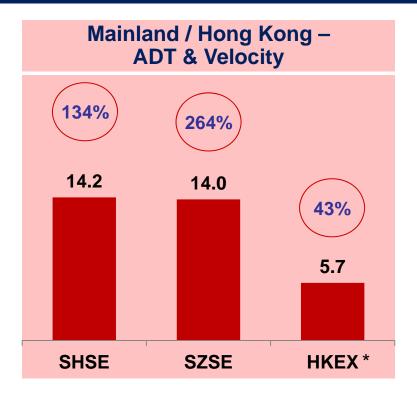


Potential Impact of Cross-Border Flows



Velocity of Major Global Exchanges

| U.S. / Europe | | |
|---------------|------|--|
| Bovespa | 73% | |
| NASDAQ | 168% | |
| NYSE | 81% | |
| TMX | 69% | |
| LSE Group | 51% | |



| Asia | | |
|------|------|--|
| ASX | 63% | |
| KRX | 119% | |
| SGX | 51% | |
| TSE | 147% | |
| TWSE | 78% | |
| NSE | 46% | |

HKEx has the potential to substantially increase velocity as China opens capital account

Source: WFE, as of 30 September 2013

⁼ LTM Velocity, ADT - US\$bn

^{*} Excludes structured products (Derivative Warrant, CBBC)