

**Opening Remarks by HKEx's Co-head of Global Markets Romnesh Lamba
Media Briefing on Stock Options Market Revamp
20 March 2013**

Good afternoon.

The Stock Options Revamp we are announcing today aligns with our Strategic Plan for 2013-2015 and we aim to grow on our strong base and through diversification.

Our goal is to build HKEx into a leading global vertically-integrated multi-asset class exchange, and prepare ourselves for the managed but accelerating opening of China's capital account.

And our Vision is to be the Global Exchange of Choice for our China clients and our international clients seeking China exposure.

Our business strategy has two parts.

One is to offer a range of products across four asset classes: cash equity, equity derivatives, fixed income and currencies, or FIC, and commodities - FIC in connection with RMB internationalisation and commodities through the London Metal Exchange, which we acquired in December of last year.

The other is complete integration of products, trading and clearing.

The key initiatives of our business strategy for equity derivatives are:

- (1) Leverage CESC, our joint venture with the Shanghai and Shenzhen stock exchanges for indices and other business, to introduce more Mainland-related products;
- (2) Introduce after-hours futures trading;
- (3) Launch Phase 2 of our BRICS Alliance with exchanges in Brazil, Russia, India and South Africa; and
- (4) Revamp our Stock Options market

We see a lot of potential in the further development of the stock options market, given recent changes in the global regulatory trends that favour exchange-traded products with a clearing house as the central counterparty.

With the revamp measures, we believe we can increase our stock option market's attractiveness to existing users of option-like instruments that are not traded on an exchange.

Stock options already account for about half of our futures and options turnover and we think there are opportunities for more growth.

About two-thirds of our stock options are China-related, with the underlying stock either an H-share company, a red chip or a private enterprise.

China-related products and equity derivatives such as stock options are two of our core strengths.

So revamping our stock options will maximise our core strengths as we move into new areas.