

NEWS RELEASE

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Bond Connect Successfully Launched

An event was held at the Exhibition Hall of Hong Kong Exchanges and Clearing Limited (HKEX) today (Monday) to celebrate the successful launch of Bond Connect, a mutual bond market access programme between Hong Kong SAR and Mainland China with Northbound trading link initially and Southbound trading link to be added later.

Bond Connect has been warmly welcomed by onshore and offshore institutions. About 20 large onshore institutions, including Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank and Bank of Communication, have already submitted applications to become Bond Connect participating dealers to provide quotation to the first batch of offshore participants, a group comprised of over 130 institutions, through the trading system of China Foreign Exchange Trade System (CFETS).

Today's programme included a ceremony to mark the first day of trading through Bond Connect, commencement of the operations of Bond Connect Company Limited (BCCL), a joint venture of CFETS and HKEX that supports Bond Connect-related trading services, investor education and other services. In addition, seven issuers including China Development Bank and Agricultural Development Bank of China held a joint bond launch ceremony to signify links between the primary and secondary markets.

The Chief Executive of Hong Kong SAR, Carrie Lam, was a guest of honour along with Pan Gongsheng, Deputy Governor of the People's Bank of China (PBC); Huang Liuquan, Vice-Minister of the Hong Kong and Macau Affairs Office of the State Council (HMO); Qiu Hong, Deputy Director of the Liaison Office of the Central Government in Hong Kong; Paul Chan, Hong Kong's Financial Secretary; and Norman Chan, Chief Executive of Hong Kong Monetary Authority. The ceremony was also attended by representatives from National Development and Reform Commission, Ministry of Finance, PBC, HMO, China Banking Regulatory Commission and China Securities Regulatory Commission. Representatives from Mainland China interbank intermediaries, Hong Kong's Financial Services and the Treasury Bureau, and the Securities and Futures Commission of Hong Kong also participated in the ceremony.

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“The official launch of Bond Connect today is a significant development in the further cooperation of the capital markets in Mainland China and Hong Kong SAR,” Dr. Pei Chuanzhi, President of CFETS said. “The joint venture company set up by CFETS and HKEX offers convenience to global investors by facilitating their access to the Mainland China Interbank Bond Market.”

“Bond Connect is a major breakthrough in the development of the China bond market, which is the world’s third largest,” said HKEX Chairman C K Chow. “International investors will be able to use our link to trade directly with eligible dealers on the Mainland through platforms they have been using for other trading.”

“Bond Connect will give Hong Kong a bigger role in fixed income, expand our mutual market programme from stocks into a second asset class and give us a good foundation for further development in FIC (fixed income and currency),” said HKEX Chief Executive Charles Li. “Even more importantly, the programme is a great example of the value that Hong Kong can bring to China, as well as the benefits we can enjoy when we connect China and the international community.”

There were over 500 people at the ceremony.

Photos can be downloaded from the HKEX website. (<http://www.hkex.com.hk/eng/newsconsul/hkexnews/2017/170703news.htm>)

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