



HKEx
香港交易所

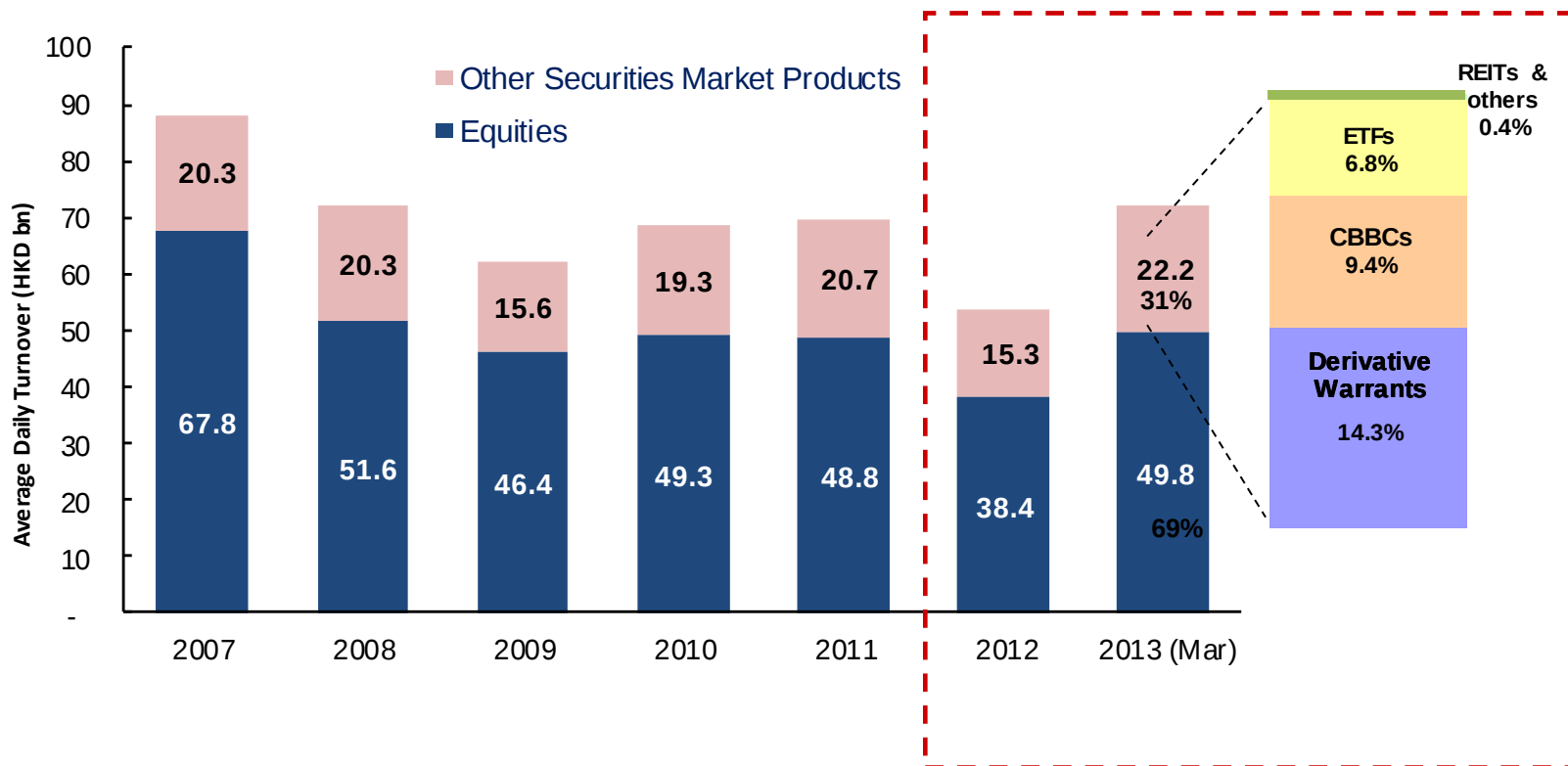
Opening remarks

Seminar on China A-share ETFs and related products- trading and arbitrage opportunities

Issuer & Client Services, Global Markets
HKEx
10 June 2013

Growing share of ETFs and other non-equity products turnover

Average Daily Turnover of Equities and Other Securities Products



*Others include: Equity Warrants, Debt Securities and other Unit Trusts
Source: HKE_x

HKEx is now one of the leading ETF markets globally

Exchange	Turnover (US\$M)
1 NASDAQ OMX	1,497,814.3
2 NYSE Euronext (US)	781,547.3
3 London SE Group	81,482.9
4 Korea Exchange	43,898.7
5 Deutsche Borse	43,707.9
6 Hong Kong Exchanges	39,841.3
7 Mexican Exchange	29,200.3
8 Shanghai Stock Exchange	25,307.7
9 NYSE Euronext (Europe)	24,819.7
10 SIX Swiss Exchange	24,805.1

Exchange	Turnover (US\$M)
1 Korea Exchange	43,898.7
2 Hong Kong Exchanges	39,841.3
3 Shanghai Stock Exchange	25,307.7
4 Japan Exchange Group - Osaka	20,680.6
5 Japan Exchange Group - Tokyo	10,638.7
6 Shenzhen SE	10,028.7
7 Taiwan SE Corp.	2,582.6
8 Australian SE	1,673.4
9 Singapore Exchange	757.2
10 National Stock Exchange India	505.7

HKEx is now ranked 6th globally for ETF turnover

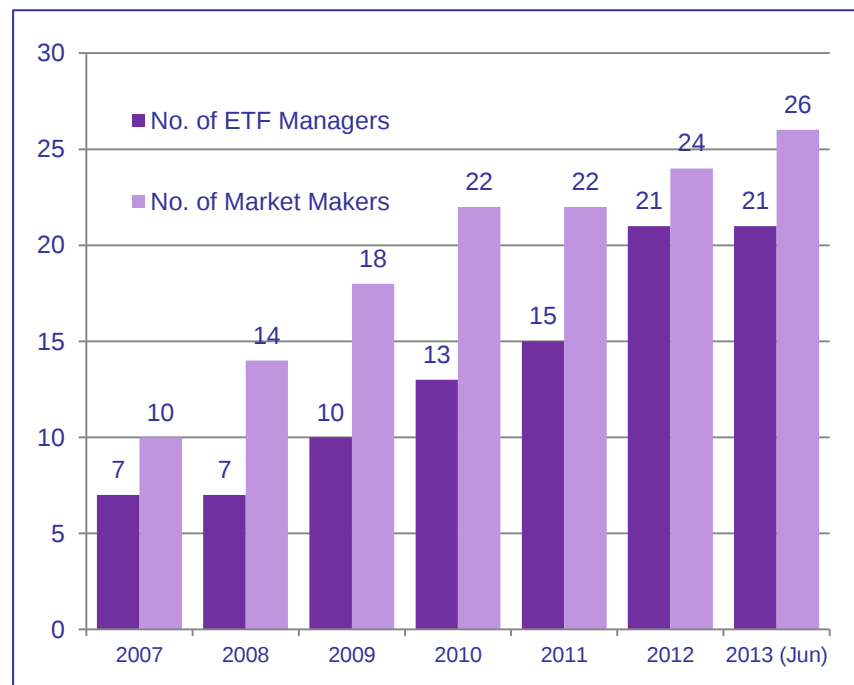
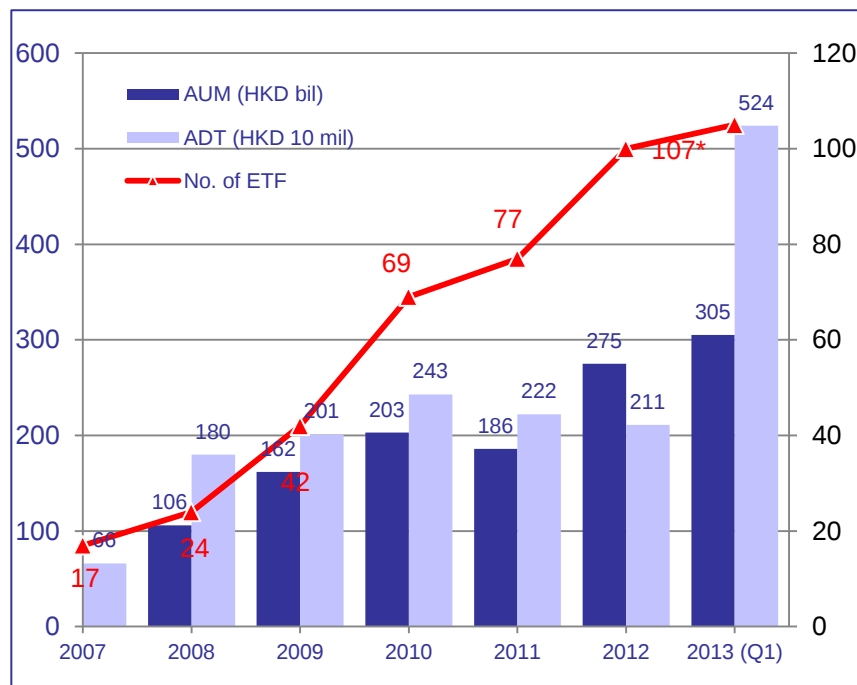
Hong Kong is the leading structured products market globally

Exchange		Turnover (US\$M)
1	Hong Kong Exchanges	123,968.1
2	Deutsche Börse	19,192.8
3	SIX Swiss Exchange	8,302.7
4	Korea Exchange	7,348.6
5	Tel Aviv SE	5,773.2
6	NYSE Euronext (US)	5,659.8
7	London SE Group	5,387.1
8	Taiwan SE Corp	2,264.3
9	The Stock Exchange of Thailand	1,301.3
10	Singapore Exchange	1,123.4

Exchange		No. Listed
1	Deutsche Börse	1,202,431
2	SIX Swiss Exchange	34,308
3	NYSE Euronext (Europe)	29,281
4	Taiwan SE Corp.	8,452
5	Luxembourg SE	7,570
6	London SE Group	6,821
7	Australian SE	5,876
8	Hong Kong Exchanges	5,760
9	Wiener Börse	5,582
10	Korea Exchange	5,318

HKEx is ranked #1 globally for structured products for turnover, (# 10 for stock options & stock index futures and #13 for stock index futures)

HKEx's ETF market enjoys steady growth



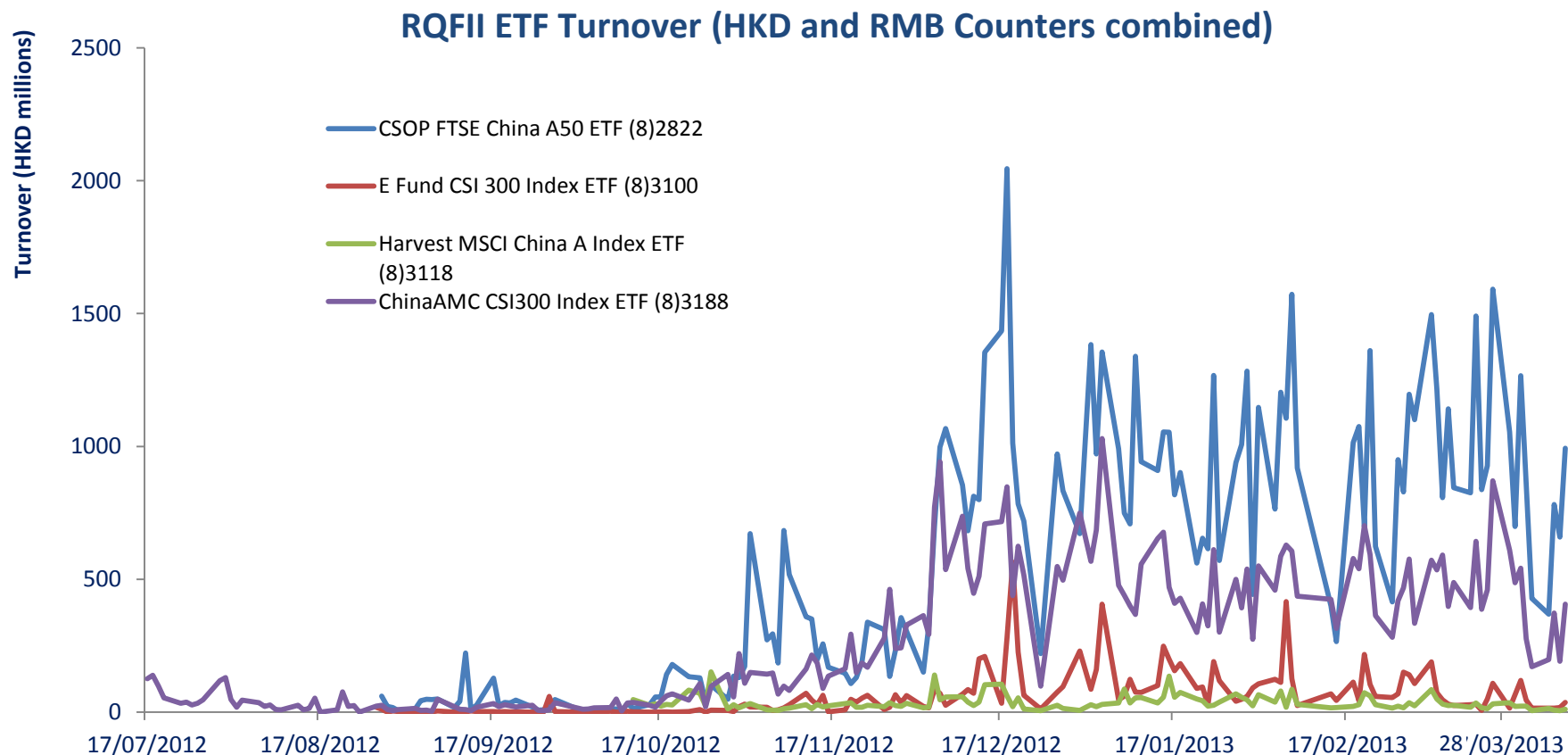
- 5 ETFs were newly listed in April 2013 (on regional high dividend yield, Philippines, Singapore, Bangladesh and Pakistan equities)
- 1 ETF was newly listed in May 2013 (on Asia Pacific equities)
- 1 ETF was newly listed on 6 June 2013 (on Mainland A-shares)

Launch of RQFII A-share ETFs on HKEx

Stock Codes	Name of ETF	Listing Date (HKD counter launch date)	RQFII Quota (RMB Billion)	Fund Size (RMB Billion)
3188 (HKD) 83188 (RMB)	ChinaAMC CSI 300 Index ETF	17 Jul 2012 (26 Oct 2012)	15.0	12.2
3100 (HKD) 83100 (RMB)	E Fund CSI 100 A-Share Index ETF	27 Aug 2012 (9 Nov 2012)	10.0	3.9
2822 (HKD) 82822 (RMB)	CSOP FTSE China A50 ETF	28 Aug 2012 (8 Nov 2012)	17.0	16.8
3118 (HKD) 83118 (RMB)	Harvest MSCI China A Index ETF	12 Oct 2012 (12 Oct 2012)	5.0	1.6
3136 (HKD) 83136 (RMB)	Harvest MSCI China A 50 Index ETF	6 Jun 2013 (6 Jun 2013)	2.0	1.6

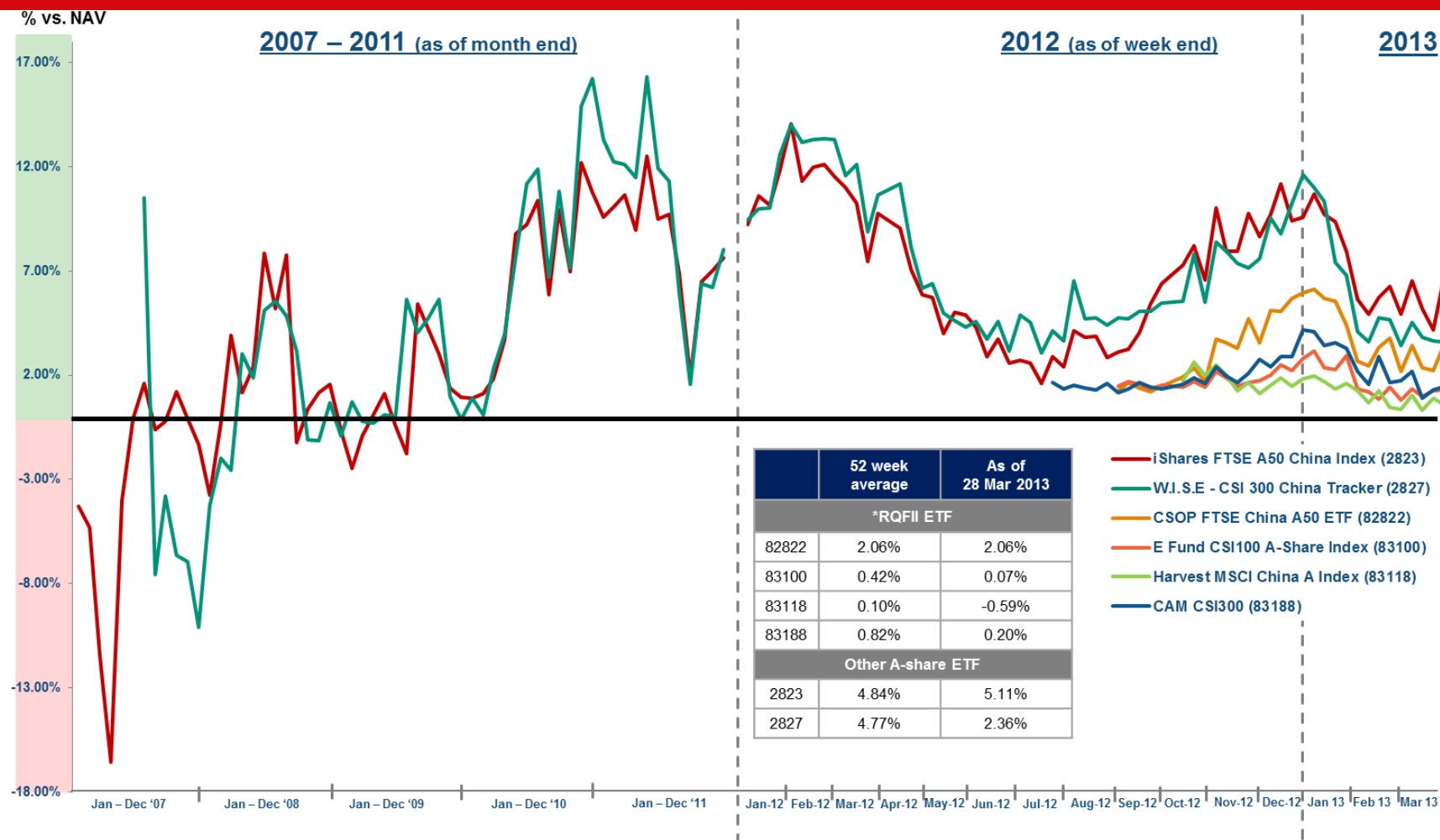
Listings as of 6 June 2013

RQFII ETF trading volumes show an upward trend



Data as of 28 Mar 2013

RQFII ETFs' premium/discount to NAV show a decreasing trend



*Calculation from date of listing

Data as of 28 March 2013

HKEx's ETFs track a wide range of Mainland & Hong Kong indices (including 29 ETFs on A-shares)

HSI (Hong Kong Indices)

- HSI (2)
- CSI 100 Index (1)
- HSCEI (1)
- CSI RAFI 50 Index (1)

CSI (Hong Kong Indices)

- CSI HK 100 (1)
- CSI HK Dividend (1)
- CSI HK Mid Cap Select (1)
- CSI RAFI HK50 (1)
- CSI HK Listed Mainland Consumption (1)
- CSI HK Listed Mainland Real Estate (1)
- CSI HK Private-owned Mainland Enterprises (1)
- CSI HK State-owned Mainland Enterprises (1)
- CSI Overseas Mainland Enterprises (1) *

CSI (A-share Indices)

- CSI 300 (4)
- CSI 100 (1)
- CSI RAFI 50 (1)
- CSI 300 Financials (2)
- CSI 300 Banks (1)
- CCSI 300 Real Estate (1)
- CSI China Mainland Consumer (1)
- CSI 300 Consumer Staples (1)
- CSI 300 Consumer Discretionary (2)
- CSI 300 Transportation (1)
- CSI 300 Industrials (1)
- CSI 300 Infrastructure (1)
- CSI 300 Energy (2)
- CSI 300 Materials (2)
- CSI 300 Utilities (1)
- CSI 300 Health Care (1)

FTSE (HK & A-share Indices)

- FTSE China 25 (2)
- FTSE China A50 (2)
- FTSE Value China (1)
- FTSE Greater China (1) *

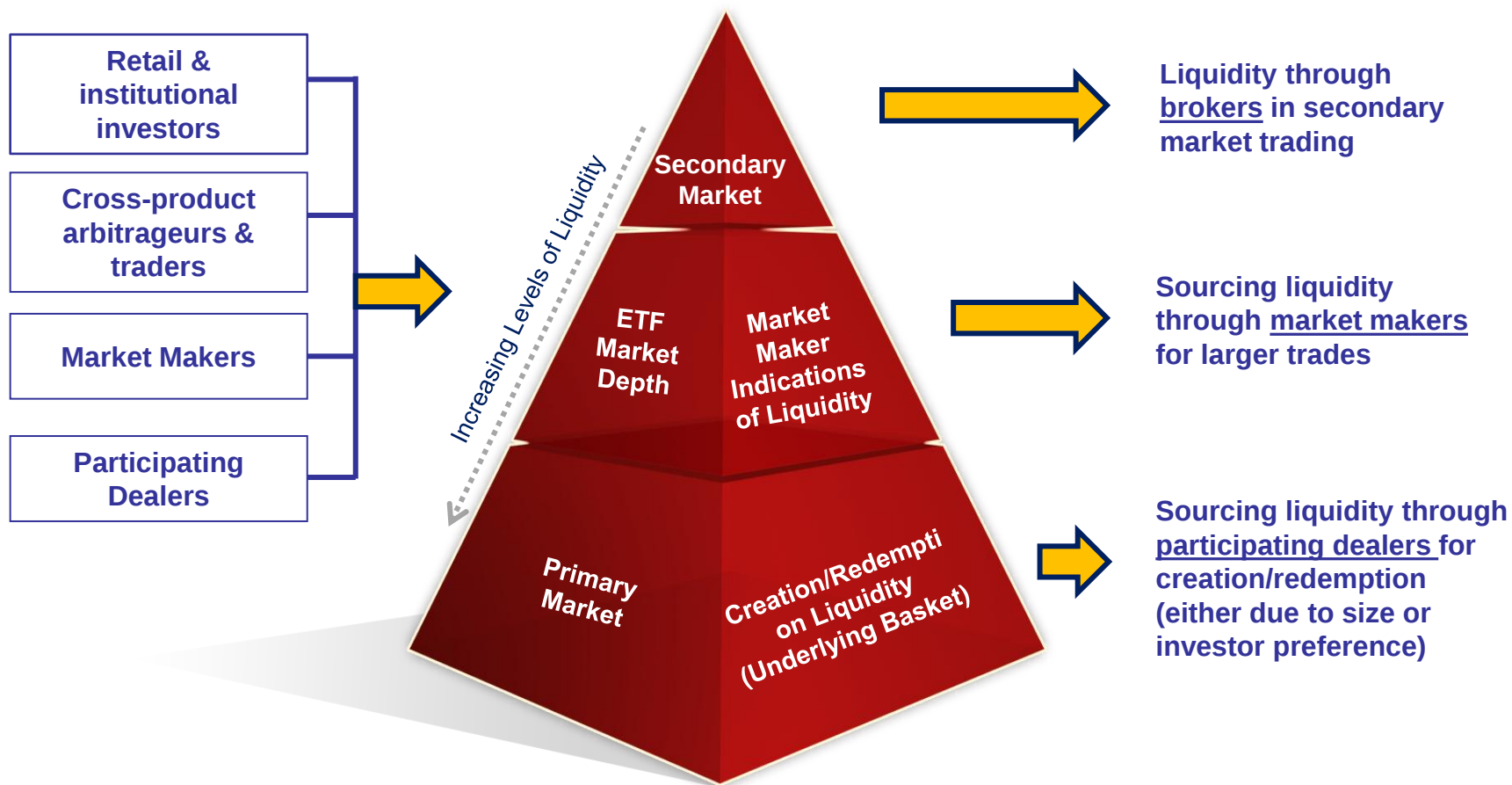
MSCI (HK & A-share Indices)

- MSCI HK (1)
- MSCI China (3)
- MSCI China A (1)
- MSCI China A 50 (1)
- MSCI Golden Dragon (1) *

Other HK & A-share Indices

- Lippo Select HK & Mainland Property (1)
- SSE 50 (1)
- SZSE 100 (1)

HKEx's ETFs can source liquidity through 3 levels



Diverse market makers support liquidity of HKEx's ETFs

North America: 6	
SMM	No of ETFs
Citigroup Global Markets Asia Ltd *	30
Bluefin HK Ltd *	28
Merrill Lynch Far East Ltd	9
Morgan Stanley Hong Kong Securities	4
Timber Hill Securities Hong Kong Ltd	3
J.P. Morgan Broking (Hong Kong) Ltd	1

Greater China: 9	
China Merchants Securities (HK) Co., Ltd *	10
BOCI Securities Ltd	4
CITIC Securities Brokerage (HK) Ltd*	4
China International Capital Corporation HK Securities Ltd*	4
Shenyin Wanguo Securities (H.K.) Ltd	2
Haitong International Securities Company Ltd	1
Guotai Junan Securities (Hong Kong) Ltd	1
Hang Seng Securities Ltd *	1
Yuanta Securities (HK) Company Ltd	1

Europe: 12	
SMM	No of ETFs
Deutsche Securities Asia Ltd *	51
UBS Securities Hong Kong Ltd *	34
Credit Suisse Securities (Hong Kong) Ltd *	29
Optiver Trading Hong Kong Ltd *	16
HSBC Securities Brokers (Asia) Ltd *	12
BNP Paribas Securities (Asia) Ltd	12
IMC Asia Pacific Ltd	10
SG Securities (HK) Ltd	6
Commerz Securities Hong Kong Limited	4
HSBC Broking Securities (Hong Kong) Ltd	2
Tibra Trading Hong Kong Ltd	2
Standard Chartered Securities (HK) Ltd	2

Asia ex-Greater China: 3	
Nomura Securities (Hong Kong) Ltd *	14
Phillip Securities (HK) Ltd	6
Macquarie Capital Securities Ltd	1

HKEx's ETFs provide cross-product & cross-market arbitrage opportunities on Mainland A-shares and HK indices

Index products	HKD ETFs, short selling & SBL	RMB ETFs, short selling & SBL	Derivative warrants on index/ETFs	CBBCs on index/ETFs	Stock options on ETFs	Stock futures on ETFs	Index futures
FTSE A50	- CSOP FTSE China A50 - iShares A50	CSOP FTSE China A50	√ √	√ √	√ √	√ √	-
MSCI A 50	Harvest MSCI China A 50	Harvest MSCI China A 50	-	-	-	-	-
CSI100	E Fund CSI 100	E Fund CSI 100	√	-	-	-	-
CSI300	- ChinaAMC CSI 300 - W.I.S.E - CSI 300	ChinaAMC CSI 300	√ √		√ √	√	-
MSCI A-share	Harvest MSCI China A	Harvest MSCI China A	-	-	-	-	-
HSI	Tracker Fund of Hong Kong HSI ETF	-	DWs on HSI	CBBCs on HSI	√	-	√
HSCEI	Hang Seng H-Share	-	DWs on HSCEI	CBBCs on HSCEI	-	-	√
CES120	?	?	?	?	?	?	8 July

Success factors of HKEx's ETF market

Regulations

- Facilitate listing & cross-listing of ETFs into & from Hong Kong
- Safeguard product transparency and investor protection

Issuers

- Growing number of global, regional, mainland and Hong Kong managers

Liquidity

- Supported by global and regional market makers

Distribution

- By 500 Exchange Participants to Hong Kong, regional & global investors

Complementary products

- Complementary products for cross-product & cross-market arbitrage

Platform

- 2012 award for “Best Asian Exchange for Listing ETFs” from etfexpress
- 2011 award for No. 1 ETF Derivatives & for ETF website in Asia Pacific from exchangetradedfunds.com

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