



BRIDGING MARKETS

**CHINA OFFSHORE
CAPITAL MARKETS PLATFORM**

**2018
COMPANY PROFILE**

MAKING HISTORY

IN THE EUROPEAN CAPITAL MARKET





“

Our vision is to establish a centralized marketplace for trading, risk management and asset allocation for China-related or RMB-denominated financial products in Europe.

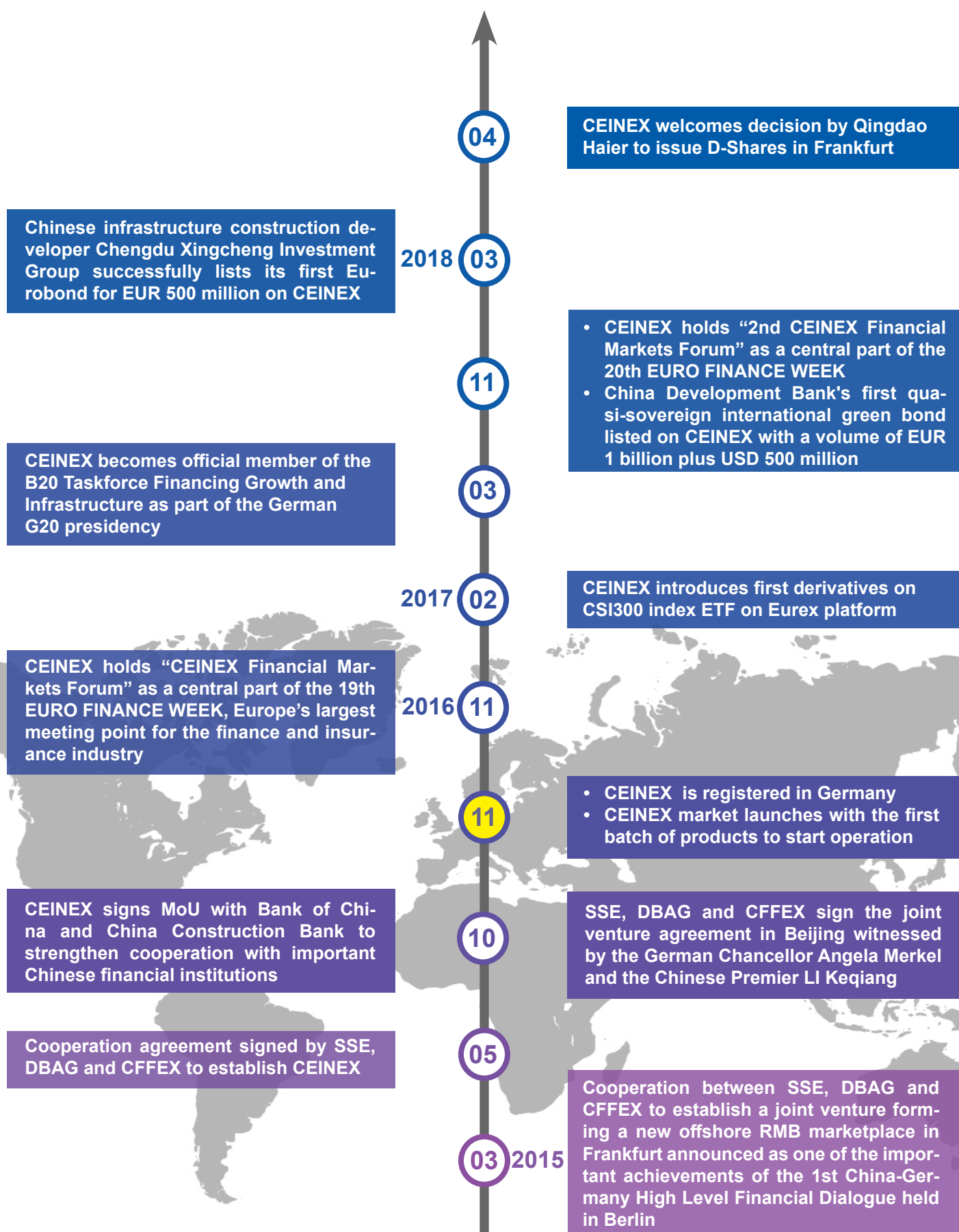
”

China Europe International Exchange (CEINEX) is a joint venture established by Shanghai Stock Exchange (SSE), Deutsche Börse Group (DBAG), and China Financial Futures Exchange (CFFEX). It is the first dedicated trading venue for China- and RMB-related investment products outside of mainland China.

In October 2015, CEINEX shareholders signed the joint venture agreement in Beijing, witnessed by German Chancellor Angela Merkel and Chinese Premier Li Keqiang, as a strategic project between China and Germany. Just one month later, CEINEX was registered on 11 November in Frankfurt/Main, Germany, and launched its market operation on 18 November 2015.

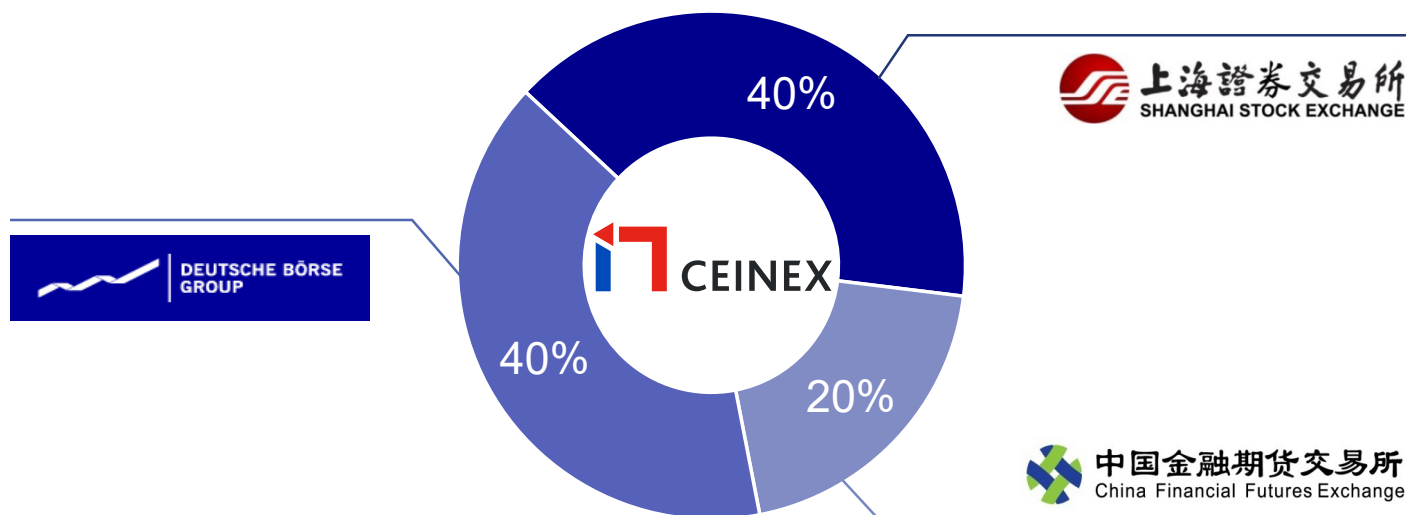
As a Sino-German strategic capital markets platform, CEINEX's mission is to support the real economic cooperation between China and Europe, as well as promote RMB internationalization.

Milestones



Shareholders

CEINEX's marketplace operations are based on Deutsche Börse's reliable and highly integrated infrastructure covering the entire process chain including trading, clearing, settlement, custody, and market data. This robust infrastructure guarantees integrity, transparency, and safety of the CEINEX market. The extensive expertise and knowledge of SSE and CFFEX on China's financial market and products, together with Deutsche Börse's operational experience as an international leading exchange and its distribution channels, create the unique strength of CEINEX in market and product development.



A Unique Combination for the Changing Global Markets



Shanghai Stock Exchange (SSE), founded in 1990. After 28 years of rapid growth, SSE has developed into a comprehensive exchange with stocks, bonds, funds and derivatives products, world-class exchange system and communication infrastructure, and effective self-regulatory system. With these advantages, the scale of the Shanghai securities market and the number of investors are growing fast.



Deutsche Börse Group's products and services cover the entire value chain in the financial services sector. Its business areas range from the admission of securities to listing, through trading, clearing and settlement to custody services for securities and other financial instruments along with collateral and liquidity management. Additionally, the Group provides IT services, indices and market data worldwide.



China Financial Futures Exchange (CFFEX) was jointly founded by Shanghai Futures Exchange, Zhengzhou Commodity Exchange, Dalian Commodity Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange on 8 September 2006 in Shanghai with the approval of the State Council and the authorisation of China Securities Regulatory Commission (CSRC). So far, CFFEX has successfully launched 6 products, i.e. CSI 300 stock index futures, SSE 50 stock index futures, CSI 500 stock index futures, 2-year Chinese government bond futures, 5-year Chinese government bond futures and 10-year Chinese government bond futures.

CEINEX: BRIDGING EAST AND WEST



Our Strengths

CEINEX brings the Chinese capital market closer to international investors. CEINEX is dedicated to facilitate the connection between Chinese and international markets by offering new opportunities to global market participants.

Trade China Globally	Offshore trading platform for China-related/RMB denominated Financial products
Bridging Markets	Cooperative platform to bridge Chinese and European markets
Financial Marketplace for the Real Economy	Financial platform to support Sino-Europe economic cooperation
The Multiplier for Your International Strategy	Cooperative platform for both China and international financial intermediaries
Broaden Your Financial Market Horizon	Platform to enhance communications and trainings between China and Europe

Platform Advantages

Benefits for Issuers

- Extended global investor base, including Europe and Asia
- Opportunities to enrich product line in offshore RMB market
- Issuance and listing procedures are identical to DBAG

Benefits for Investors

- Investment opportunities in China related financial products
- Trading in the EU regulatory environment and time zone with existing infrastructure and license
- Trading and clearing interfaces are identical to DBAG/Eurex

Our Products & Services



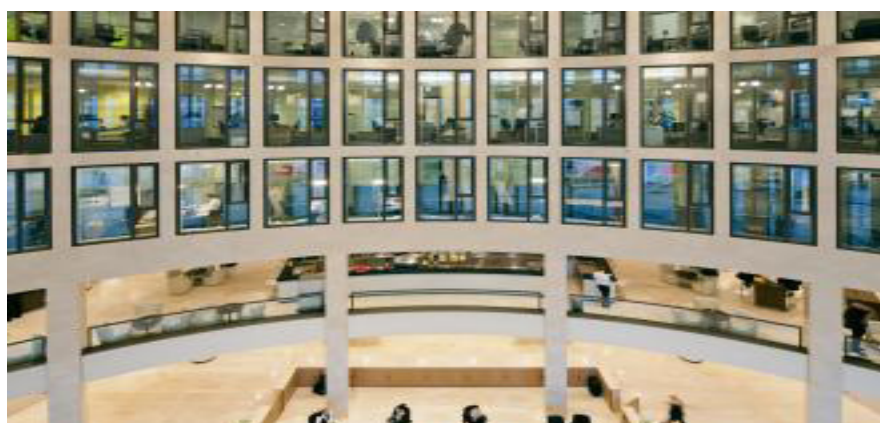
CEINEX MARKET OVERVIEW



CURRENT PRODUCTS



UPCOMING PRODUCTS



CEINEX SERVICES

MARKET OVERVIEW

CEINEX provides a variety of asset classes to the international investor community. Tradable in both the Chinese and European currency, Renminbi (RMB) and Euro (EUR), the products based on Chinese underlying enable investors to participate in the growth of China's economy.

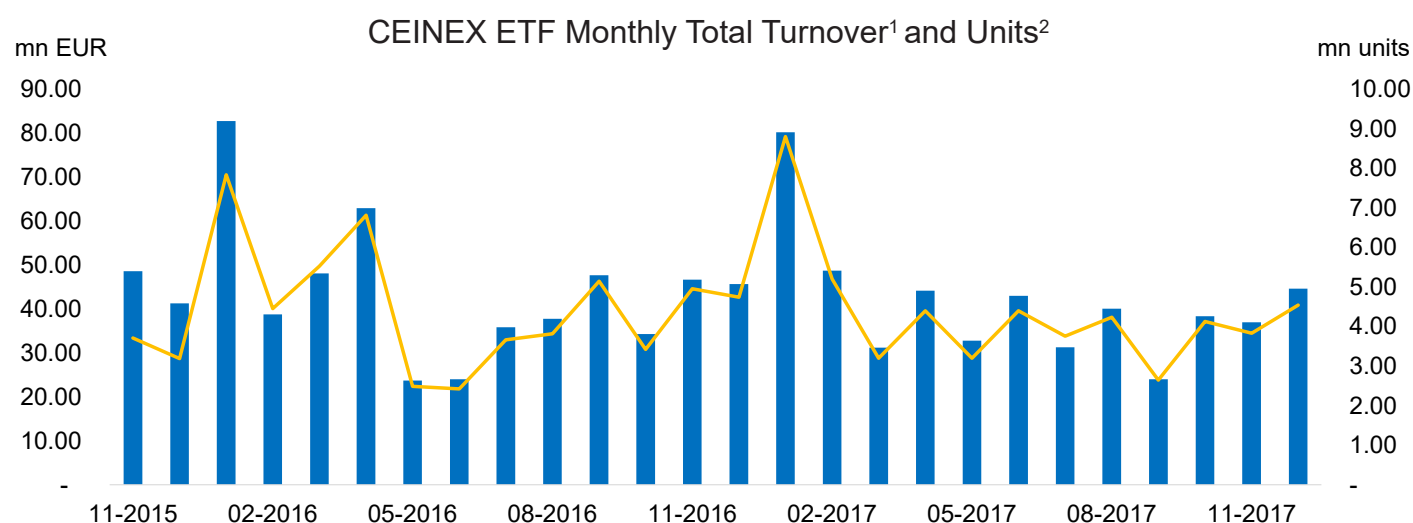
Trading is conducted within the European regulatory environment and time zone using the existing infrastructure and licenses of Deutsche Börse Group. There is absolutely no change in trading and clearing interfaces.

CEINEX market with solid growth

- Currently 70 products are listed in CEINEX market (ETFs and bonds).
- As of 31 December 2017, total turnover has reached the equivalent of 1.16 billion EUR, about 99.4% of which is generated by trading of ETF products.
- In terms of RMB traded products, total trading turnover achieves 353.5 million RMB, accounting for 4.1% of total volume on CEINEX.

CEINEX Trading Overview ¹							
Instrument Class	Trading Currency	Trades	Units (mn)	RMB Product Turnover (mn RMB)	EUR Product Turnover (mn EUR)	Total Turnover (mn EUR)	Total Turnover (mn RMB)
ETF	RMB	482	2.94	297.70	-	42.02	297.70
	EUR	63,936	121.73	-	1,109.48	1,109.48	8,231.15
Bond	RMB	266	56.94	55.78	-	7.62	55.78
Sum		64,684	181.60	353.48	1,109.48	1,159.12	8,584.63

¹ Starting from market launch, as of 31 December 2017



¹ The trading volume presented comes from both CEINEX launch ETFs and existing China/RMB-related ETFs.

² Total monthly turnover including all CEINEX ETF products traded in both RMB and EUR.

ETF MARKET SEGMENT

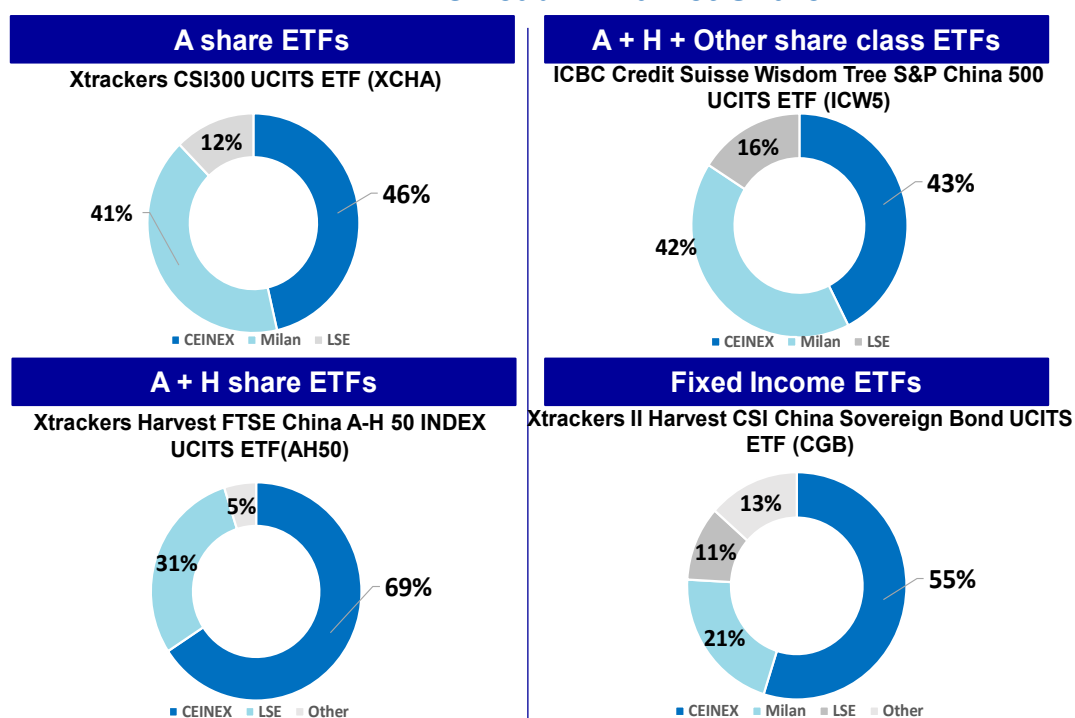
At market launch on 18 November 2015, a variety of ETFs based on Chinese underlying started trading in the CEINEX market. The product scope includes RMB and EUR traded ETFs based on major Chinese capital market indices, e.g. CSI 300, SSE 50, as well as RMB sovereign bonds index. About 99.4% of the total trading turnover is generated by trading of ETF products.

Top 10 Traded Products Since Market Launch

No.	Product	Type	Trading Currency	Total Turnover (thousand/EUR)
1	Xtrackers CSI300 UCITS ETF 1C	ETF	EUR	625,496.20
2	Xtrackers Harvest CSI300 INDEX UCITS ETF (DR)	ETF	EUR	233,785.58
3	ComStage FTSE China A50 UCITS ETF	ETF	EUR	39,183.68
4	CBK CCBI RQFII Money Market UCITS ETF	ETF	RMB	38,998.28
5	CSOP Source FTSE China A50 UCITS ETF	ETF	EUR	26,908.00
6	Xtrackers Harvest FTSE China A-H 50 Index UCITS ETF (DR)	ETF	EUR	13,337.50
7	ETFS-E Fund MSCI China A GO UCITS ETF	ETF	EUR	13,195.10
8	ICBCCS WisdomTree S&P China 500 UCITS ETF	ETF	EUR	10,186.50
9	Xtrackers II Harvest CSI China Sovereign Bond UCITS ETF (DR)	ETF	EUR	7,378.68
10	CBK BOCI RQFII SSE 50 UCITS ETF	ETF	RMB	3,021.92

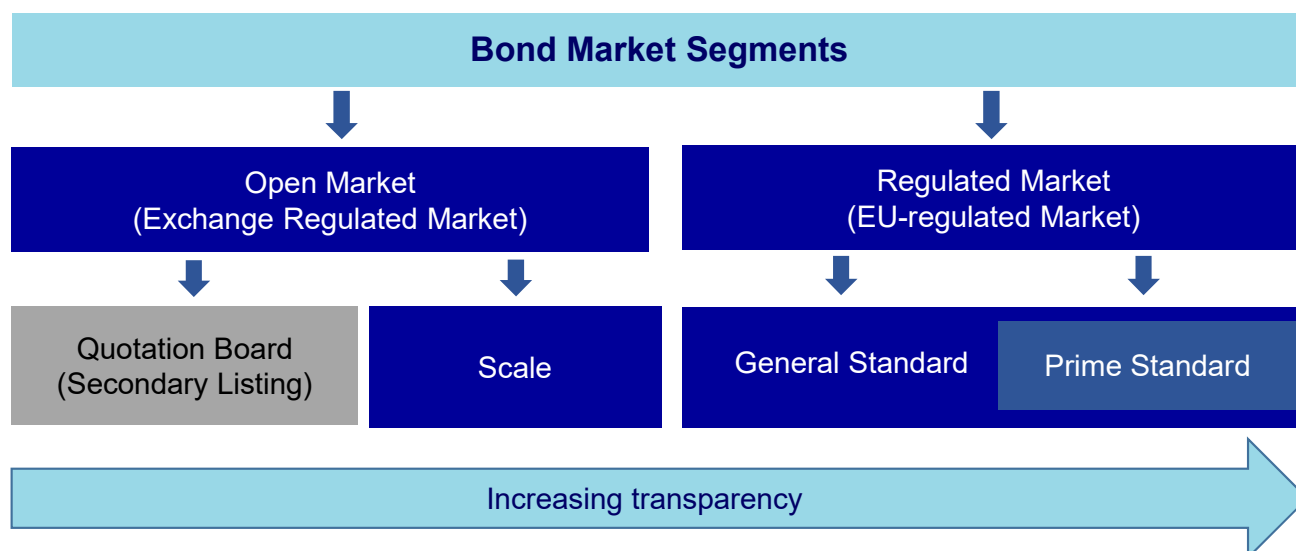
As of 31 December 2017

CEINEX ETFs Lead in Market Share



Source: Fidessa full year 2017

BOND MARKET SEGMENTS



CEINEX supports listing of bonds with Chinese underlying denominated in RMB, EUR, USD, etc. to promote bond issuers broadening finance options and international recognition. Meanwhile, CEINEX actively helps foster the two-way opening up of the Chinese domestic bond market and RMB internationalization.

Bond issuers include KfW (RMB Bonds), Bank of China, China Construction Bank, China Development Bank, Chengdu Xingcheng Investment Group. CEINEX is operated based on DBAG's infrastructure, sharing the same bond listing segments.

Market Segments: Regulated Market (EU-regulated Market) & Open Market (Exchange Regulated Market). The differentiation between the Regulated Market (General and Prime Standard) and Open Market (Scale and Quotation Board) is reflected by transparency standards.

Bond types

Two types of bonds are listed on the CEINEX platform: Non-RMB bonds and RMB bonds. Non-RMB bonds are demonminated in currencies other than RMB. Issuers such as China's financial institutions, non-financial enterprises and other China-related issuers are the common market participants for listing this type of bonds. RMB bonds refer to the bonds denominated in RMB currency. They are commonly issued by sovereign and local governments, financial institutions, non-financial enterprises, supranational institutions and Sino-German strategic cooperation projects.

Non-RMB Bond -including bonds denominated in Euro, USD and other currencies	RMB Bond
Issuers: China's financial institutions, non-financial enterprises and other China-related issuers	Issuers: Sovereign and local governments, financial institutions, non-financial enterprises, supranational institutions and Sino-German strategic cooperation projects

BOND MARKET SEGMENTS

Advantages

Low cost and high efficiency

- Currently, a majority of EUR denominated bonds are in the era of zero or negative interest rates. At the beginning of 2015, the ECB announced that it would purchase government/corporate bonds on a large scale, practically referred to as 'Quantitative Easing'. Since 2016, the ECB's overnight lending and overnight deposit rates in the Euro area are 0.25% and -0.4%.
- The number of Chinese companies attractive for German investment activities has continuously hit higher numbers in recent years. Except using cash or banking loans to invest, it is common to raise the funds by issuing bonds, shares and other financial products.
- Bonds are an efficient way of financing and the whole issuance and listing process takes about three months.

Further enhancing companies' international participation

- Corporate bonds listed in CEINEX EU-regulated Market have a prospectus recognized by the whole capital market participants in the EU. With that, they can be listed in other EU markets by notification.

Equity and Bonds issuance under similar processes

- German equity market and bond market are similar in process, market segments, etc. Potential Chinese D-Share candidates could start with a bond issuance to practically get acquainted with the European capital market. Listing in the EU-regulated market could curtail the time of scrutinization for the next share/bond issuance.

Support RMB Internationalization

- As a Sino-German strategic platform for financial cooperation, CEINEX actively supports RMB internationalization and the construction of Frankfurt as a RMB offshore trading center. Currently, there are about 50 RMB bonds traded in CEINEX.

RECENT CASE

On November 15, 2017, China Development Bank's (CDB) first quasi-sovereign international green bond was issued on the China Europe International Exchange (CEINEX) market place in Frankfurt.

On March 20, 2018, Chengdu Xingcheng Investment Group Co., Ltd. issued the first mid-term senior unsecured Eurobonds on the CEINEX marketplace in Frankfurt.

Issuer	China Development Bank
Issuer Rating	A1 / A+ / A+ (Moody's / S&P / Fitch)
Market Segment	Open Market
Currency	USD; EUR
Duration	5-year (USD Bond) 4-year (EUR Bond)
Green Bond Certification	The bond follows "2017 Green Bond Principle", getting Climate Bond Certification issued by Climate Bond Initiative(CBI) and Green Bond third-party Certification issued by EY.
Size & Coupon	\$ 500 million, 2.75% € 1 billion, 0.375%

Issuer	Chengdu Xingcheng Investment Group
Issuer Rating	BBB+ (Fitch)
Market Segment	EU-regulated Market
Currency	EUR
Duration	3-year; 5-year
Type	Chinese local state-owned enterprise, mid-term senior unsecured Eurobonds
Size & Coupon	€ 365 million, 2.50% € 135 million, 2.95%

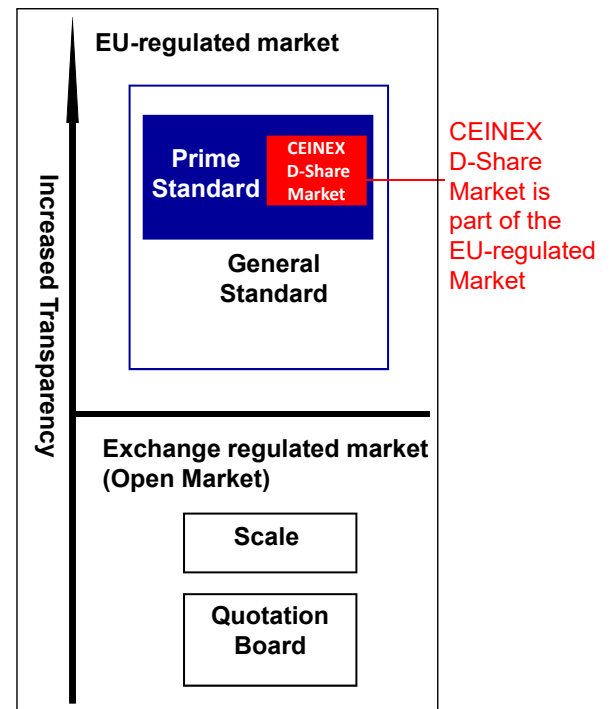
UPCOMING PRODUCTS: CEINEX D-SHARES OVERVIEW

D-Shares are shares issued by companies incorporated in accordance with the Company Act of the P. R. China and listed on the China Europe International Exchange AG D-Share Market (hereinafter “CEINEX D-Share Market”). The CEINEX D-Share Market is a part of the EU-regulated market of Frankfurt Stock Exchange.

Key steps for D-Share issuance and listing:

- Approval from the China Securities Regulatory Commission (CSRC) for equity shares issuance and listing offshore
- Prospectus approved by the German Federal Financial Supervisory Authority (BaFin) and published;
- Admission to the EU-regulated market of Frankfurt Stock Exchange
- Consent to comply with the General Terms and Conditions for CEINEX D-Share Market and to enter into a listing agreement with CEINEX accordingly

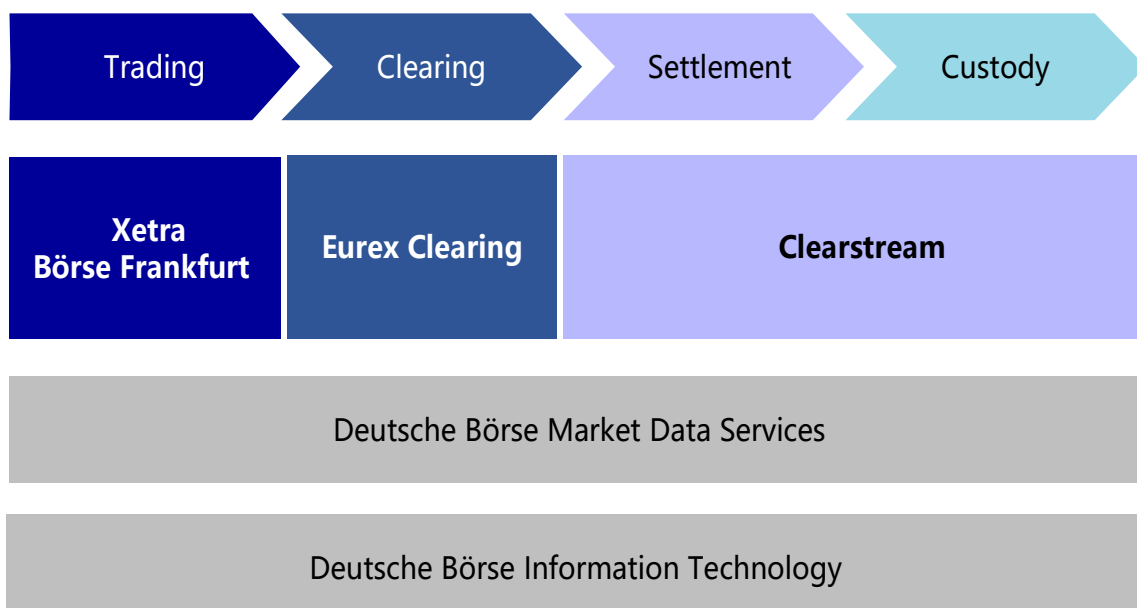
Market Structure of Frankfurt Stock Exchange



Trading and Settlement of D-Shares

CEINEX utilizes the infrastructure of Deutsche Börse Group to provide for D-Share trading, clearing, settlement, and custody.

- Trading venues: Xetra and Börse Frankfurt
- Clearing service: Eurex Clearing
- Settlement and custody services: Clearstream
- Trading currency: EUR



UPCOMING PRODUCTS: CEINEX D-SHARES OVERVIEW

Rationale of D-Share issuance – from issuer's perspective

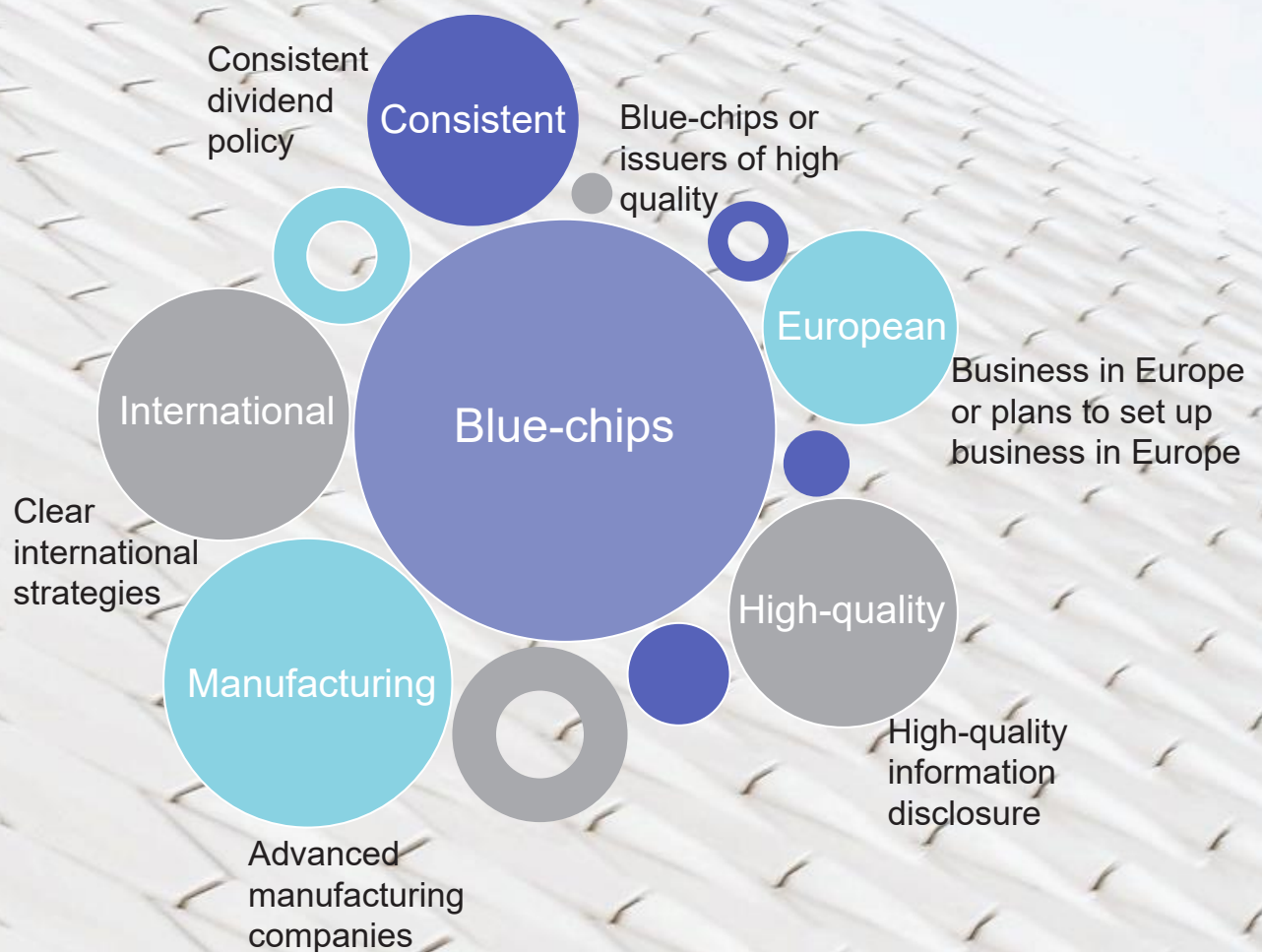
- Facilitate for issuer's international strategy and promote business expansion abroad
- Raise and utilize capital in foreign currency abroad, lowering foreign exchange risk
- Enrich methods of investment payment for strategic partnership
- Build efficient and cost competitive offshore equity and debt financing alternatives in Europe
- Enhance brand awareness and deepen trust with overseas partners
- Transparent listing process and predictable IPO timetable
- Issuance amount at discretion of the issuer and corporate governance subject to the rules of the jurisdiction of incorporation
- Trading hours covering European and US time zones, facilitating international diversification of institutional investors



Rationale of D-Share issuance – from issuer's perspective

- Opportunity to invest in Chinese companies directly in Europe, diversify asset allocation without additional costs
- European trading hours and Euro as trading currency
- Regulations of EU capital markets and Frankfurt Stock Exchange trading rule apply, allowing a variety of trading strategies
- English information disclosure and research reports
- Trading and settlement based on DBAG infrastructure
- D-Share investors enjoy the same rights as A-Share investors
- No cap on D-Share ownership for offshore investors

OUR PROSPECTIVE ISSUERS



All D-Share issuers are expected to accept the General Terms and Conditions for CEINEX D-Share Market, which spell out in detail the eligibility requirements and application procedure for a D-Share listing. Refer to www.ceinex.com/products/d-shares for details.

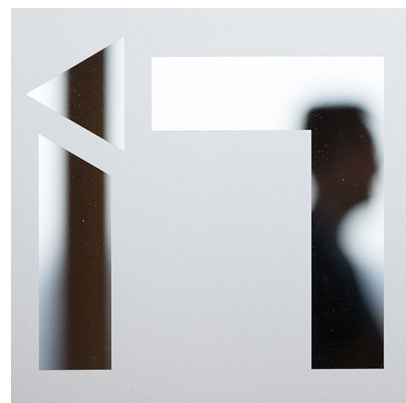
SERVICES

Financial Service Platform

CEINEX serves to bridge the Chinese and the European markets. As a joint venture located in Frankfurt, CEINEX hosts and participates in a number of Chinese and European related activities in the economic and financial fields in order to promote cooperation between financial institutions of China and Europe. Meanwhile, CEINEX actively establishes cooperations to support Chinese enterprises' overseas financing, "go global" strategies and business transformation.



◀ The 2nd CEINEX Financial Markets Forum (15 November 2017) was filled with senior experts from finance, industry and politics from Europe and China and highlighted the 20th EURO FINANCE WEEK, Europe's largest meeting point for the finance and insurance industry taking place in Frankfurt, Germany. WANG Shunqing, Consul General People's Republic of China in Frankfurt, gave a speech.



On 2 June 2017, CHEN Han, co-CEO of CEINEX, attended the 12th China-EU Business Summit in Brussels and gave a speech as a guest of the forum. LI Keqiang (on the left), Premier of the State Council of the People's Republic of China and Jean-Claude Juncker (on the right), President of the European Commission opened the Summit.



▲ On 16 September 2017, CEINEX and the Research Institute of Machinery, Industry, Economy & Management (RIMIEM) signed a MoU to promote cooperation in financial markets.

Gate of Financial Services



On 12 June 2017, CEINEX co-hosted “The New Silk Road” seminar in Frankfurt, in partnership with Bloomberg. The event convened international market participants and financial institutions to discuss the opportunities and challenges of investing in China.

On 25 October 2017 CEINEX hosted the 1st RMB Roundtable Conference at CEINEX. China’s initiatives and strategies for global sustainable development and inclusive growth with respect to RMB internationalization, were among important topics discussed throughout the conference.

1ST RMB ROUNDTABLE CONFERENCE

▶ on 25 October 2017 · Frankfurt am Main
at Tower 185, 26/F · Friedrich-Ebert-Anlage 35-37

HOSTED BY








SEIZING THE MOMENT FOR GREATNESS



GET IN TOUCH

Contact

China Europe International Exchange AG

Phone: +49 (0) 69 2474 159 0

Email: info@ceinex.com

Address: Tower 185

Friedrich-Ebert-Anlage 35–37

60327 Frankfurt am Main

Germany

Website: www.ceinex.com

© CEINEX 2018

Neither China Europe International Exchange AG (CEINEX), nor its servants nor agents, is responsible for any errors or omissions contained in this publication which is published for information only and shall not constitute an investment advice. Any information herein is not intended for solicitation purposes but only for the use of general information. CEINEX offers trading products listed on Xetra and Eurex markets. CEINEX itself is not the licensee of neither a securities nor a derivatives exchange license and in that matter does not conduct any licensed activity in organizing trading of exchange traded financial products or other. Those wishing to trade in any products available on the Xetra and Eurex markets or to offer and sell any such products to others should consider both their legal and regulatory position in the relevant jurisdiction and the risks associated with such products before doing so.

Ceinex® and Ceinexchange® are registered trademarks of China Europe International Exchange AG. Xetra®, FWB® and Eurex® are registered trademarks of Deutsche Börse AG.