

Exchange Updates

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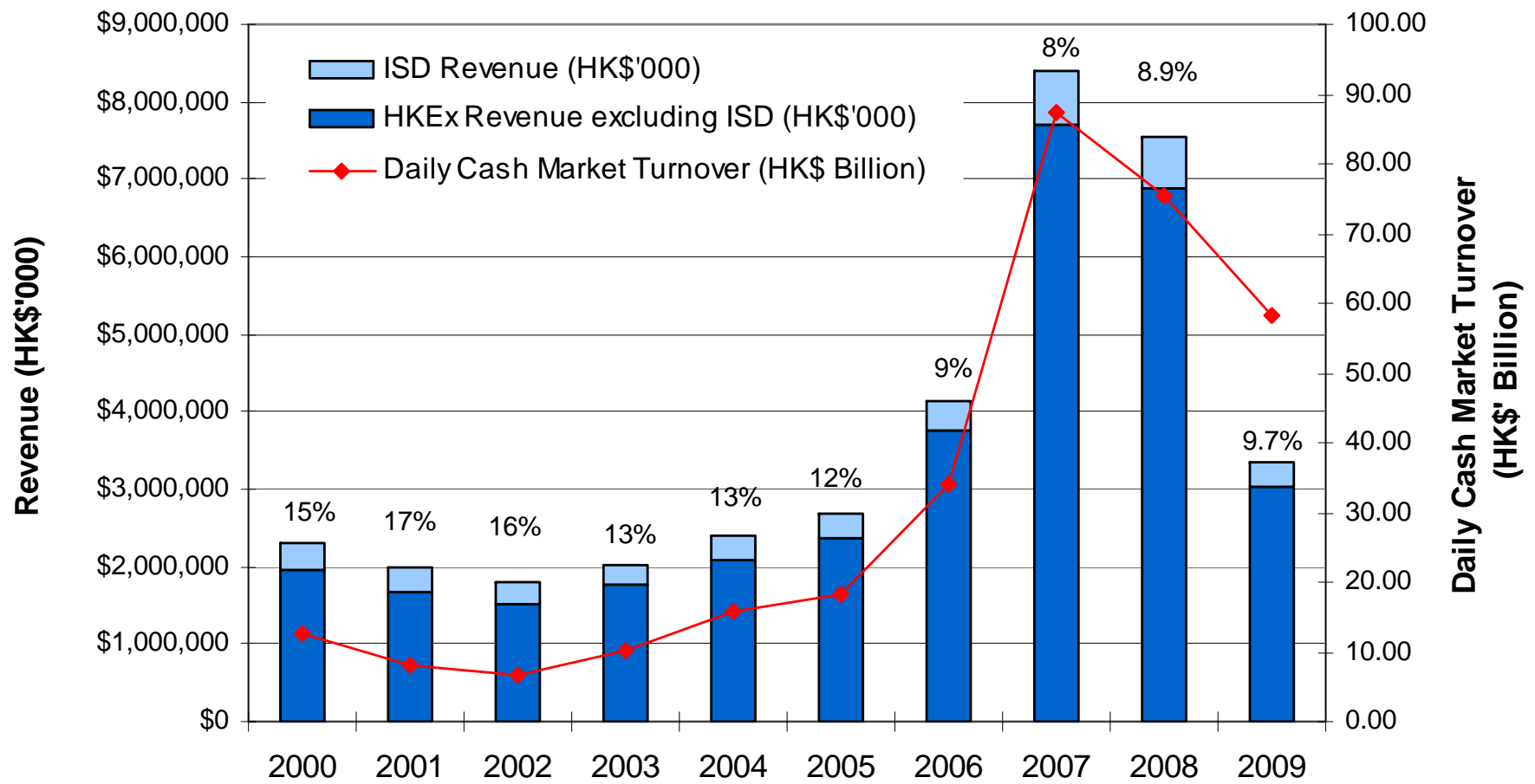
Agenda

- ❖ **Overview of HKEx's Information Business**
- ❖ **Recent Development and Key Projects**
- ❖ **Challenges and Opportunities**

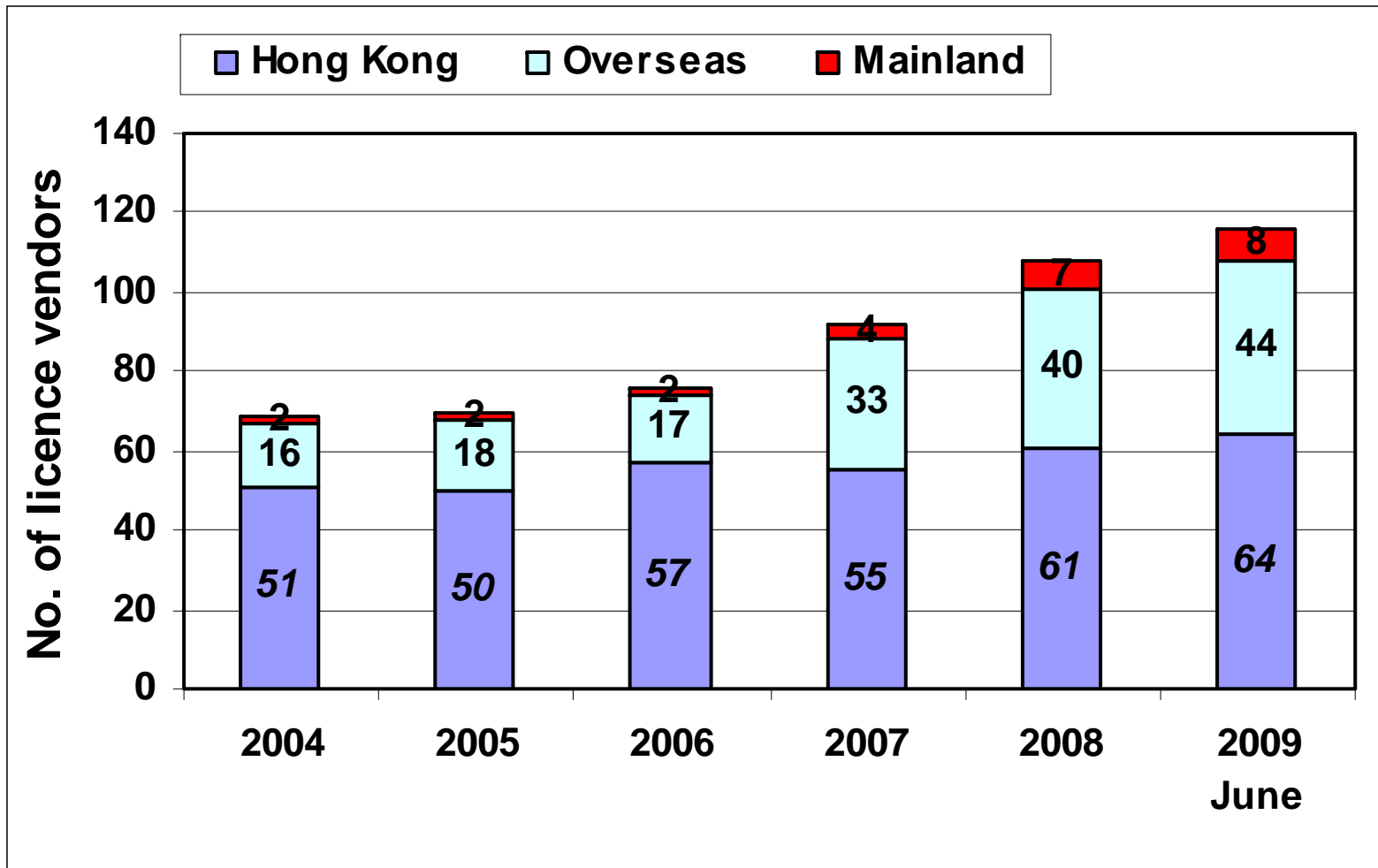
Overview of HKEx's Information Services

- ❖ HKEx's information services department is responsible for developing, promoting, compiling and selling of real-time, delayed and historical market data and issuer information
- ❖ In 2008, information business generated revenue of HK\$673M
- ❖ Information business contributed 8.9% of HKEx total revenue in 2008, shared 4.5% of HKEx total operating expenses, resulting in 10.2% of total operating profit

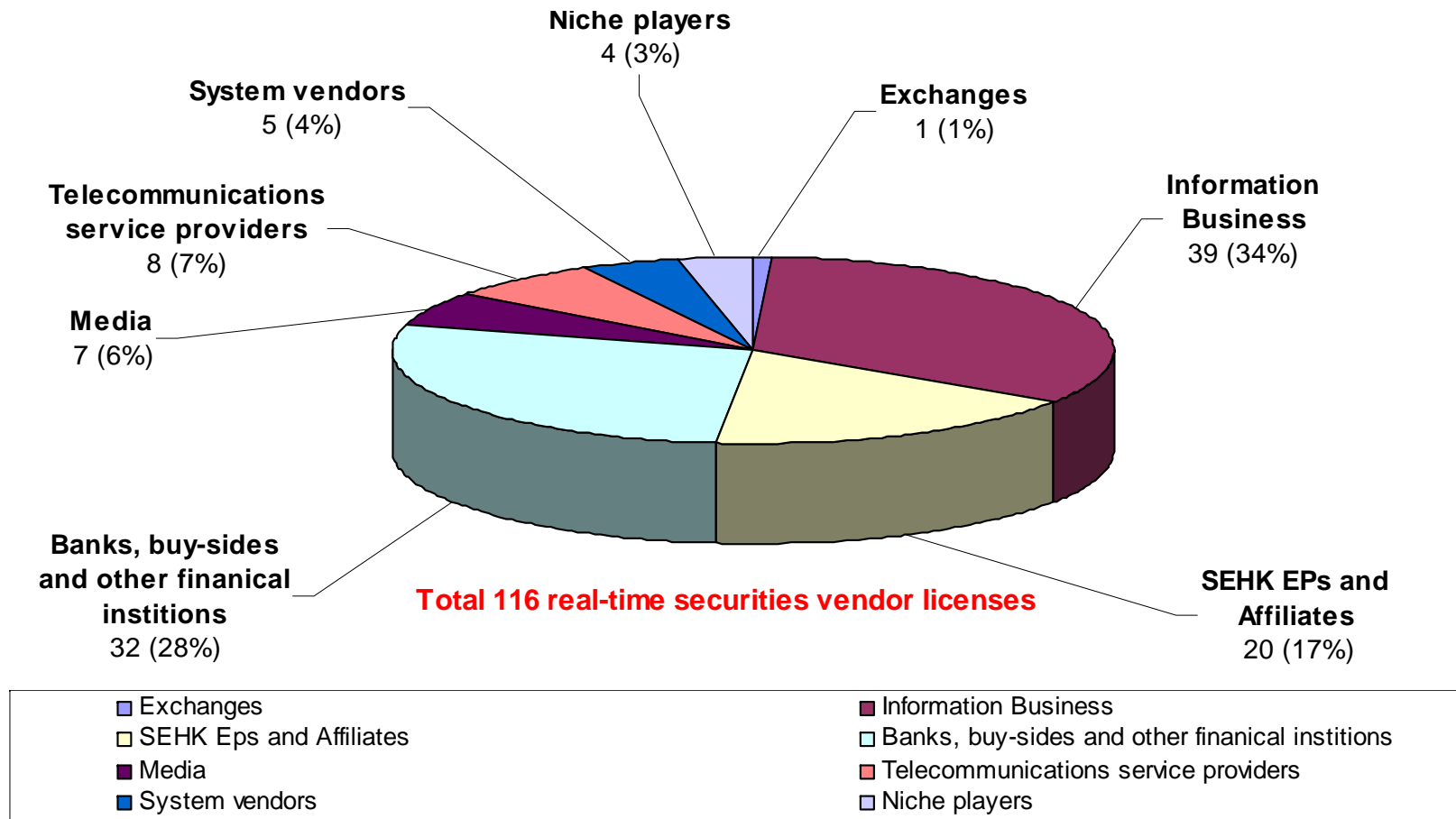
Contribution of Information Income to Total HKEx Revenue (2000 to 2009)



Real-time Securities Data Licences



Information Vendors from Diverse Background



Recent Development and Key Projects

Free Real-time basic market prices services on selected websites under a pilot programme of two years

Main Objectives

- ❖ increase market transparency
- ❖ raise the Hong Kong market profile in the Mainland
- ❖ explore new revenue stream

Basic Market Data Content

- ❖ Nominal Price, Last Trade Price, Turnover, etc, but not best bid/best ask (or sometimes referred to as sub-level 1 data)
- ❖ Soft Launch: 5 October 2009
- ❖ Official launch on 1 January 2010, last till end December 2011

Recent Development and Key Projects

Single Licencing Regime

- ❖ Achieve contract and fee schedule harmonisation across multiple services
- ❖ Streamline licencing process by consolidating MDF, PRS, and Stock Options licence into a single agreement
- ❖ Promote HKFE data and Stock Options data
- ❖ Phase One launches in Q1 2010 and Phase Two launches in mid 2010

Growing Business Potential from Mainland

- ❖ Review and extend the Mainland Discount Program
- ❖ Mainland Market Data Collaboration Program with Mainland exchanges
- ❖ Business visits to Mainland to recruit new information vendors
- ❖ New fee schedule for TVs in the Mainland

Recent Development and Key Projects

MDS Technical Revamp

- ❖ To increase system throughput from 500 stock update rate per second (sups) to 700 sups in Q4 2009

PRS Capacity Upgrade and Enhancement

- ❖ To increase system throughput from 2,200 messages per second (mps) to 2,600 mps to support HKATS capacity increase and projected business growth
- ❖ To add new data contents to PRS to meet the market demand

Challenges and Opportunities

Challenges

- ❖ Pressure on fees
- ❖ Unauthorised dissemination of our market data
- ❖ Increasing machine consumption of market data

Opportunities

- ❖ Mainland Market
- ❖ New products and business opportunities from System Enhancement
- ❖ Non-display applications

Thank You

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