

Connecting Capital with Opportunities:

# Building a Vibrant Trading Market

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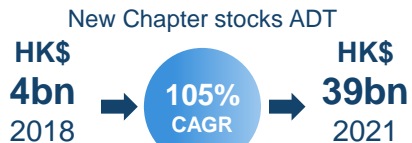


# Today | Strong Growth in our Market

## New Economy Market



High ADT growth from New Chapter<sup>1</sup>



61%

IPO funds raised from New Chapter companies in 2021

1. From 30 Apr 2018 to 31 Dec 2021

## Superconnector for China and the World



Strong and continuous growth in Connect programmes



## Significant Increase in Turnover



Growth in Hong Kong ADT and velocity



Velocity



# Opportunities | Enhance Market Vibrancy

## 1 Improve our Primary Market's Attractiveness

Competitiveness, market quality and regulatory efficiency

## 2 Enhance Market Structure

Efficient trading, clearing and settlement, and risk management

## 4 Grow Client Ecosystem

Issuers and investors from China and the World

## 3 Expand Product Ecosystem

Across asset-classes and value-added services



# Opportunities | Enhance Market Structure

## Increase Market Accessibility



- ✓ Holiday trading
- ✓ Extended trading hours
- ✓ Participanship system

## Enhance Trading Mechanism



- ✓ Tick and lot sizes
- ✓ Order types
- ✓ Block trade
- ✓ Data streaming

## Improve Market Efficiency



- ✓ Post-trade processes
- ✓ Margin efficiency
- ✓ Collateral framework
- ✓ Risk models

## Build Better Resiliency



- ✓ Pre-trade risk management
- ✓ Self-match prevention
- ✓ Position limit

# Opportunities | Expand Product Ecosystem

## Expand Connect Programme



- ✓ Scope expansion
- ✓ Facilitate settlement
- ✓ Better risk control

## Develop Derivatives Products



- ✓ Flagship Hang Seng products
- ✓ LME #1 non-ferrous metals
- ✓ MSCI A50 & A-share
- ✓ MSCI EM Asia & ESG

## Grow ETP Franchise



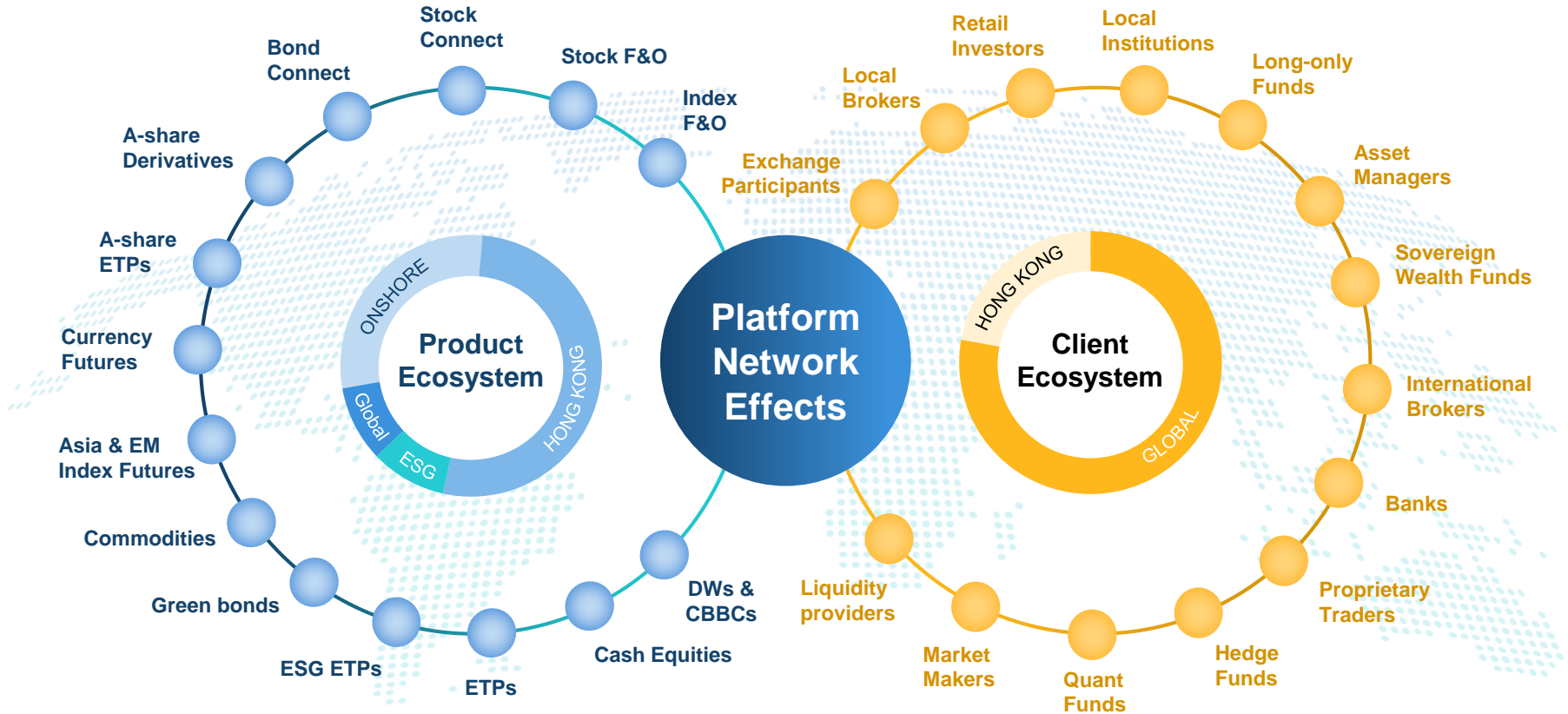
- ✓ ETF Connect
- ✓ Creation & redemption
- ✓ New ETP products

## Develop RMB Products



- ✓ RMB counter
- ✓ RMB derivatives
- ✓ Other RMB products

# Opportunities | Grow and Leverage Client Ecosystem



# Roadmap | Our Path for the Future



## Short-term (2022)

### Enhance Market Structure

- Implement derivatives **holiday trading**
- Enhance derivatives **trading hours**
- Launch **Synapse**

### Expand Product Ecosystem

- Launch **ETF Connect**
- Develop **RMB counter**



## Mid-term (2023-4)

### Enhance Market Structure

- Expand **non-cash collateral** coverage
- Deploy **ETF market efficiency** initiatives
- Drive Stock Connect **trading calendar** enhancements
- Launch **FINI**

### Expand Product Ecosystem

- Drive **Stock Connect** expansion
- Launch **other A-share derivatives**



## Long-term (2025+)

### Enhance Market Structure

- Develop **risk & collateral management** solutions
- Drive **market microstructure** enhancements
- Modernise through **digital innovation**

### Expand Product Ecosystem

- Expand **Connect programme**
- Explore **China onshore fixed income** product development
- Drive **RMB product** development
- Make **metals** a cornerstone of a **sustainable future**

# Takeaway | Creating Vibrant and Liquid Markets

## Improve our Primary Market's Attractiveness

- ✓ New Economy leader
- ✓ "Fit for Purpose" listing regime
- ✓ Robust ESG standards & regulation

## Grow Client Ecosystem

- ✓ IPO Pipeline diversification
- ✓ Deepening corporate segment
- ✓ New sources of liquidity
- ✓ Cultivating client centricity



## Enhance Market Structure

- ✓ Seamless accessibility & trading
- ✓ Efficient post-trade processes; margin & collateral framework
- ✓ Resilient & robust risk management

## Expand Product Ecosystem

- ✓ Asia's leading risk management centre
- ✓ Asia's leading ETP hub
- ✓ RMB internationalisation centre