

# HKEX Investor Presentation

**Investor Relations**

March 2025

**HKEX**  
香港交易所

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Where this document refers to Bond Connect, please note that currently, access to northbound trading is only available to foreign investors that are able to trade onshore bonds on the China Foreign Exchange Trade System & National Interbank Funding Centre; southbound trading is only available to institutional investors in Mainland China.

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# Agenda

- 01 | Key Performance and Growth Drivers**
- 02 | Group Financial Update**
- 03 | Strategic Focus**
- 04 | China Connectivity**
- 05 | Appendix**





**01 | Key Performance  
and Growth Drivers**



# HKEX – leading vertically integrated exchange group

## HKEX Group

- One of the world's top exchange groups by market capitalisation
- Hong Kong's only exchange group
- A premier global IPO market
- One-stop shop for trading, clearing and risk management across multiple asset classes
- Owner of LME – a world-leading metals market

Financials		
	FY2023	FY2024
REVENUE:	HK\$20.5b	HK\$22.4b
EBITDA:	HK\$14.8b	HK\$16.3b
PAT:	HK\$11.9b	HK\$13.1b
EPS:	HK\$9.37	HK\$10.32

## Strategic Focus

### Build on our China strength

– Trusted infrastructure of choice for capital in and out of China

### Explore new adjacent businesses

– Build new businesses



### Enhance market vibrancy

– Create network effect across asset classes

### Build future-ready technology & operations

– Invest in and operate modernised technological systems



# 2024 Key Highlights

## Record full year financial results

Revenue and other income

**Q4 2024: HK\$6.4b (+31% YoY, +19% QoQ)**

**FY 2024: HK\$22.4b (+9% YoY)**

## Continued strategic progress

### Build on our China strength

- Relaxation of **ETF eligibility criteria under Stock Connect** took effect (Jul 2024)
- Announced China Government & Policy Bank Bonds accepted as **collateral for Northbound Swap Connect** (Dec 2024), effective Jan 2025

### Enhance market vibrancy

- Launched **Weekly Stock Options**, first ever in Asia (Nov 2024)
- Concluded **Reduction of Minimum Spreads** (Dec 2024), implementing around mid-2025
- Consultation on **IPO Price Discovery & Open Market Requirements** optimisation (Dec 2024)

### Explore new adjacent businesses

- Launched **HKEX Virtual Asset Index Series & Hang Seng HKEX Stock Connect China Enterprises Index** (Nov 2024)
- Launched **HKEX Data Marketplace**, new web-based data platform (Dec 2024)

### Build future-ready technology & operations

- Announced in-house development of **Orion Derivatives Platform** (Apr 2024)
- Announced enhancements to **Orion Cash Platform** (Dec 2024), to be launched in phases from mid-2025



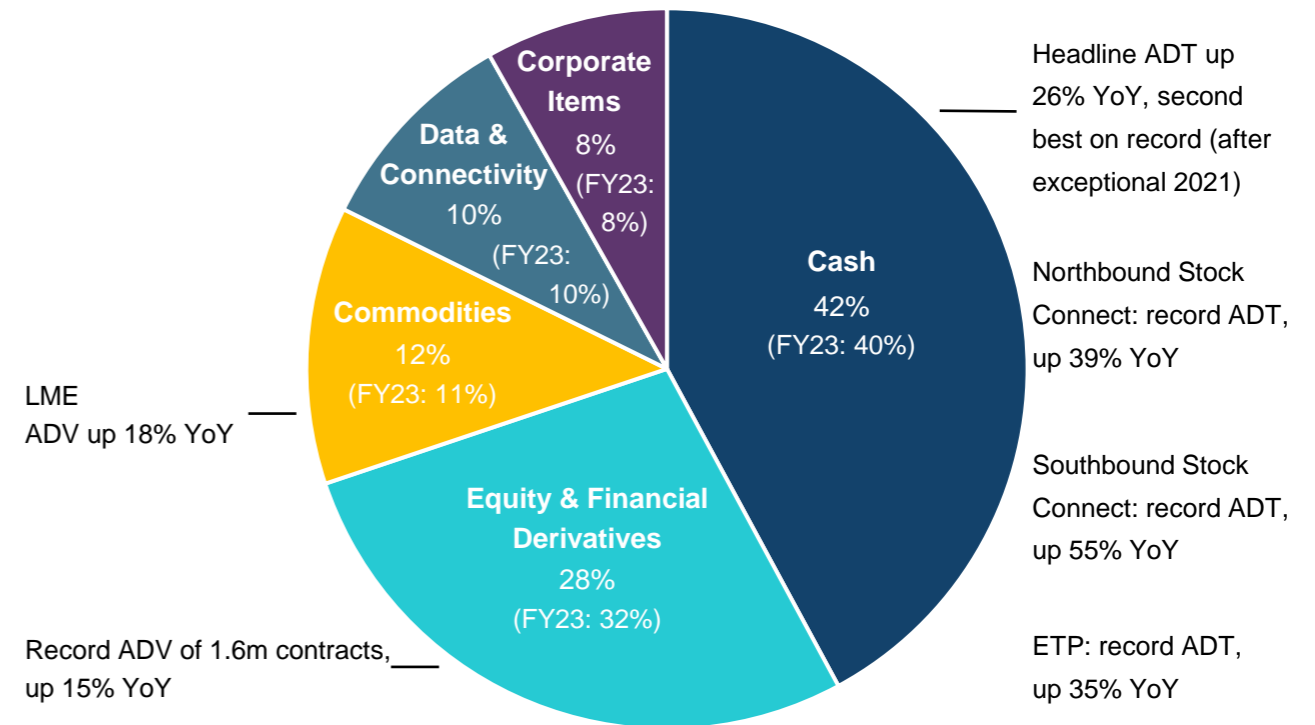
Profit attributable to shareholders

**Q4 2024: HK\$3.8b (+46% YoY, +20% QoQ)**

**FY 2024: HK\$13.1b (+10% YoY)**

## Diversification delivering results

**FY2024 Revenue breakdown<sup>(1)</sup>**



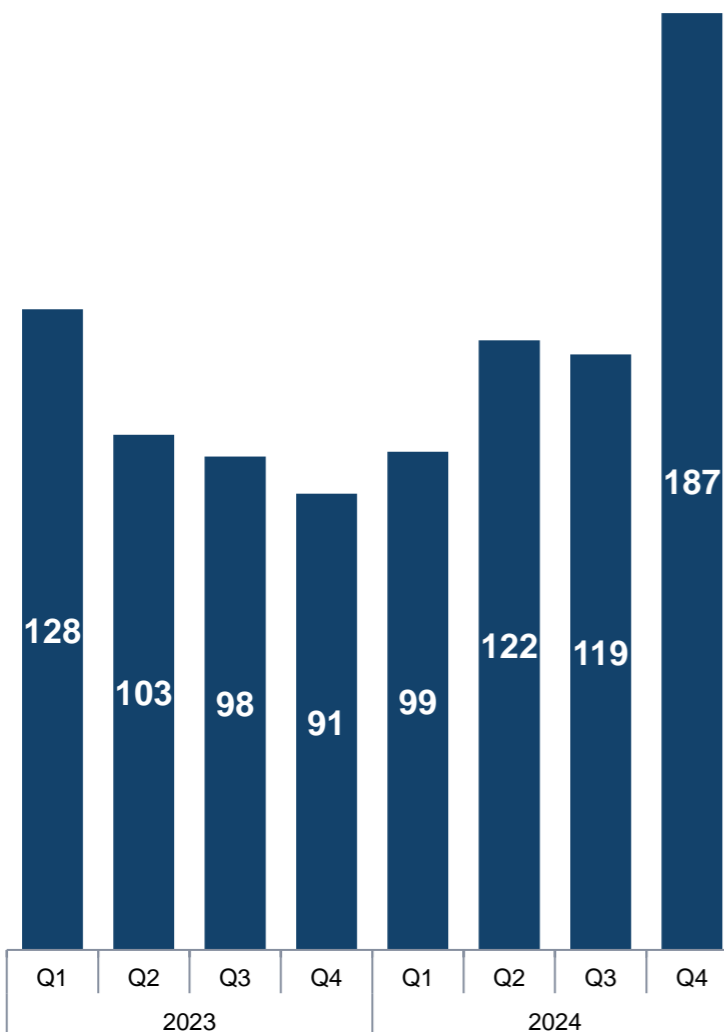
1. % may not add up due to rounding

# Strong performance in 2024

★ : record high in 2024

## Cash Market demonstrated resilience

Average Daily Turnover (ADT)  
Value (HK\$ b)



## Strategic diversification continues to pay off

### ★ Derivatives

Record high ADV of 1.6m contracts  
(up 15% YoY)

### LME

ADV 664,000 lots  
(up 18% YoY)

## Connect programmes going from strength to strength

### ★ Stock Connect

Revenue HK\$2.7b (up 24% YoY). **Record high**  
for both NB ADT of RMB150.1b (up 39% YoY)  
& SB ADT of HK\$48.2b (up 55% YoY)

### ★ Bond Connect<sup>(1)</sup>

**Record high** NB ADT of RMB41.6b  
(up 4% YoY)

### ★ ETF Connect<sup>(1)</sup>

**Record high** NB ADT of RMB2.0b,  
SB ADT HK\$2.4b

### Swap Connect<sup>(2)</sup>

ADT of RMB15b

## 2H 2024 IPO fundraising more than five times that of 1H 2024

### IPO Funds Raised<sup>(3)</sup>

71 listings with HK\$88.0b funds raised  
(up 90% YoY)



Source: HKEX

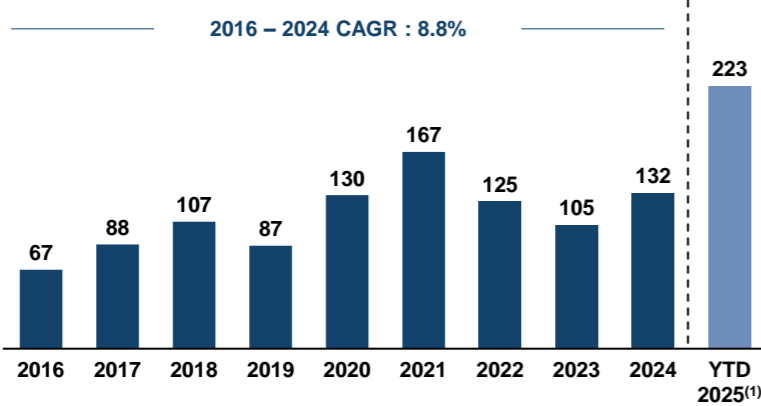
- Bond Connect was launched in Jul 2017 while ETF Connect was launched in Jul 2022
- With the significant contribution from Swap Connect that was launched in May 2023, OTC Clear's clearing volume reached a record high of US\$1,199b in 2024 (up 142% YoY)
- In Sep 2024, HKEX welcomed Midea Group Co. Ltd., which raised over HK\$30b, marking HK's largest IPO since Feb 2021, Asia's largest and the world's second-largest IPO in 2024



# Core business well-positioned for organic and structural growth

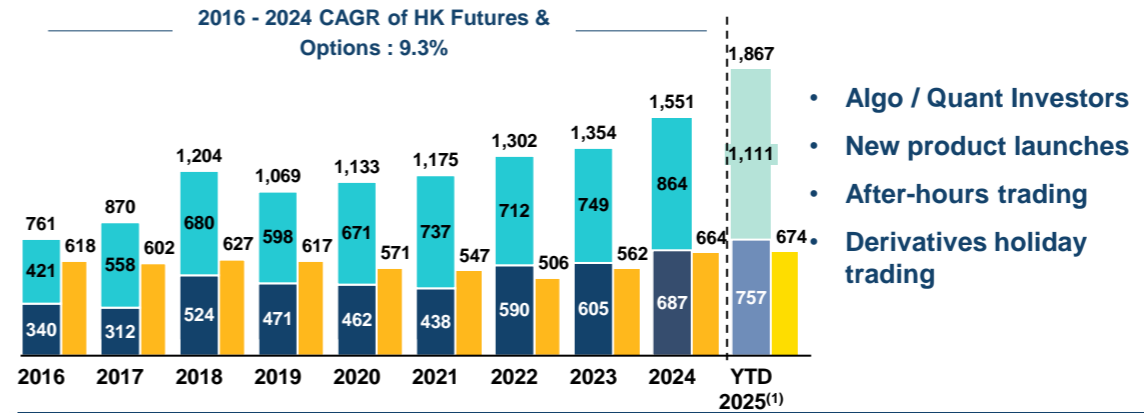
## A | Broad Product Ecosystem Attracting Diverse Mainland and International Investor Base

Headline ADT (HK\$ b)



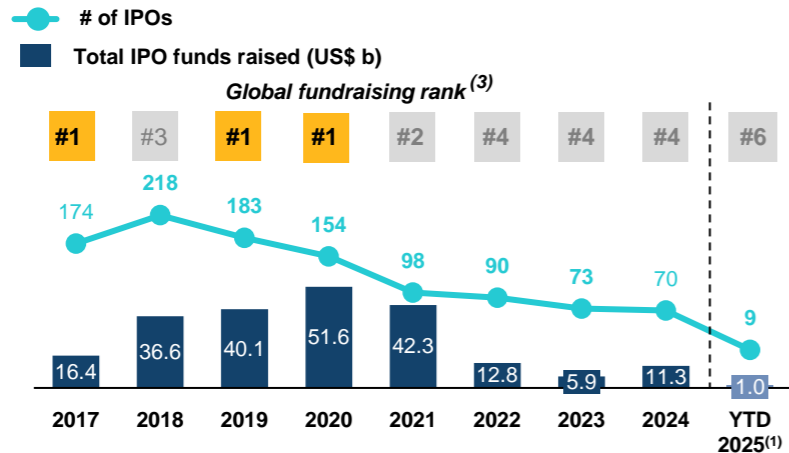
- Southbound Connect
- Jumbo IPOs
- Global Investors

Derivatives ADV ('000 contracts)



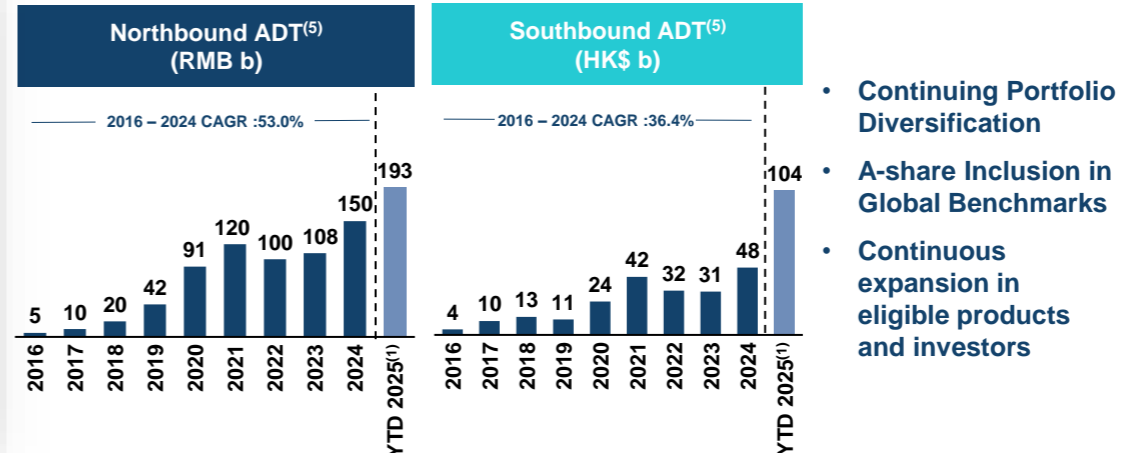
- Algo / Quant Investors
- New product launches
- After-hours trading
- Derivatives holiday trading

## B | Continuous IPO Listing Regime enhancements



- New Economy Listing Reforms
  - Biotech
  - WVR
  - Secondary Listings
  - Specialist Tech
  - Overseas issuers
- Enhanced application timeframe for new listing

## C | Transformational Growth from China's Opening<sup>(4)</sup>



- Continuing Portfolio Diversification
- A-share Inclusion in Global Benchmarks
- Continuous expansion in eligible products and investors

## D | Focus on Revenue Growth and Cost Discipline

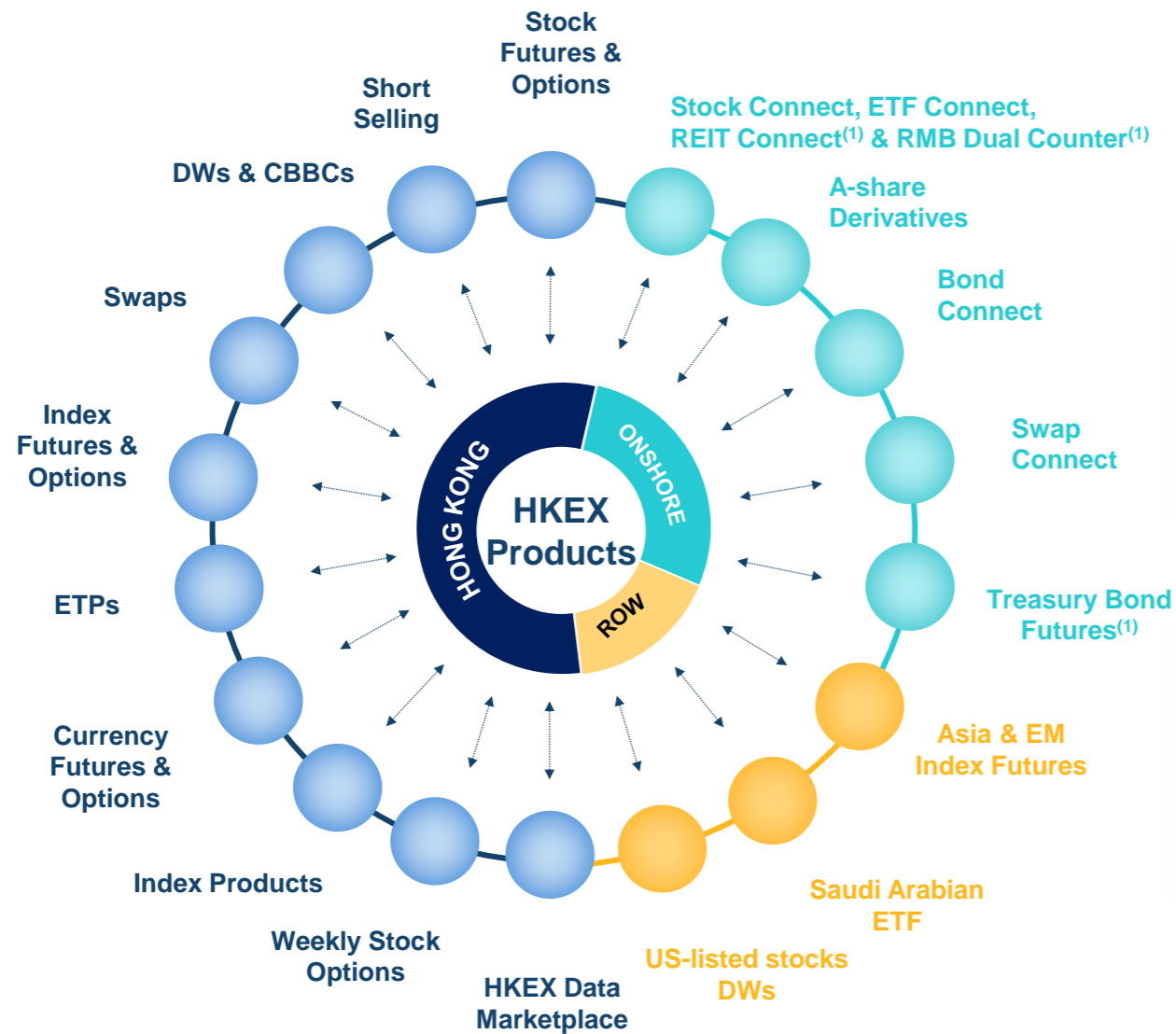
Source: HKEX, Dealogic. Figures may not add up due to rounding

1. Data as at 28 Feb 2025
2. Chargeable ADV of metals contracts traded on the LME
3. Ranking excludes SPAC listings
4. Shanghai-HK and Shenzhen-HK Stock Connect was launched in Nov 2014 and Dec 2016 respectively
5. Buy + Sell ADT





# A | Diverse international investor base attracted to broad product ecosystem



## Algo / Quant Participation in Cash Market

Relatively low

Due to...

- Presence of stamp duty
- Minimal high frequency trading
- Single market structure

## Algo / Quant Participation in Derivatives Market

Relatively high

Driven by...

- No stamp duty
- Market maker participation
- Capital efficiency



1. To be launched

# A | New products, microstructure enhancements and expanded client engagement drive continued robust growth of derivatives

## Execution of key market development initiatives

### Product Launch (YTD 2025<sup>(1)</sup> ADV)

#### HS TECH Index Suite

- 2020: Futures (163.5k)
- 2021: Options (3.9k)
- 2022: Futures Options (4.5k)

#### Weekly Options

- 2019: HSI (16.5k) & HSCEI (2.2k)
- 2024: HS TECH Index (0.9k)
- 2024: 10 single stocks (103.8k)

#### MSCI Suite

- 2020: Asia & Emerging Markets (9.2k)<sup>(2)</sup>
- 2021: China A50 Connect (13.0k)

### Microstructure Enhancements

#### Self-Match Prevention

- 2019: Launched
- 2024: New enhanced services

#### Trading Days / Hours

- 2022 & 2024: Holiday Trading<sup>(3)</sup>
- 2022: Trading hours extension for MSCI products

#### Severe Weather Trading

- 2024: Implemented

### Expanding Sales Coverage

#### New Office Opening

- 2023: New York & London

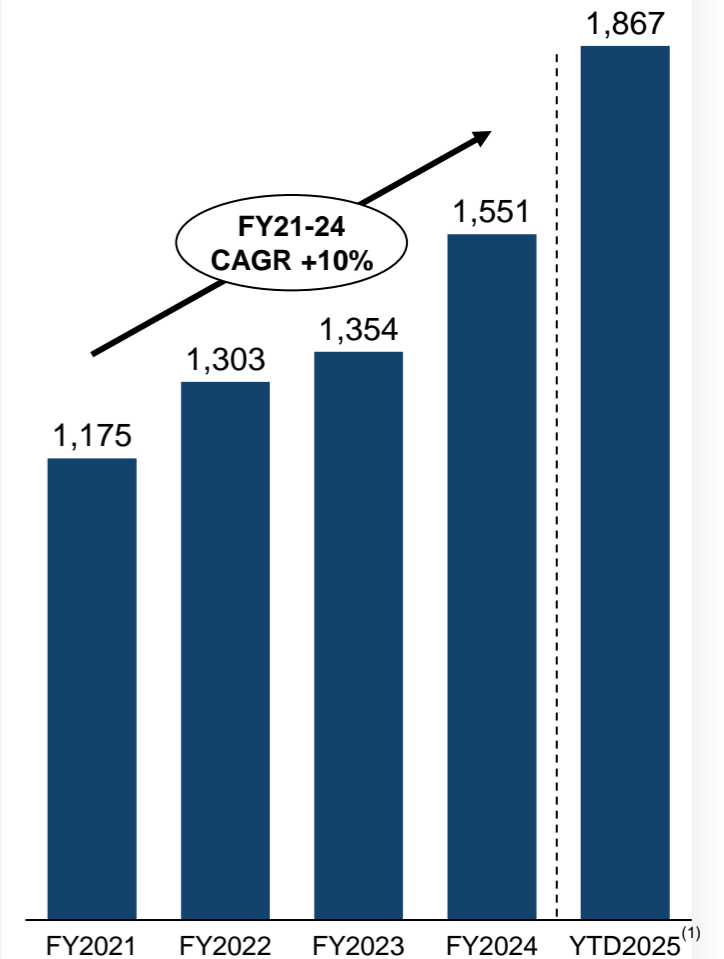
### Incentive Programmes

#### USD/CNH & MSCI Futures

- 2024: Cash Liquidity Provider Incentive, Cash Active Trader & Open Interest Growth programmes

## Derivatives ADV hits fresh record

ADV (in '000)



Source: HKEX

1. Data as at 28 Feb 2025
2. ADV includes MSCI AC Asia ex Japan NTR Index Futures which was launched in 2018
3. Derivatives Holiday Trading for 44 non-HKD denominated MSCI products in 2022 and additional 9 currency futures & options contracts in 2024



# A | HKEX's equity derivatives suite now provides full coverage of Asian underlying

Equity market capitalization

HKEX derivatives offerings

Hong Kong

~US\$5tn



Heng Seng indices product suite

Mainland China

~US\$12tn



MSCI China A 50 Connect Index Futures

Asia (ex. China)

~US\$18tn



MSCI Asia and Emerging Market product suite

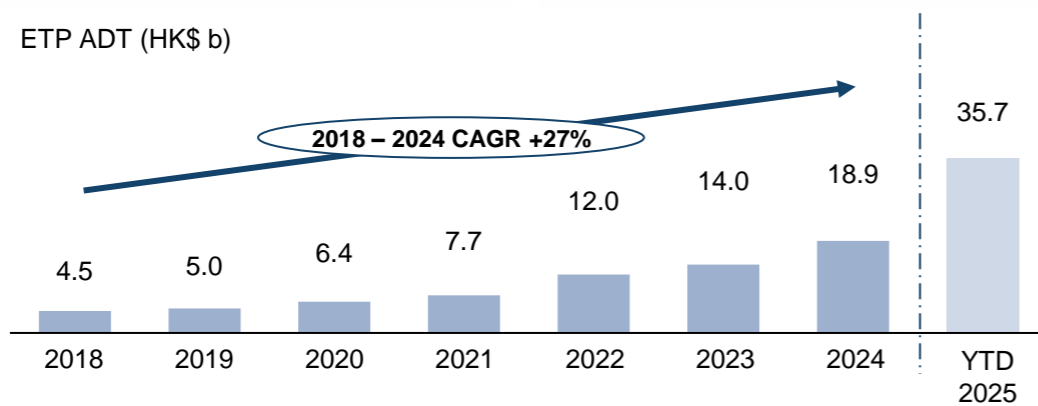
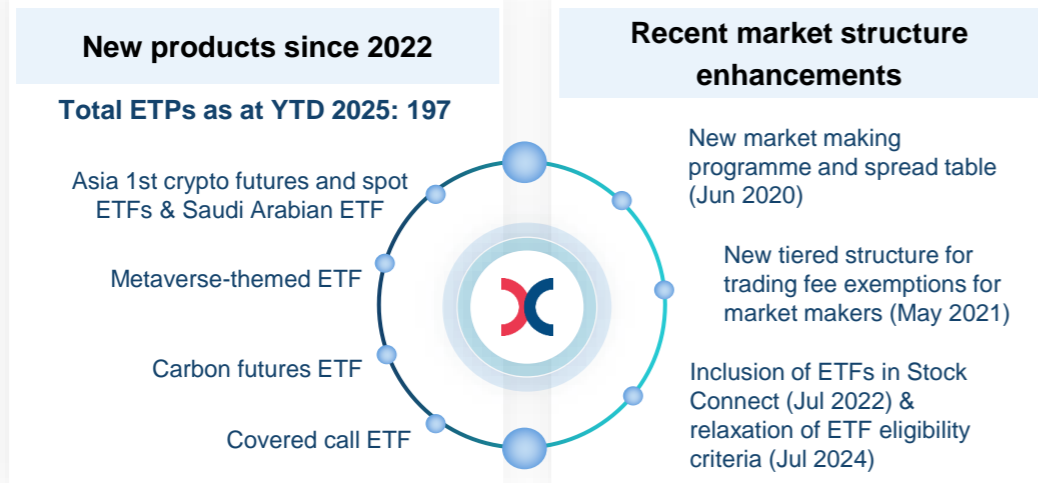
## Most competitive offshore A-share equity derivatives futures

- MSCI China A 50 Connect Index **covers 50 stocks from the largest stocks** in the China A large-cap universe
- **Sector-balanced index**, mirroring sector weights of MSCI China A index, the most representative index for global investors
- **Highly complementary to Stock Connect** for risk management needs, offering investors and risk managers a one-stop-shop solution to trade and manage their China exposures
- **Catalyst for further index inclusion** weightings

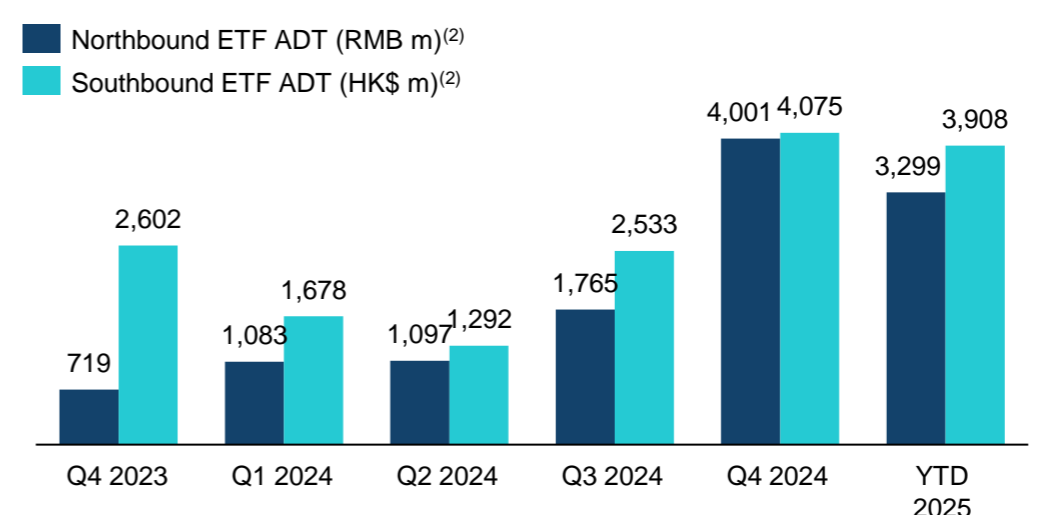


# A | ETF inclusion in Stock Connect further supports growing investor demand in HK and Mainland

## Increased product diversity and enhanced market structure has led to strong growth in HK ETP<sup>(1)</sup> market



## Strong momentum in ETF Connect



	Southbound	Northbound
No. of eligible ETF	17	248
Total no. of ETF in local market	178	1,082
Eligible ETF ADT as % of local market's ETF ADT	97%	26%

## Expansion in eligible ETF provides potential for growth in HK and Mainland's ETP markets



Source: HKEX, SSE, SZSE, ETFGI, Bloomberg data as at 28 Feb 2025

- ETP includes ETF and leverage and inverse products
- Buy + Sell ADT



# B | IPO market supported by new economy issuers and secondary listings in recent years

## Fundraising Summary (YTD 2025<sup>(1)</sup>)

**HK\$8.0b**

IPO Funds Raised  
(#6 globally)<sup>(4)</sup>

+264% YoY

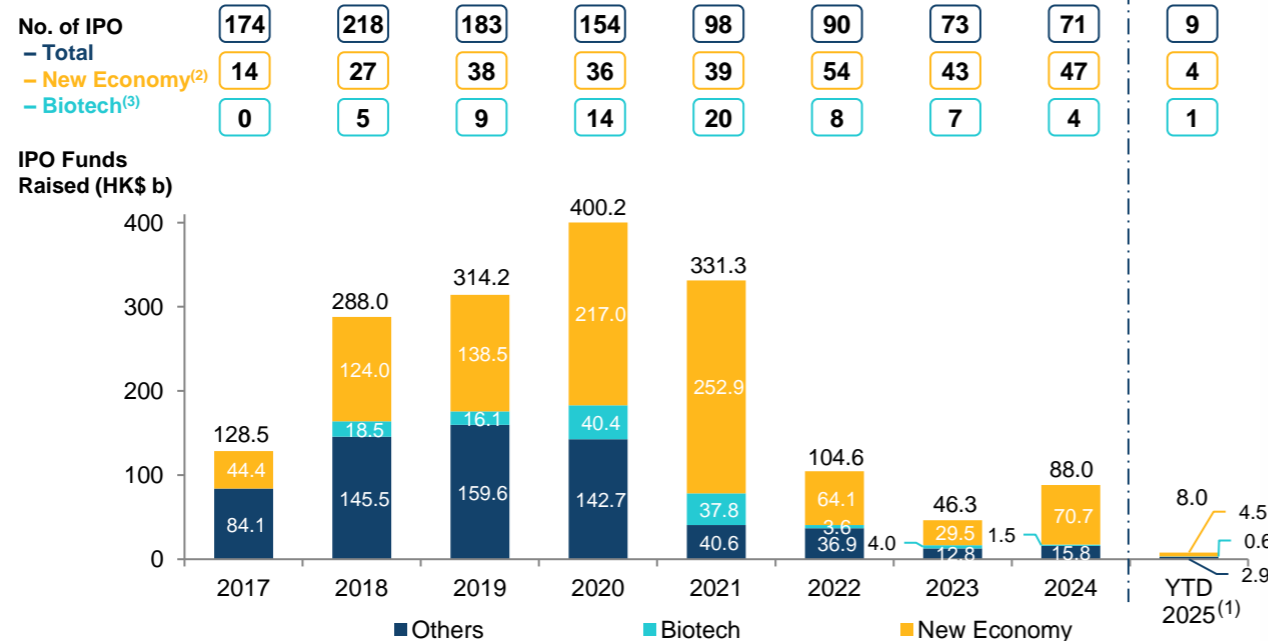
**5**

New Economy & Biotech  
Companies Listed...

...raising  
**HK\$5.1b**

+132% YoY

## IPO Funds Raised by Segments



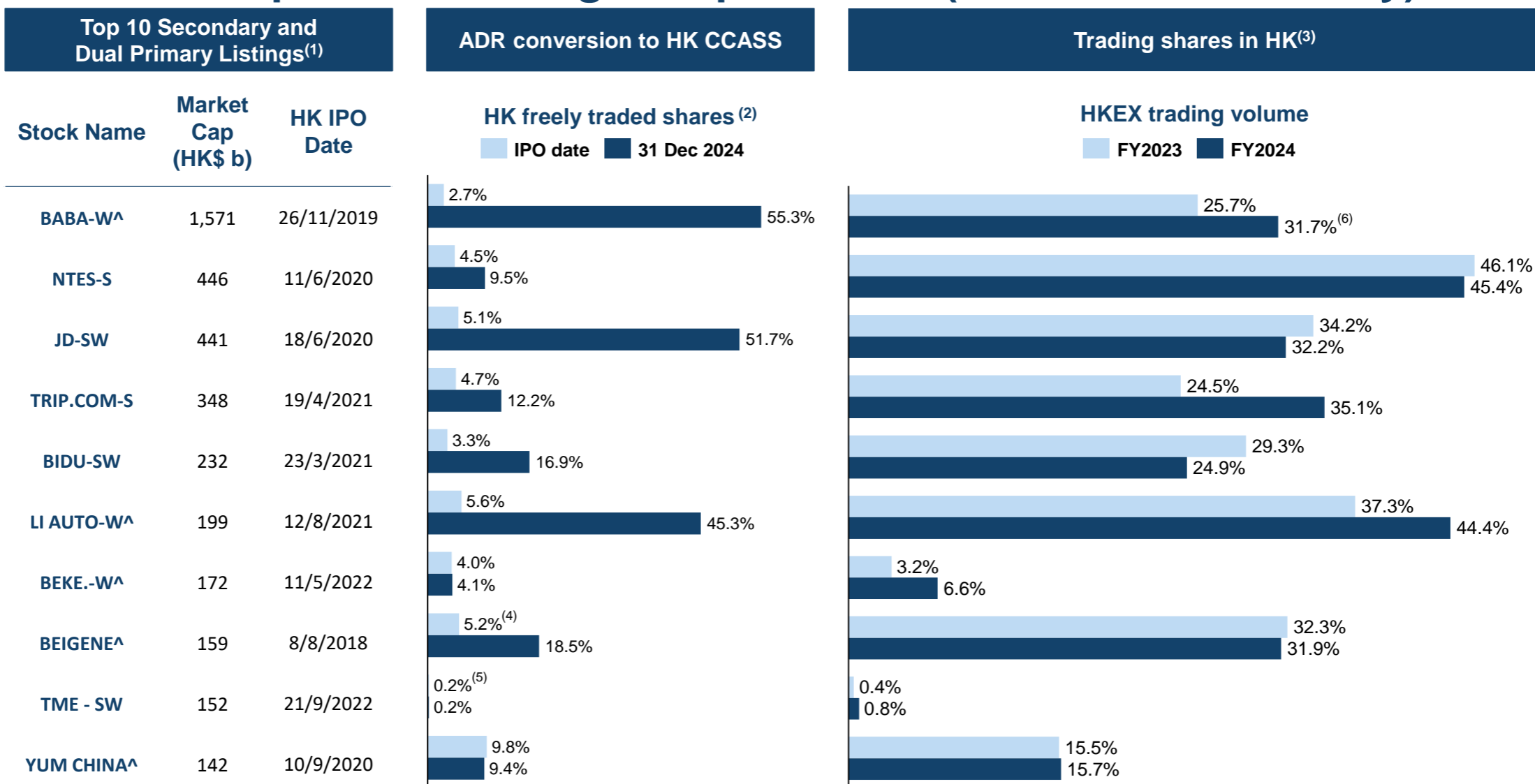
- **Completed listing reforms**
  - Listing reforms that triggered IPOs from new economy and biotech companies, as well as attracted secondary listings in HK (2018)
  - Introduction of listing regimes for SPACs (2022)
  - Specialist tech companies (2023)
  - GEM Board reform (2024)
  - Enhanced application timeframe for new listing (2024)
- **Ongoing enhancements**
  - Launch of FINI, a digitalised IPO settlement platform shortening IPO settlement from T+5 to T+2 (2023)
  - Publication of consultation on IPO Price Discovery & Open Market Requirements optimisation

Source: HKEX. Figures may not add up due to rounding

1. Data as at 28 Feb 2025
2. Include Non-18A Biotech companies
3. Only include Chapter 18A Biotech companies
4. Ranking excludes SPAC listings



## B | Continuous ADR conversion while trading migration moderated from China concept homecoming except Alibaba (converted to Primary)



Source: HKEX, FactSet, Bloomberg, as at 31 Dec 2024 ^Dual Primary Listing

1. Ranked by market cap
2. Based on total CCASS balance deducting the balance of main custodian bank as reference
3. Trading shares in US via various exchanges which include Nasdaq, NYSE, NYSE Arca, FINRA ADF and others. (FINRA ADF is an equity trading facility created by a self-regulatory organization FINRA. The ADF provides members with a facility for the display of quotations, the reporting of trades, and the comparison of trades such as dark pool trading)
4. HK freely traded shares of Beigene (6160.HK) on its IPO date is not available and the earliest data available is as at 14 Jan 2022
5. HK freely traded shares of TME (1698.HK) on its IPO date is not available and the earliest data available is as at 9 Apr 2023
6. Converted to Dual Primary Listing in Aug 2024



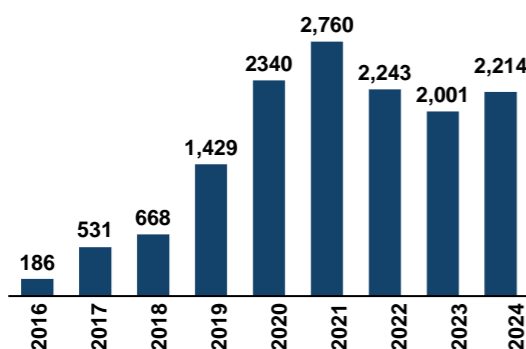
# C | Transformational growth from China's opening

## Stock Connect<sup>(1)</sup>

### Northbound (RMB b)

#### Portfolio Value<sup>(2)</sup>

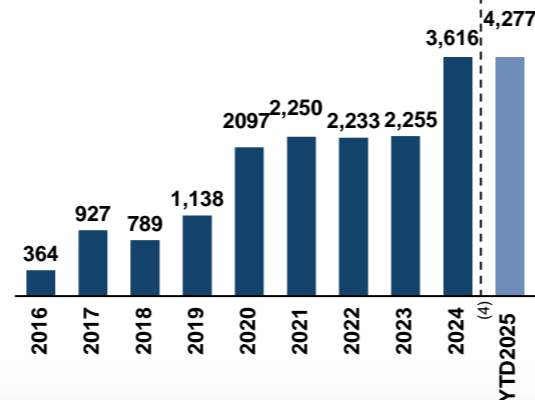
2016 – 2024 CAGR : 36.3%



### Southbound (HK\$ b)

#### Portfolio Value

2016 – 2024 CAGR : 33.2%



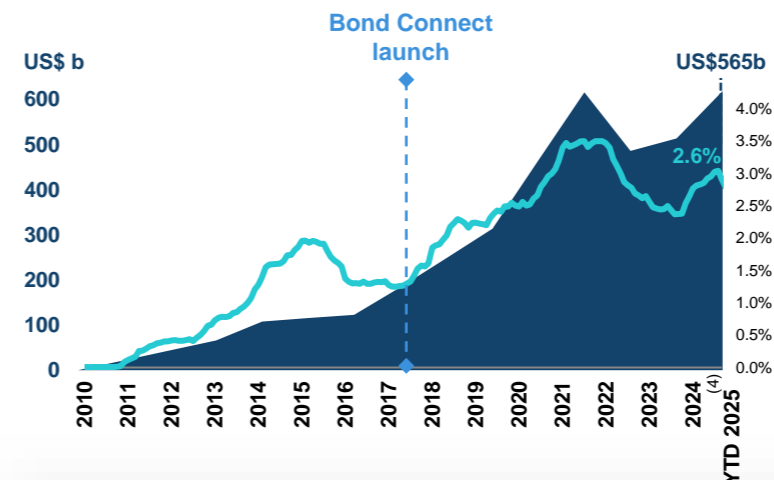
- Continuing portfolio diversification by Mainland and international investors
- Inclusion of A shares into major global benchmarks
- Inclusion of HK-listed foreign companies in Stock Connect
- Continuous expansion in eligible products and investors

## Bond Connect

### Total Foreign Participation in CIBM<sup>(3)</sup>

#### Foreign Holdings in Chinese Bonds (shaded area)

#### Foreign Ownership (%)



Investors  
Onboarded  
**830**

YTD 2025<sup>(4)</sup> ADT  
**RMB46b**

- Inclusion of Mainland bonds into global fixed income indices
- Easier access to the Mainland bond market via more trading platforms
- Increasing use of RMB globally and need to reinvest into RMB assets

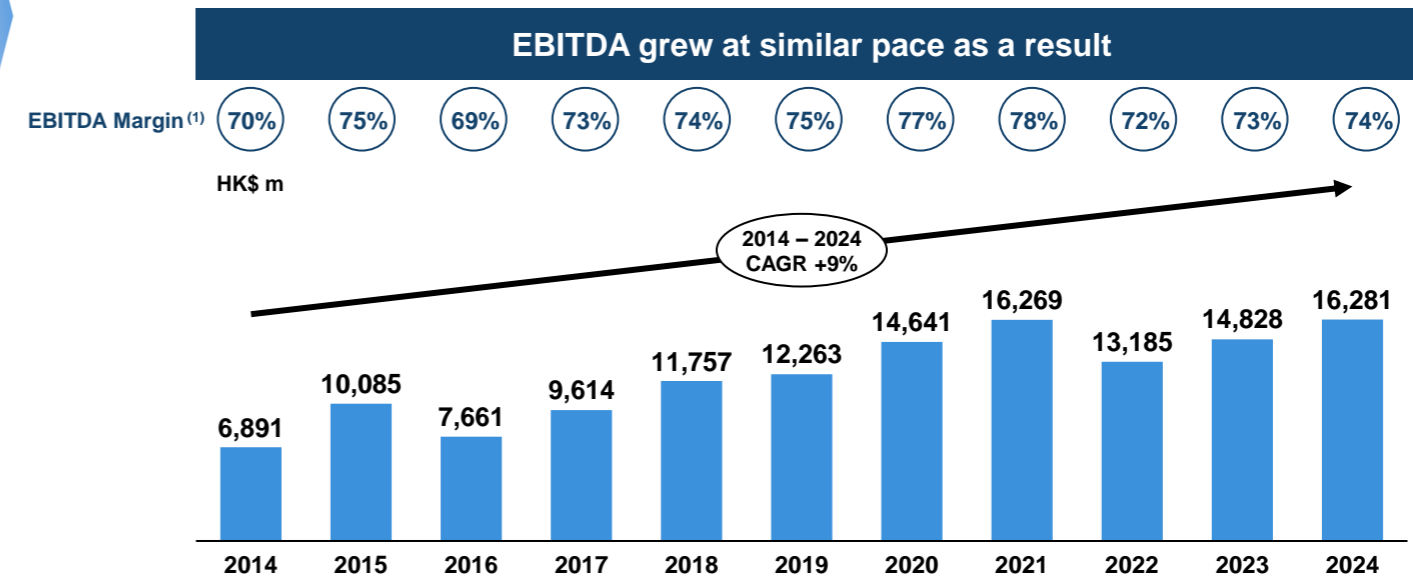
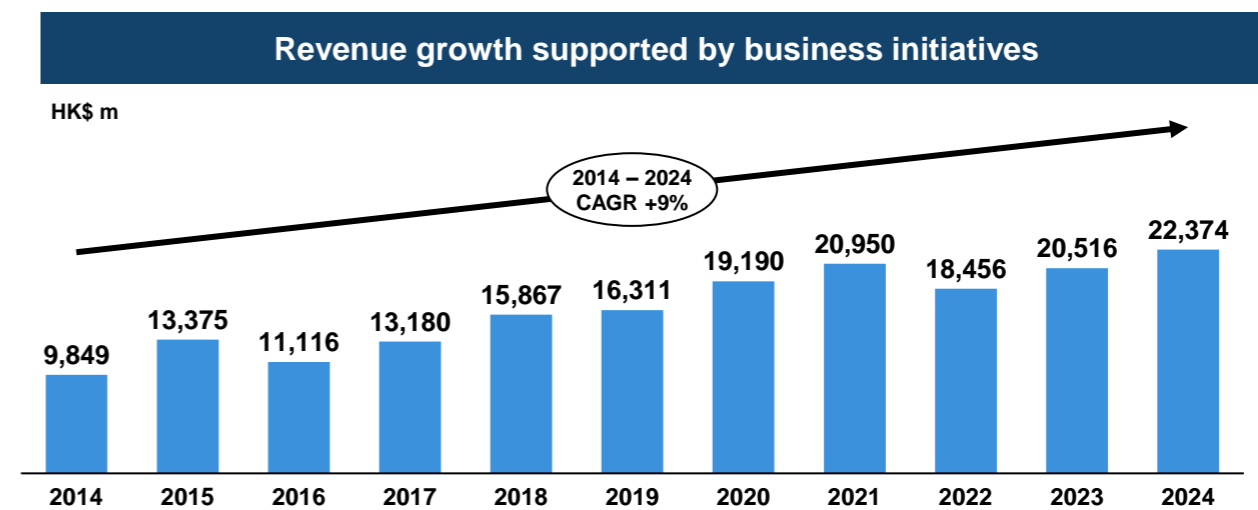
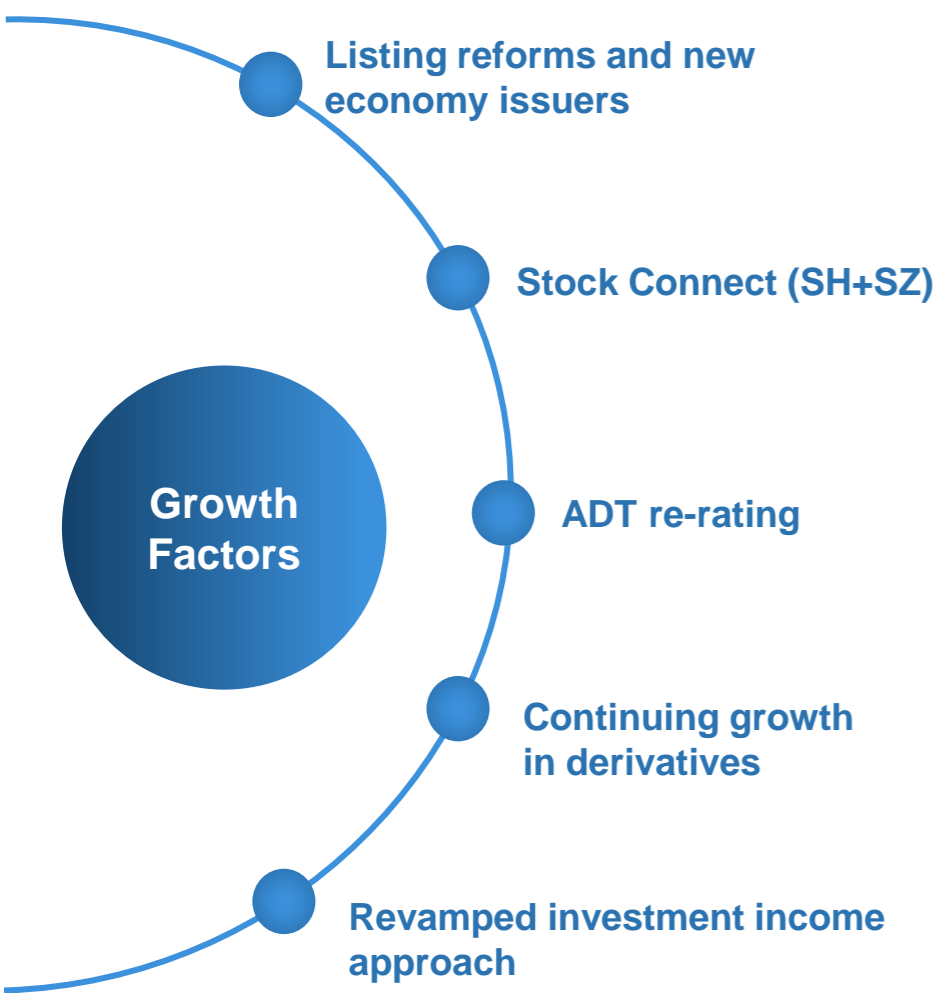
**Benefiting from the increased capital flow into and out of Mainland China,  
in particular inbound flows driven by international index inclusions**

Source: HKEX, Bond Connect, ChinaBond, SCH

1. Shanghai-HK and Shenzhen-HK Stock Connect was launched in Nov 2014 and Dec 2016 respectively
2. Starting from 19 Aug 2024, Stock Connect Northbound holding data will only be available on a quarterly basis
3. Foreign participation in CIBM was first allowed in 2010 when the PBOC rolled out a Pilot Scheme to allow foreign financial institutions to invest in CIBM
4. Southbound Stock Connect data as at 28 Feb 2025, Bond Connect data as at 31 Jan 2025



# D | Focus on revenue growth and cost discipline (1/2)

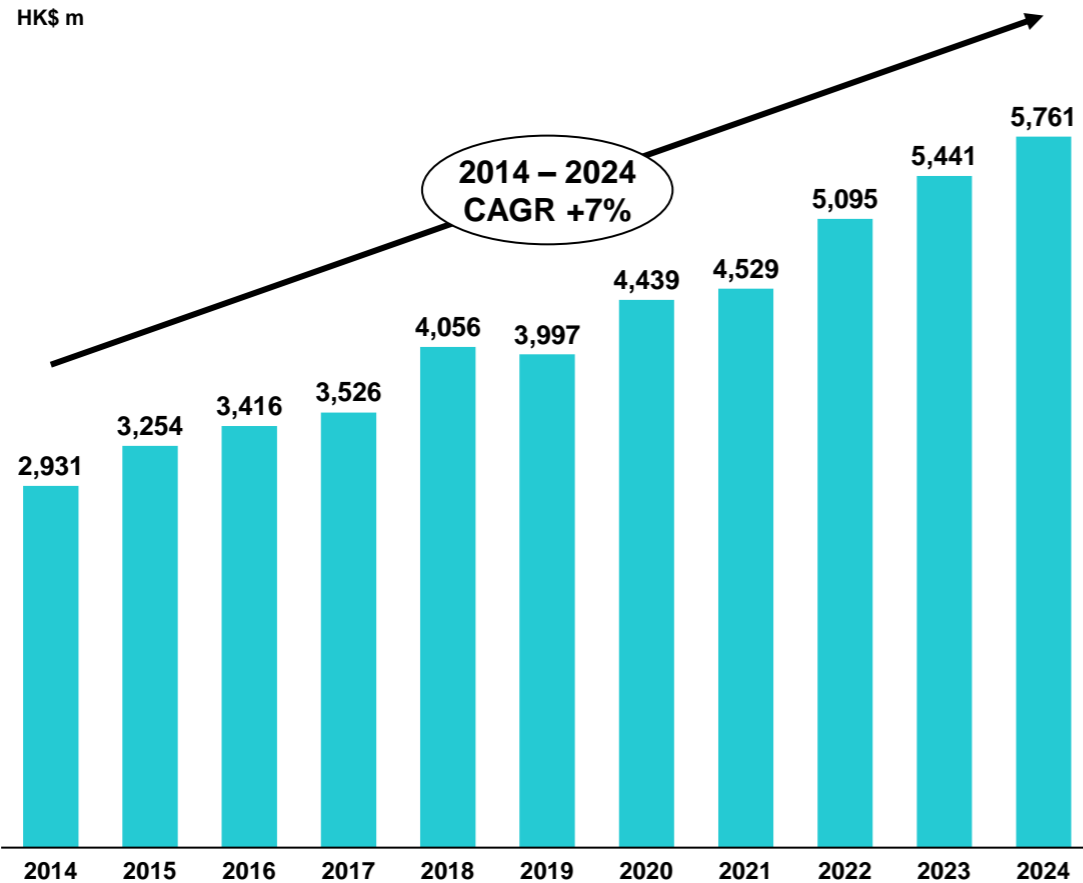


1. EBITDA margin is calculated based on EBITDA divided by revenue and other income less transaction-related expenses

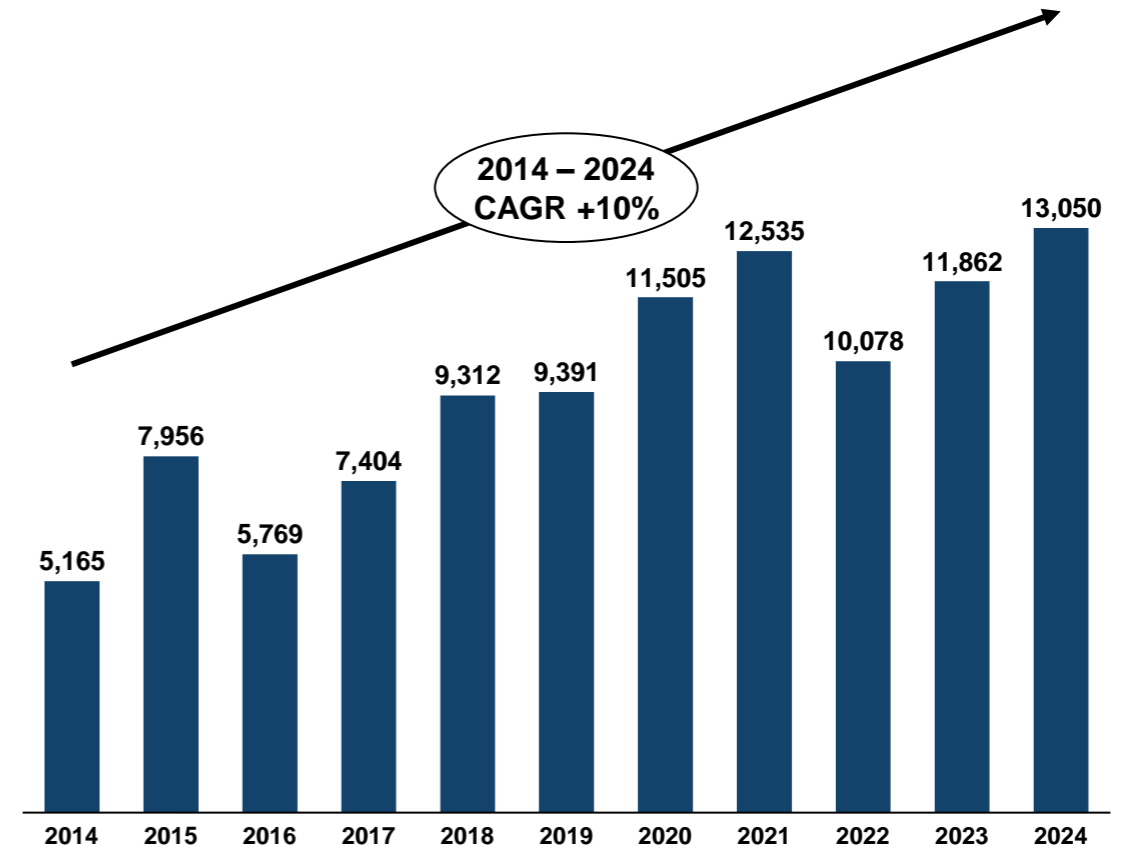


# D | Focus on revenue growth and cost discipline (2/2)

Prudent growth of operating expenses...



... leading to faster growth in Profit Attributable to Shareholders



1. Net profit margin is calculated based on profit attributable to shareholders divided by revenue and other income less transaction-related expenses

# Sustainability | Supporting the prosperity of all

## Enabling Sustainable Markets and Finance

- Corporate Governance Code, making HKEX as the first major international exchange to ban single-gender boards
- ESG Reporting Code, with climate-related disclosures requirements based on IFRS S2
- Education materials under ESG Academy, Board Diversity Hub and INED Corner, etc
- Core Climate, an international voluntary carbon marketplace
- US\$75+b sustainability-related bonds on STAGE
- LME's requirements relating to EU CBAM and responsible sourcing
- LMEpassport with 720+ sustainability disclosures

## Lead by Example as a Corporate

- HKEX and LME's net-zero commitment by 2040
- Carbon neutrality and science-based targets submitted to SBTi for validation
- Inclusive workplace that promotes employees' development, wellness and diversity via structured leadership programmes, employee-led networks and Global Wellness Challenge
- HKEX Foundation, making HK\$535 million of charitable donation since its launch in 2020
- Trusted market oversight and operational resilience





## 02 | Group Financial Update





# Record quarterly revenue and Q4 profit; Best-ever annual revenue and profit, driven by robust trading volumes

## Core business revenue<sup>(2)</sup>

Q4 2024: HK\$6.0b (↑33% YoY)  
FY 2024: HK\$20.6b (↑9% YoY)

## Revenue and other income<sup>(3)</sup>

Q4 2024: HK\$6.4b (↑31% YoY)  
FY 2024: HK\$22.4b (↑9% YoY)

## EBITDA

Q4 2024: HK\$4.7b (↑44% YoY)  
FY 2024: HK\$16.3b (↑10% YoY)

## PAT

Q4 2024: HK\$3.8b (↑46% YoY)  
FY 2024: HK\$13.1b (↑10% YoY)

## EPS

Q4 2024: HK\$2.99 (↑46% YoY)  
FY 2024: HK\$10.32 (↑10% YoY)

## Dividend per share (DPS)

1st interim : HK\$4.36 (paid)  
2nd interim: HK\$4.90 (↑25% YoY)  
Full Year : HK\$9.26 (↑10% YoY)

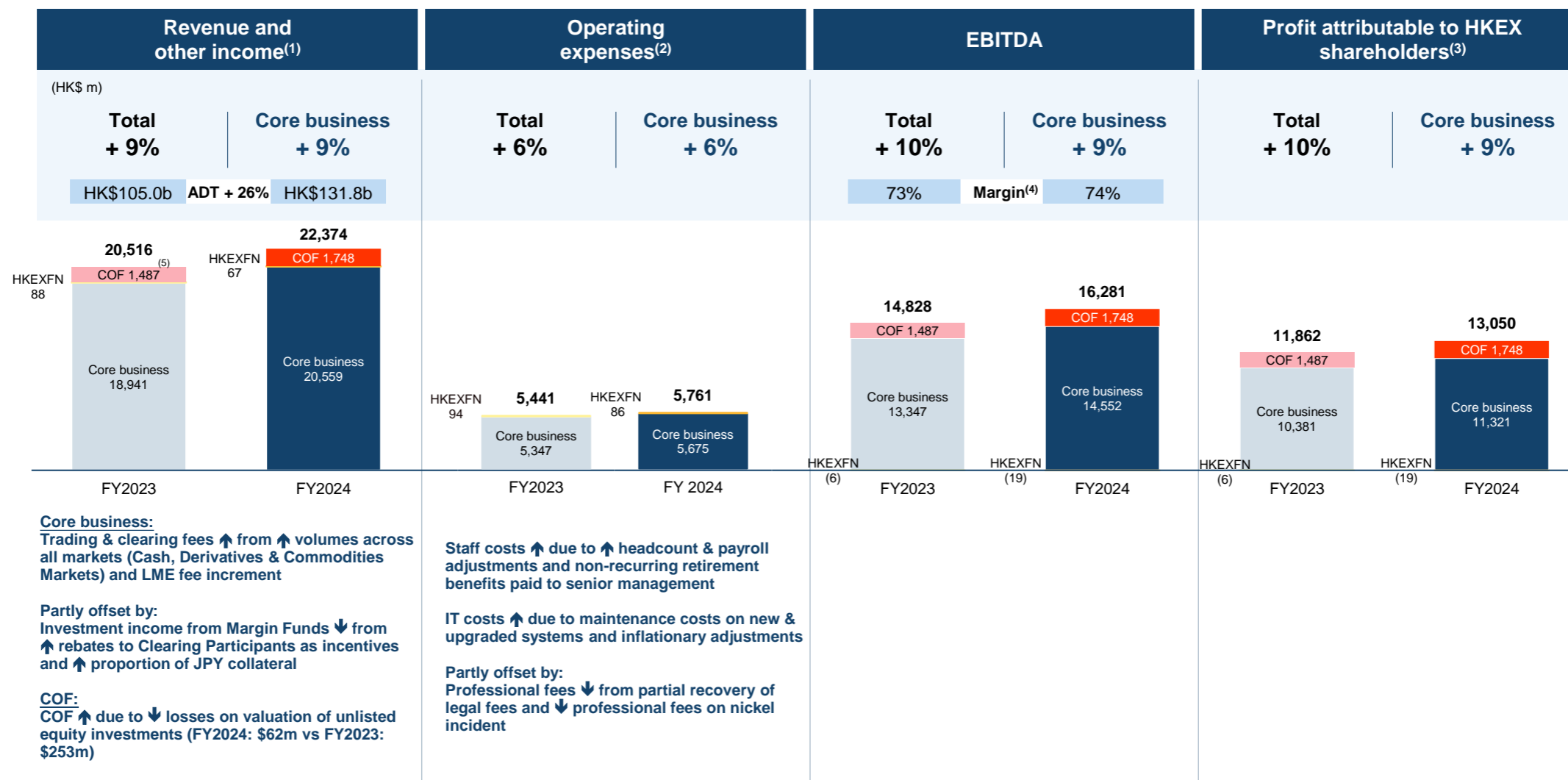


1. All percentage changes are computed based on amounts reported in financial statements  
2. Core business revenue represents total revenue and other income, excluding net investment income of Corporate Funds and donation income of HKEX Foundation (HKEXFN)  
3. Represents gross revenue and other income before deducting transaction-related expenses



FY2024 vs FY2023

# Best-ever revenue and profit on higher volumes in Cash, Derivatives and Commodities Markets

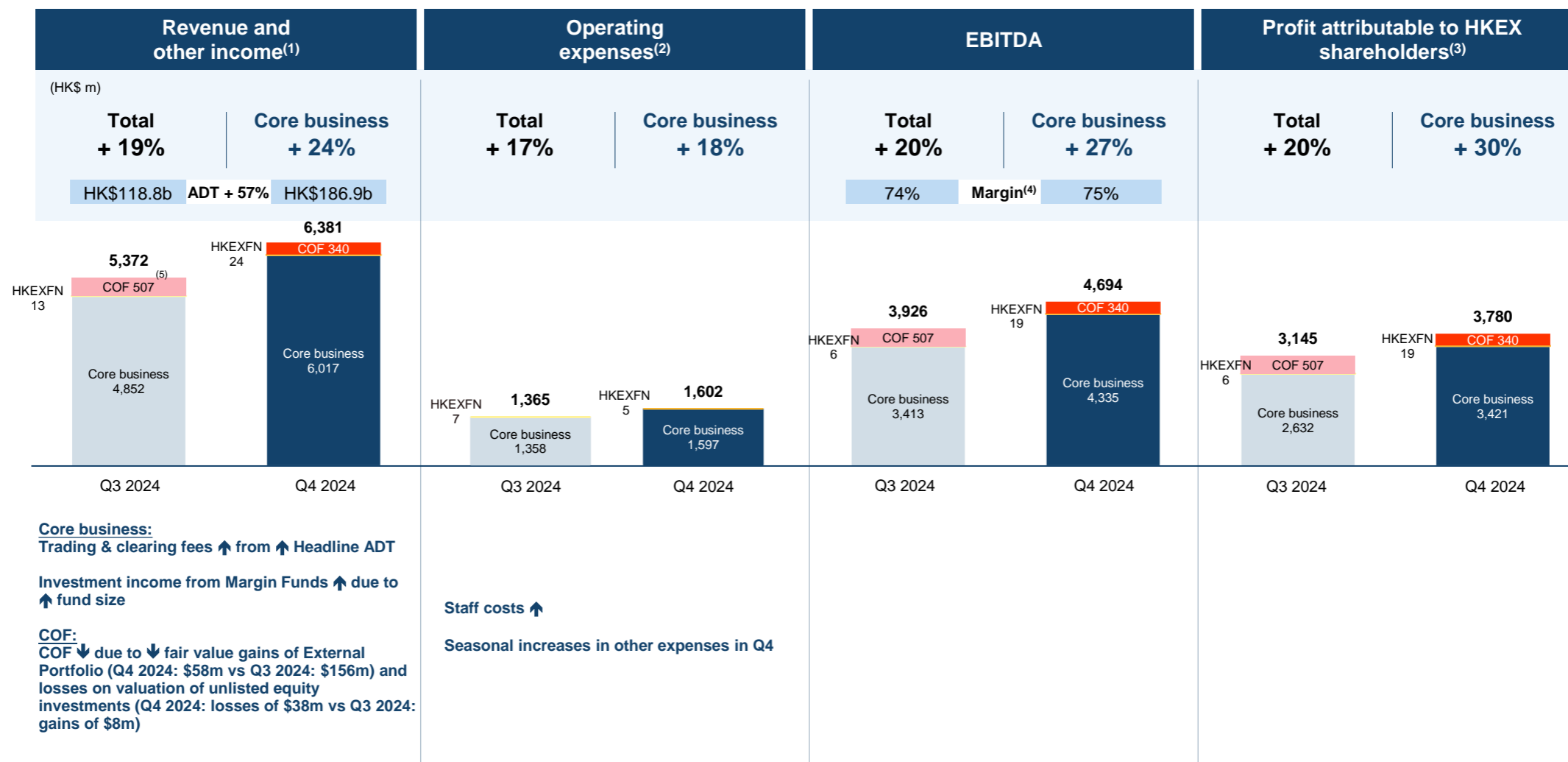


1. Represents gross revenue and other income before deducting transaction-related expenses (FY2024: \$332m; FY2023: \$247m)
2. Excludes transaction-related expenses, depreciation & amortisation, finance costs and share of results of joint ventures
3. For the purpose of this presentation, tax impact of COF is not considered when calculating the PAT attributable to COF
4. EBITDA margin is calculated based on EBITDA divided by revenue and other income less transaction-related expenses
5. COF represents net investment income of Corporate Funds



Q4 2024 vs Q3 2024

# Record quarterly revenue and Q4 profit driven by surge in volumes in Cash and Derivatives Markets



1. Represents gross revenue and other income before deducting transaction-related expenses (Q4 2024: \$85m; Q3 2024: \$81m)
2. Excludes transaction-related expenses, depreciation & amortisation, finance costs and share of results of joint ventures
3. For the purpose of this presentation, tax impact of COF is not considered when calculating the PAT attributable to COF
4. EBITDA margin is calculated based on EBITDA divided by revenue and other income less transaction-related expenses
5. COF represents net investment income of Corporate Funds

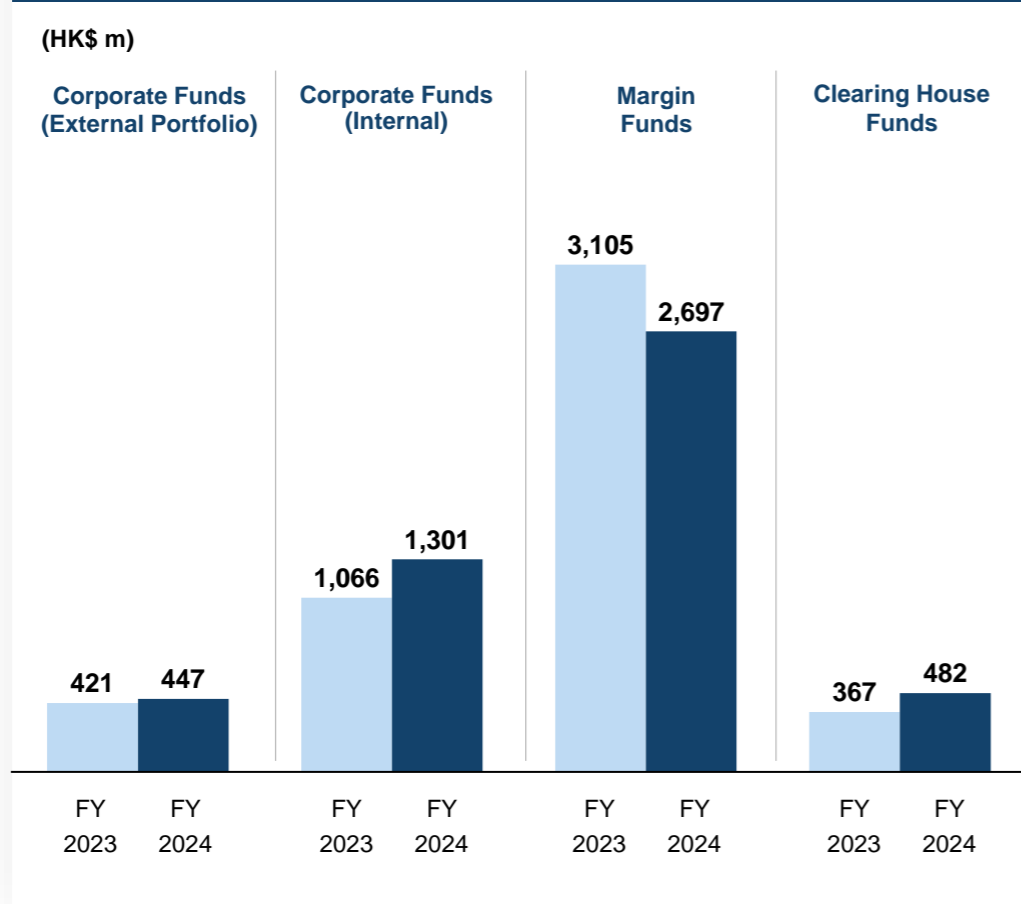


## Net investment income (NII) – FY2024 vs FY2023

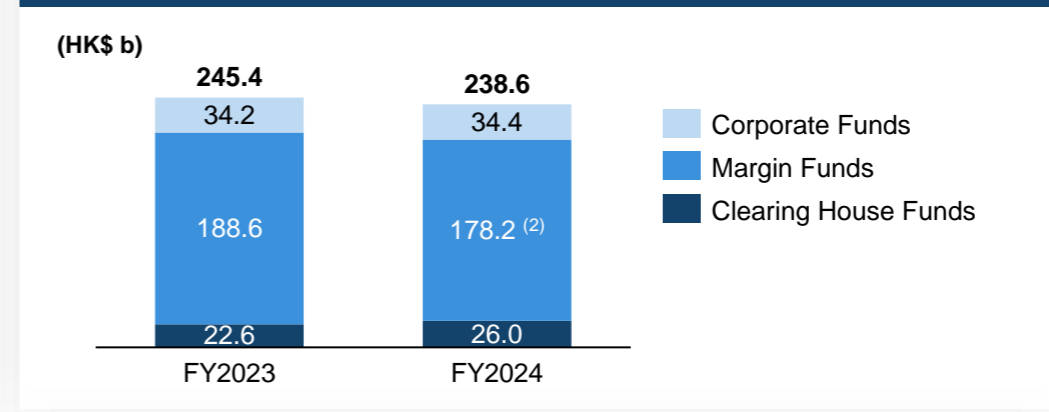
# NII & aggregate average fund sizes remained stable

FY2024: HK\$4,927m (FY2023: HK\$4,959m)

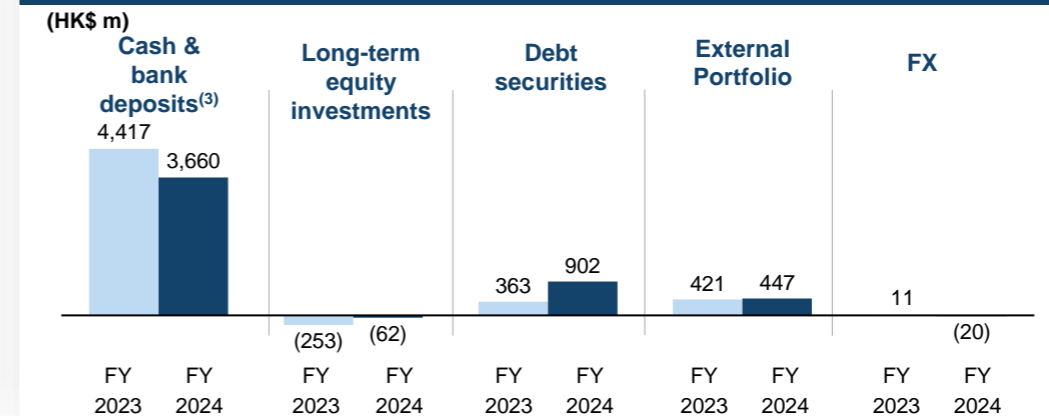
### Net investment income by funds



### Average fund size



### Net investment income by category of investments



### FY2024 External Portfolio gains up 6% YoY

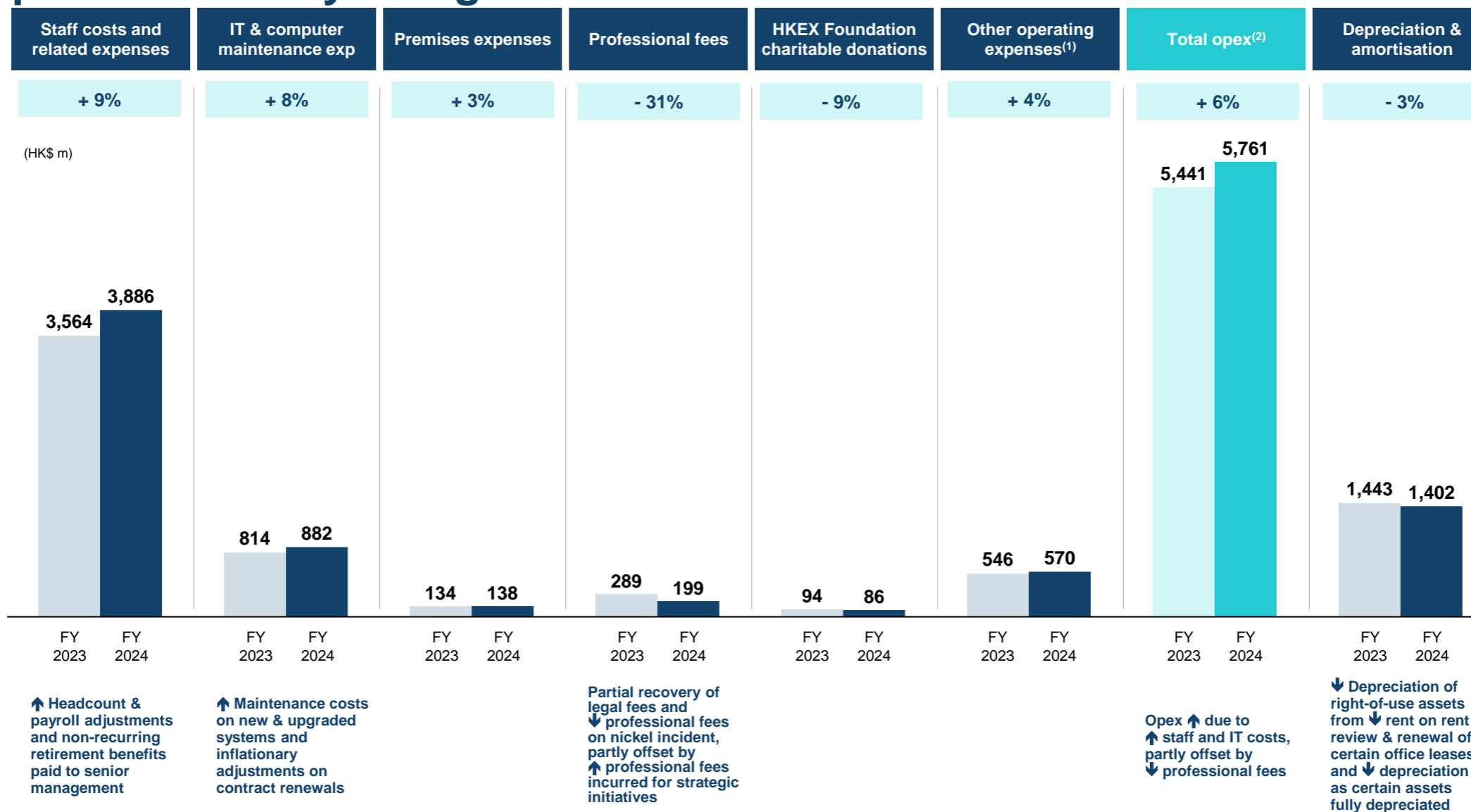
Margin Funds NII down 13% YoY in FY2024 due mainly to increased incentives to attract volumes and increased proportion of JPY collateral

- Margin Funds and Clearing House Funds of LME Clear are mainly invested in overnight reverse repurchase investments, where high quality assets are held against such investments as collateral. In Hong Kong, Clearing House Funds are predominantly kept overnight or invested in Exchange Fund Bills issued by the Hong Kong Monetary Authority due to regulatory requirements. For Margin Funds, a certain proportion of the funds are kept overnight to meet withdrawal requests from Clearing Participants (approximately 29% as at 31 Dec 2024), a certain proportion is invested in investment grade debt securities with maturity of over 12 months (approximately 6% as at 31 Dec 2024) and the remaining funds are invested in debt securities and time deposits with maturity of up to 12 months (weighted original maturity of 10 months as at 31 Dec 2024)
- FY2024 Margin Funds dropped due to the decrease in LME Clear Margin Funds (FY2024: \$69.1b; FY2023: \$79.6b)
- Includes foreign exchange swaps



## Operating expenses and depreciation & amortisation – FY2024 vs FY2023

# Opex up 6% due mainly to prudent control, lower professional fees and partial recovery of legal fees from nickel incident



1. Includes product marketing and promotion expenses  
 2. Excludes transaction-related expenses, depreciation & amortisation, finance costs, and share of results of joint ventures







## 03 | Strategic Focus



# Strong strategic progress in 2024

## Build on our China strength

- Connect programmes' enhancement and expansion
- Integrate China strategy across business
- Creating more China opportunities for investors

- REITs inclusion in Stock Connect announced (Apr)
- Swap Connect enhancements implemented (May)
- ETF Connect eligibility relaxation took effect (Jul)
- Swap Connect collateral expansion announced (Dec)

## Explore new adjacent businesses

- Expand to adjacencies beyond the core
- Take measured risks to build new businesses
- Leverage on data

- HKEX Virtual Asset Index Series launched (Nov)
- Hang Seng HKEX Stock Connect Index launched (Nov)
- HKEX Data Marketplace launched (Dec)



## Enhance market vibrancy

- Provide a liquid and vibrant marketplace
- Grow product, client and issuer ecosystems
- One-stop shop for investors

- Severe Weather Trading implemented (Sep)
- Minimum spreads reduction consultation concluded (Dec)
- IPO Price Discovery & Open Market Requirements optimisation consultation (Dec)

## Build future-ready technology & operations

- Unlock operational efficiencies and new business opportunities
- Address evolving client preferences and expectations

- In-house development of ODP<sup>(1)</sup> announced (Apr)
- Enhancement of OCP<sup>(2)</sup> announced (Dec)
- Technology for Cash market clearing & settlement platform T+1 ready by end 2025



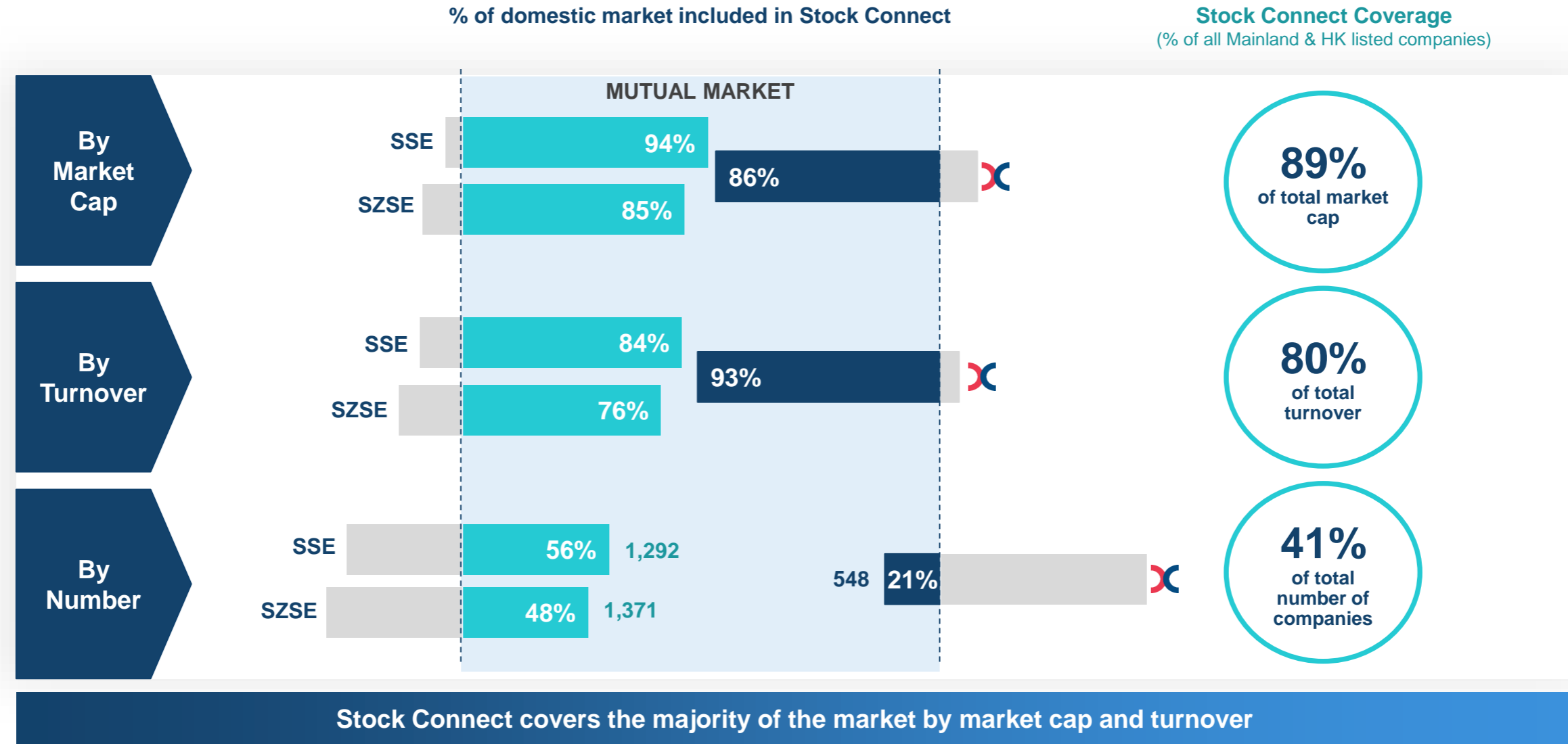
1. Orion Derivatives Platform  
2. Orion Cash Platform





**04 | China  
Connectivity**

# The penetration level of equity market through Stock Connect



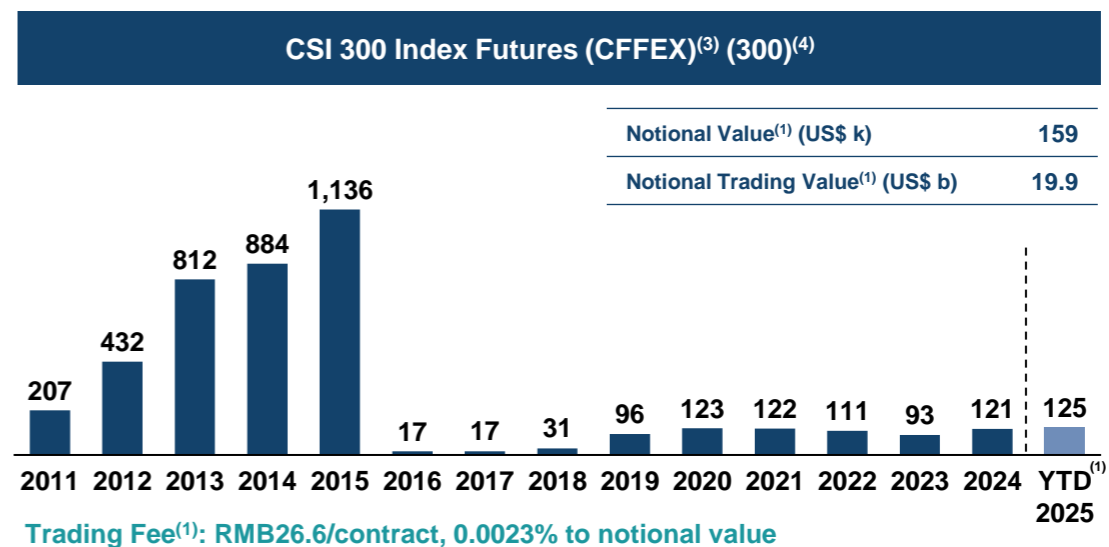
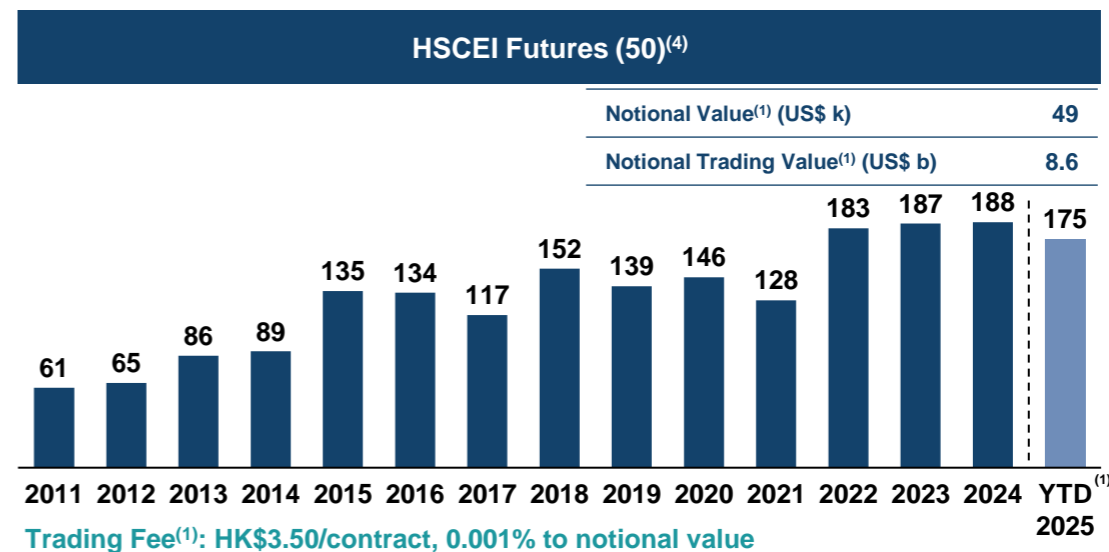
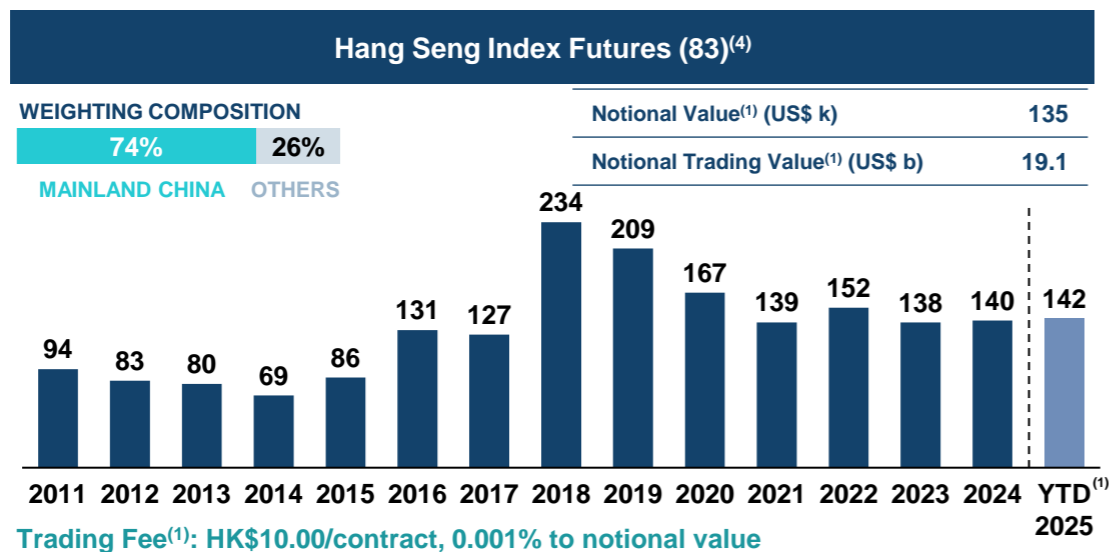
Source: Wind, HKEX

1. Data as at 31 Dec 2024
2. Eligible Stocks for Northbound Trading: Constituent stocks of SSE A Share Index and SZSE Composite Index which both are with a market capitalization of at least RMB5b and daily average turnover of at least RMB30m; A-listed stocks (both in SSE and SZSE) that are not included in the former indices but are dual listed in H-share market
3. Eligible Stocks for Southbound Trading: Constituent stocks of the Hang Seng Composite LargeCap Index ("HSLI") and Hang Seng Composite MidCap Index ("HSML") and Hang Seng Composite SmallCap Index ("HSSI") which with a market capitalization of at least HK\$5b at inclusion, and will be designated as sell-only Southbound stock if its average month-end market capitalisation in the 12 months prior to the periodic review of the index has fallen under HK\$4 billion and without corresponding A shares listed on SSE/SZSE which has been accepted as an eligible stock under Shanghai Connect and Shenzhen Connect



# Index futures on China underlying

ADV ('000 contracts)



Source: HKEX, SGX, CFFEX, FIA, HSI, BBG

1. YTD data as at 28 Feb 2025. In addition, MSCI China A50 fee of US\$0.50 is after 50% discount
2. Considering the differences in contract size, MSCI China A50 Index Futures achieved c. 11% market share in notional trading value as at Feb 2025. Notional trading value is calculated based on ADV multiplied by notional value per contract
3. CSI 300 Index Futures was launched in Apr 2010
4. Numbers in brackets represent the number of constituents within the underlying index



# HKEX: A superconnector between China and the world

## Stock Connect

**RMB150b**

Northbound ADT<sup>(1)</sup>

**HK\$48b**

Southbound ADT<sup>(1)</sup>

**RMB2.2t**

Northbound CCASS holdings

**HK\$3.6t**

Southbound holdings

**76%** Northbound holdings as % of total foreign ownership<sup>(3)</sup>

## Bond Connect

**RMB42b**

Northbound ADT

**830**

Registered investors

**RMB4.2t**

Northbound holdings<sup>(2)</sup>

**56%** Turnover as % of total foreign turnover in cash bond<sup>(4)</sup>

## Chinese Partners

Partners



Joint Venture



Source: HKEX; Stock Connect and Bond Connect data as at 31 Dec 2024 unless stated otherwise

1. Includes buy and sell trades
2. Northbound holdings refer to total foreign holdings including but not limited to holdings through Bond Connect
3. Source: PBOC, Dec 2024 single month data
4. Source: CCDC, YTD as at 31 Dec 2024





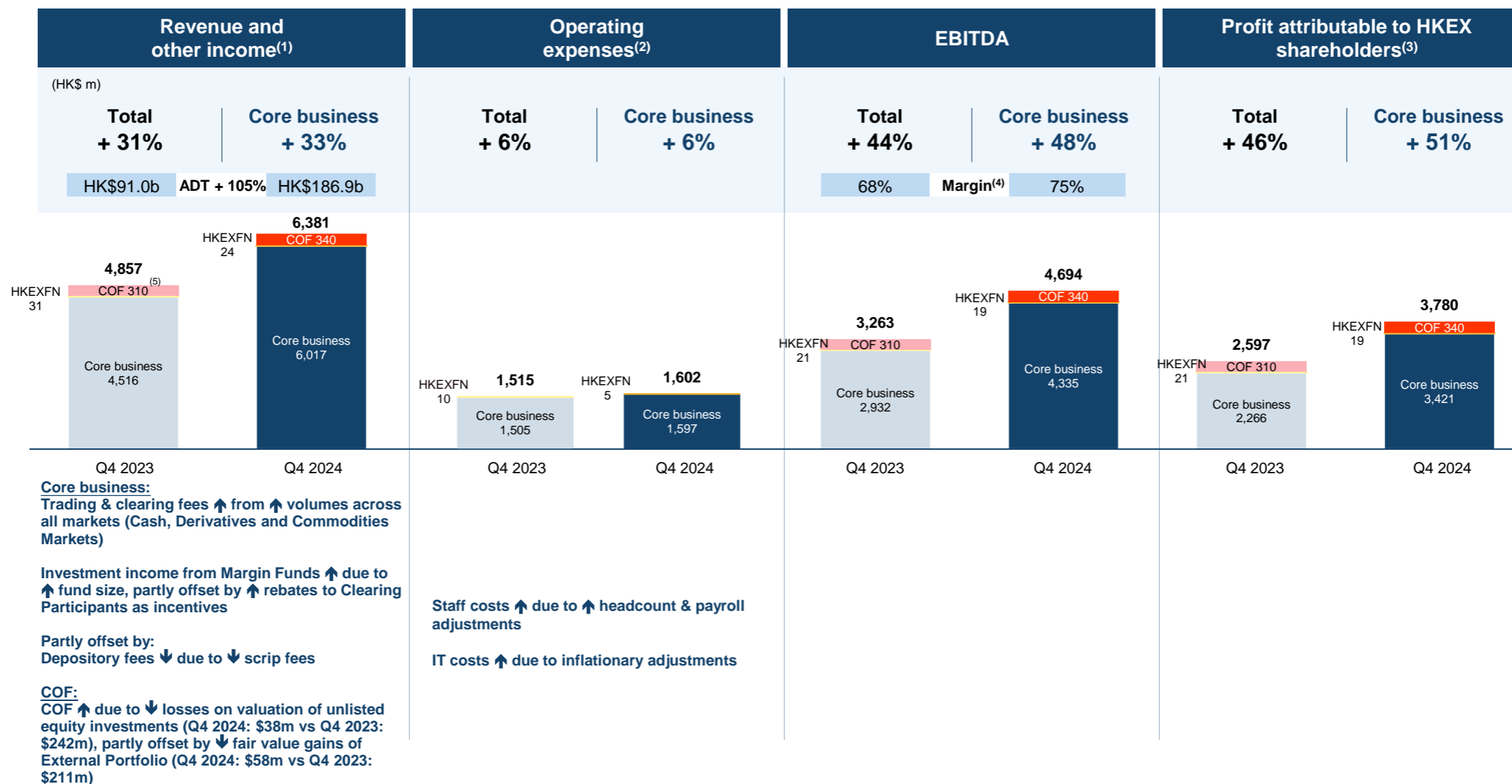
# 05 | Appendix





Q4 2024 vs Q4 2023

# Profit rose 46% on vibrant Cash Market and record Northbound and Southbound Connect volumes



1. Represents gross revenue and other income before deducting transaction-related expenses (Q4 2024: \$85m; Q4 2023: \$79m)
2. Excludes transaction-related expenses, depreciation & amortisation, finance costs and share of results of joint ventures
3. For the purpose of this presentation, tax impact of COF is not considered when calculating the PAT attributable to COF
4. EBITDA margin is calculated based on EBITDA divided by revenue and other income less transaction-related expenses
5. COF represents net investment income of Corporate Funds



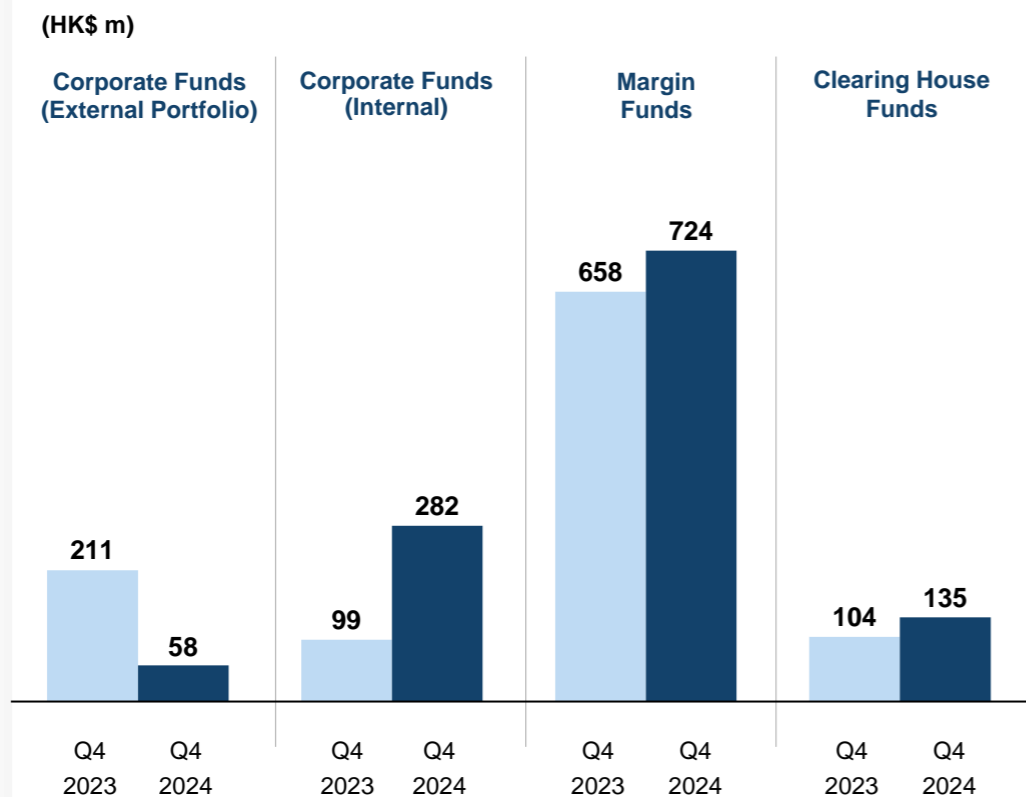


## Net investment income (NII) – Q4 2024 vs Q4 2023

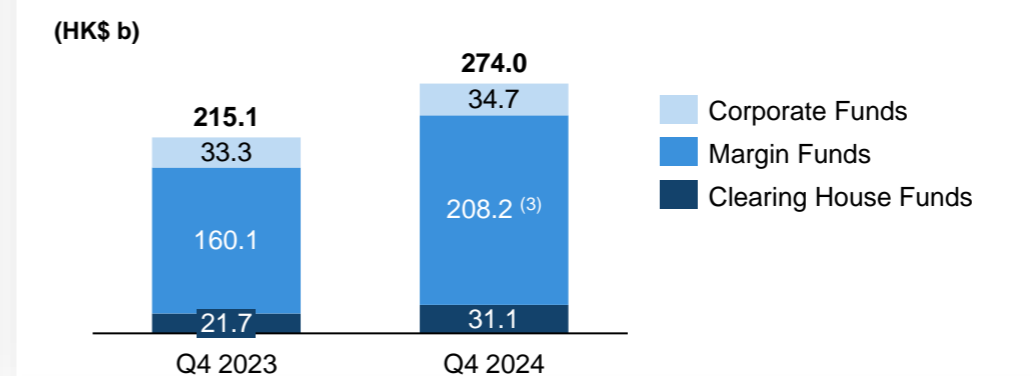
# NII mainly driven by higher Margin Fund size

Q4 2024: HK\$1,199m (Q4 2023: HK\$1,072m)

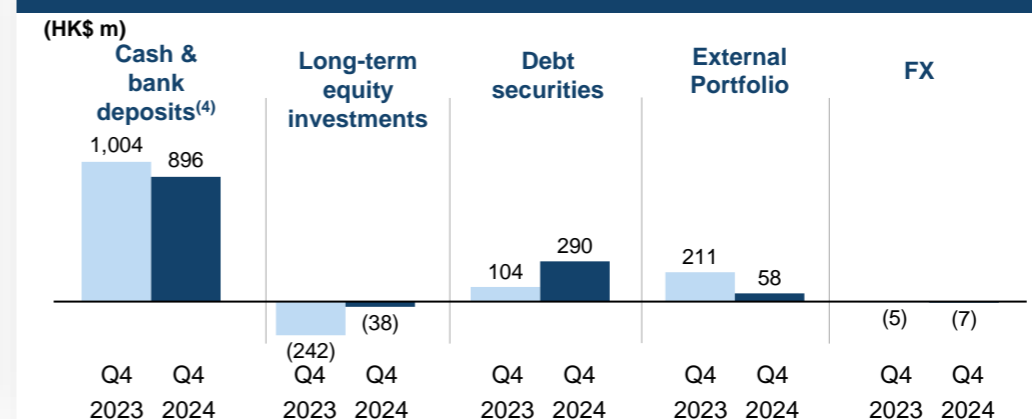
### Net investment income by funds



### Average fund size



### Net investment income by category of investments



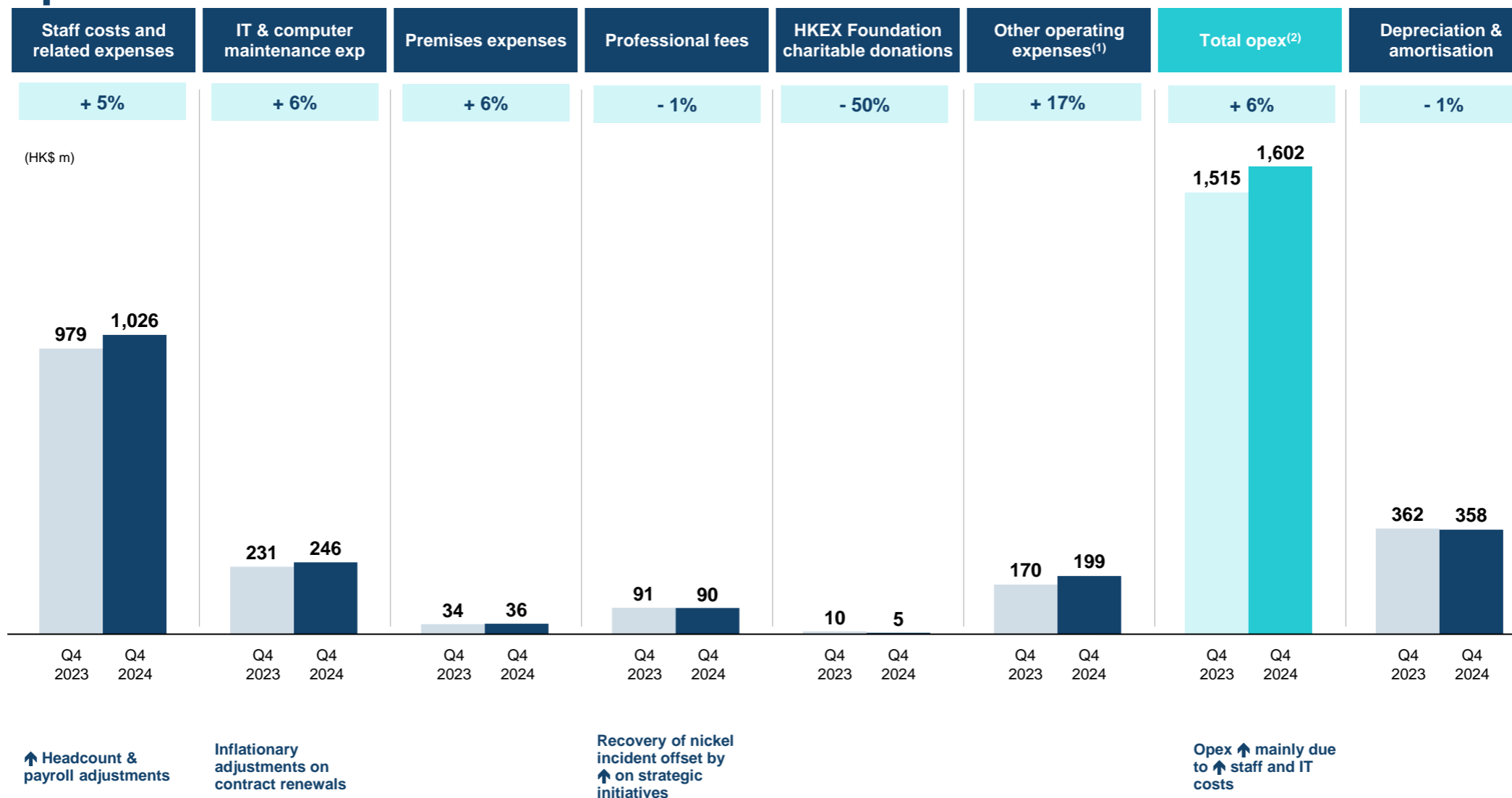
**Q4 2024 External Portfolio gains \$58m (Q4 2023: \$211m)**  
**Margin Funds NII up 10% YoY in Q4 2024 mainly due to ↑ fund size**

- Financial figures on this slide are computed based on financial figures disclosed in FY2024 and YTD Q3 2024 results announcements
- Margin Funds and Clearing House Funds of LME Clear are mainly invested in overnight reverse repurchase investments, where high quality assets are held against such investments as collateral. In Hong Kong, Clearing House Funds are predominantly kept overnight or invested in Exchange Fund Bills issued by the Hong Kong Monetary Authority due to regulatory requirements. For Margin Funds, a certain proportion of the funds are kept overnight to meet withdrawal requests from Clearing Participants (approximately 29% as at 31 Dec 2024), a certain proportion is invested in investment grade debt securities with maturity of over 12 months (approximately 6% as at 31 Dec 2024) and the remaining funds are invested in debt securities and time deposits with maturity of up to 12 months (weighted original maturity of 10 months as at 31 Dec 2024)
- Q4 2024 Margin Funds increased mainly due to the increase in Margin Funds of HK Clearing Houses (Q4 2024: \$141.2b; Q4 2023: \$94.6b)
- Includes foreign exchange swaps



## Operating expenses and depreciation & amortisation – Q4 2024 vs Q4 2023

# Opex up 6% reflecting prudent investments in talent, infrastructure and operational excellence



1. Includes product marketing and promotion expenses  
 2. Excludes transaction-related expenses, depreciation & amortisation, finance costs, and share of results of joint ventures

# Financial highlights – Income Statement

(HK\$ m, unless stated otherwise)	FY2024	FY2023	YoY Change
<b>Results</b>			
Revenue and other income	22,374	20,516	9%
Less: Transaction-related expenses	(332)	(247)	34%
<b>Revenue and other income less transaction-related expenses</b>	<b>22,042</b>	<b>20,269</b>	<b>9%</b>
Operating expenses	(5,761)	(5,441)	6%
<b>EBITDA</b>	<b>16,281</b>	<b>14,828</b>	<b>10%</b>
Depreciation and amortisation	(1,402)	(1,443)	(3%)
<b>Operating profit</b>	<b>14,879</b>	<b>13,385</b>	<b>11%</b>
Finance costs and share of results of joint ventures	(26)	(53)	(51%)
<b>Profit before taxation</b>	<b>14,853</b>	<b>13,332</b>	<b>11%</b>
Taxation	(1,698)	(1,351)	26%
Profit attributable to non-controlling interests	(105)	(119)	(12%)
<b>Profit attributable to HKEX shareholders</b>	<b>13,050</b>	<b>11,862</b>	<b>10%</b>
<b>Capex</b>	<b>1,517</b>	<b>1,381</b>	<b>10%</b>
<b>Basic earnings per share (HK\$)</b>	<b>10.32</b>	<b>9.37</b>	<b>10%</b>
<b>Headline ADT on the Stock Exchange (HK\$ b)</b>	<b>131.8</b>	<b>105.0</b>	<b>26%</b>



# Performance by operating segment

HK\$ m	Cash	Derivatives	Commodities	Data and Connectivity	Corporate Items	Group FY2024	Group FY2023
Revenue and other income	9,422	6,204	2,788	2,126	1,834	22,374	20,516
<i>% of Group Total</i>	<i>42%</i>	<i>28%</i>	<i>12%</i>	<i>10%</i>	<i>8%</i>	<i>100%</i>	<i>100%</i>
Less: Transaction-related expenses	(9)	(323)	-	-	-	(332)	(247)
Revenue and other income less transaction-related expenses	9,413	5,881	2,788	2,126	1,834	22,042	20,269
Operating expenses	(1,244)	(891)	(1,214)	(434)	(1,978)	(5,761)	(5,441)
EBITDA	8,169	4,990	1,574	1,692	(144)	16,281	14,828
<i>% of Group Total</i>	<i>50%</i>	<i>31%</i>	<i>10%</i>	<i>10%</i>	<i>(1%)</i>	<i>100%</i>	<i>100%</i>
<i>EBITDA margin<sup>(1)</sup></i>	<i>87%</i>	<i>85%</i>	<i>56%</i>	<i>80%</i>	<i>N/A</i>	<i>74%</i>	<i>73%</i>
Depreciation and amortisation						(1,402)	(1,443)
Finance costs						(114)	(135)
Share of results of joint ventures						88	82
<b>Profit before taxation</b>						<b>14,853</b>	<b>13,332</b>

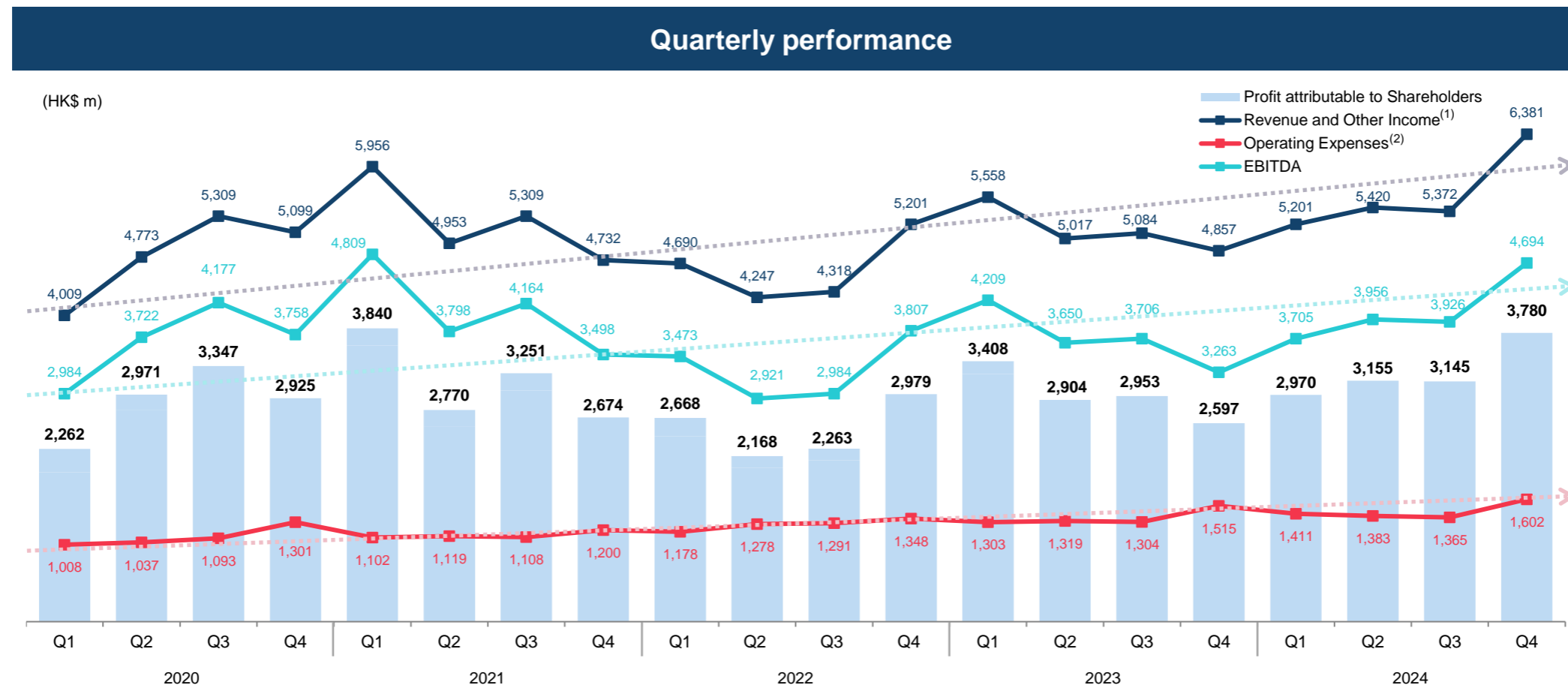
1. EBITDA margin is calculated based on EBITDA divided by revenue and other income less transaction-related expenses
2. % may not add up due to rounding





## Quarterly performance

# Q4 2024 performance above historical trendline, supported by the vibrant Cash Market



1. Represents gross revenue and other income before deducting transaction-related expenses
2. Exclude transaction-related expenses, depreciation & amortisation, finance costs, share of results of joint ventures, and certain exceptional costs
3. Dotted trend lines are illustrative and do not constitute a forward forecast



# Market microstructure enhancements at HKEX

We aim to build a quality market and a sustainable ecosystem of policies, participants and products

## Areas of Focus

## Key Achievements in recent years

Improve Ease  
of Access

- Listing Rules enhancement for overseas issuers came into effect (2022)
- HKD-RMB Dual Counter Model and Dual Counter Market Making Programme launched (2023)
- New Listing Chapter (18C) on Specialist Technology Companies took effect (2023)
- GEM Listing Reforms took effect (2024)
- Temporary 3-year easing of Specialist Tech listing and De-SPAC transaction thresholds (2024)

Reduce Frictional  
Trading Costs

- After-hours trading extension to 3am (2019) and Holiday Trading for MSCI products (Derivatives) (2022)
- New spread table, Market Making enhancements and stamp duty exemption on ETP market (2020)
- Enhancement to Stock Connect trading calendar (2023)
- Implemented Severe Weather Trading (2024)
- Concluded Reduction of Minimum Spreads (2024), implementing around mid-2025
- Enhancements to securities market stock settlement fee structure to take effect in June 2025

Improve  
Capital Efficiency

- Increased 5-tier position limit regime for single stock options & futures to increase flexibility (2023)
- Listing rule amendments to permit treasury shares for greater flexibility in share buy-backs (2024)
- LME published White Paper on Enhancing Liquidity to increase transparency and price competition (2024)
- Publication of consultation on IPO Price Discovery & Open Market Requirements optimisation (2024)
- Cash market clearing & settlement platform T+1 ready by end 2025

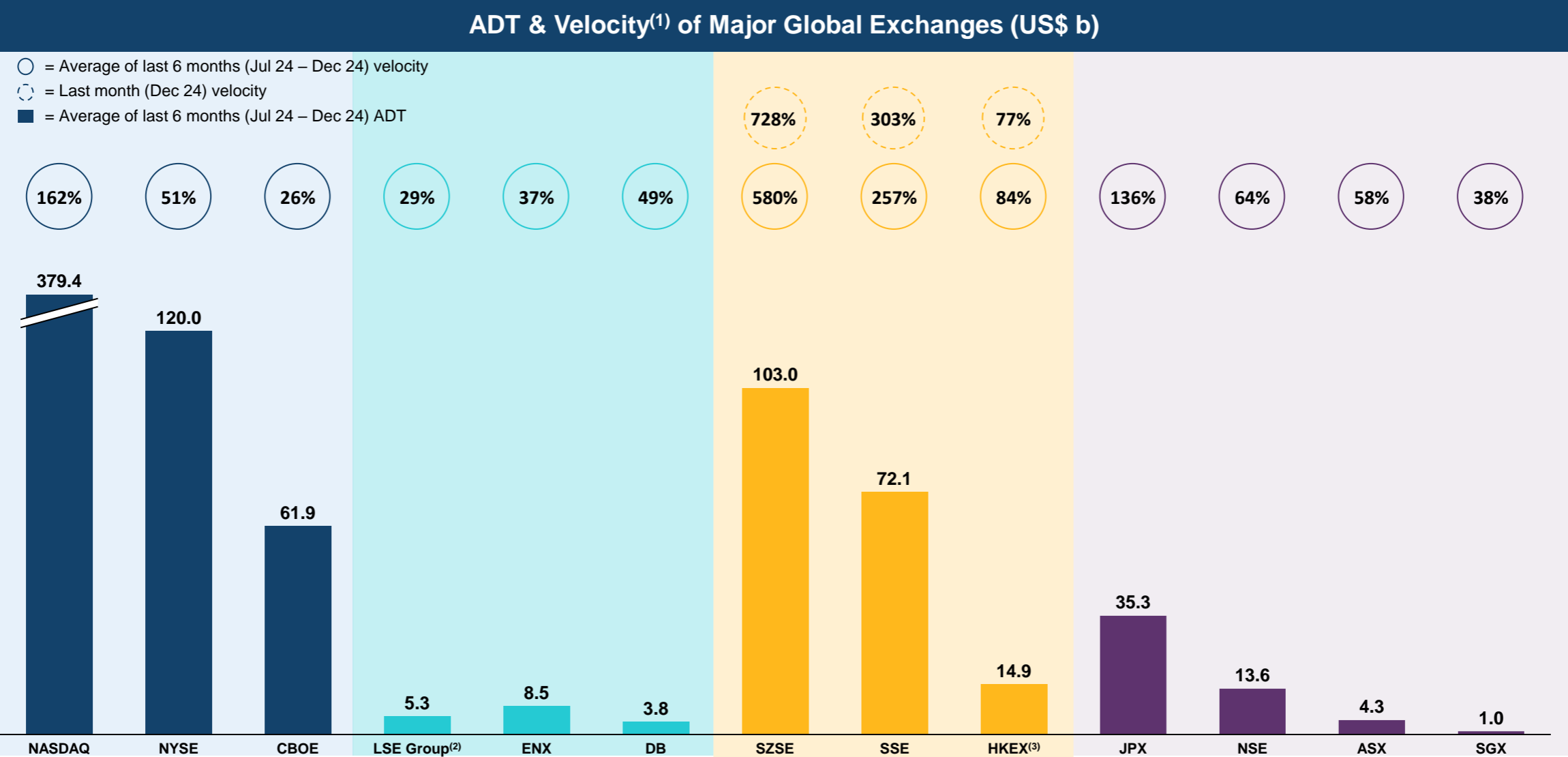
Enhance Risk  
Management & Market Integrity

- Self-Match Prevention (Derivatives (2022) & Securities (2024))
- HKIDR (Hong Kong Investor Identification Regime) (2023)
- HKEX Synapse to complement existing post-trade infrastructure for Northbound Connect (2023)
- Committed to achieve carbon neutrality by 2024, and net zero by 2040
- Started to develop Orion Derivatives Platform to enhance trading, clearing and risk management (2024)

Continuously introducing enhancements to ensure competitiveness and efficiency of our markets



# Comparison of trading activity across global exchanges



Source: WFE (Dec 2024), LSEG data sourced directly from LSEG website

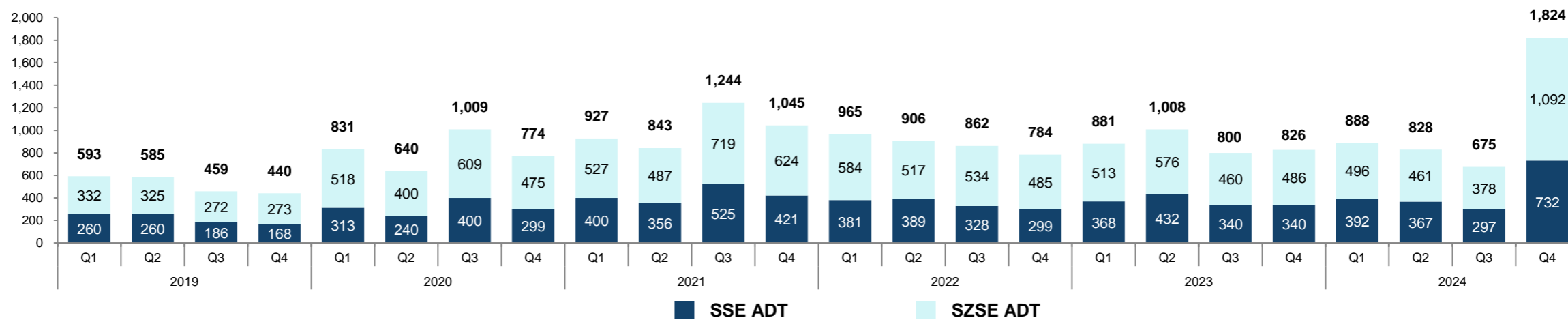
- ADT and turnover velocity takes into account both on-exchange and block trading. For Nasdaq, NYSE and CBOE, trades executed on their trading platforms include those listed on other US exchanges, hence their turnover velocity covers the whole US market
- LSEG ADT refers to the LSE order book only, excludes LSEG-owned Turquoise
- HKEX ADT includes equities only, excluding ETPs and structured products



# Market activities in Mainland and Hong Kong markets

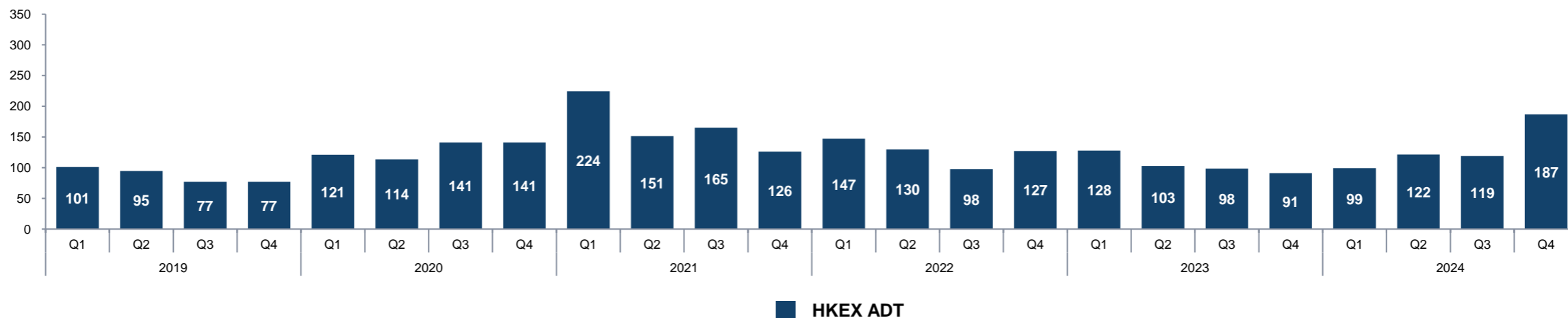
## Average Daily Turnover in Value – Mainland Market (RMB b)

ADT RMB b



## Average Daily Turnover in Value – Hong Kong Market (HK\$ b)

ADT HKD b



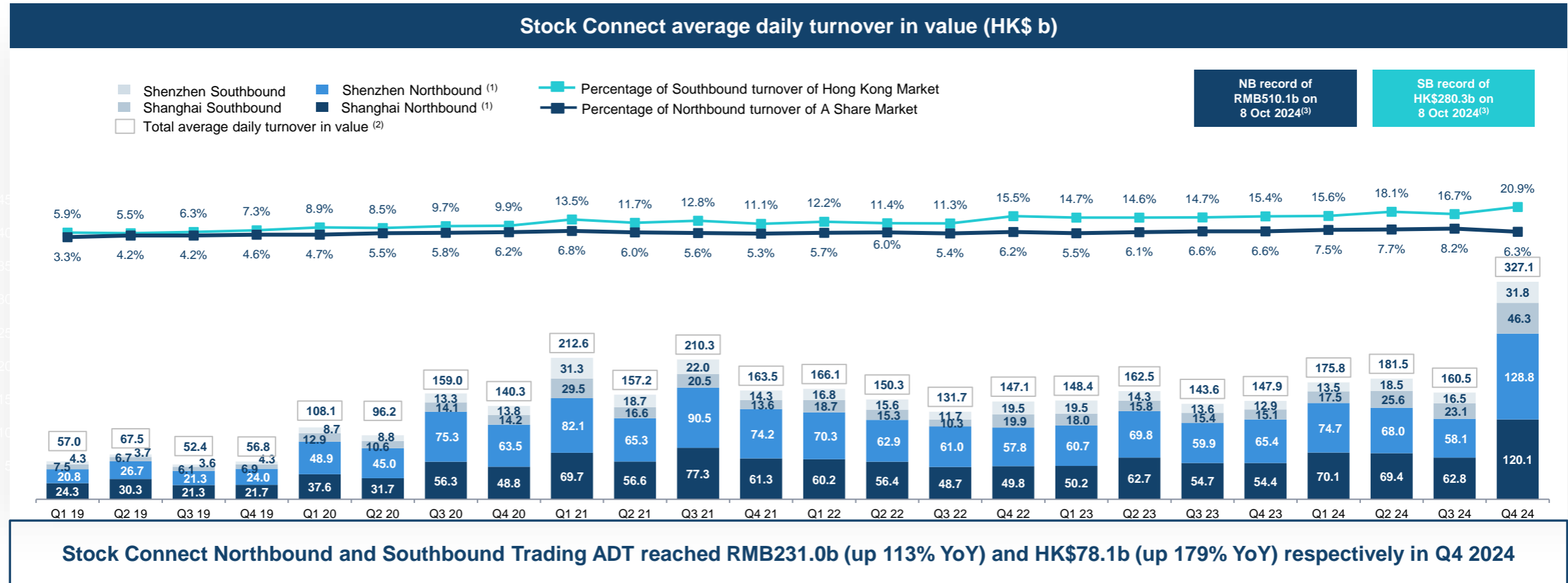
Source: HKEX, SSE, SZSE

1. May not add up due to rounding



# Stock Connect – trading trends

Stock Connect generated revenue of HK\$ 2,744m in FY2024 (up 24% YoY)



**Stock Connect revenue contributed 12% of the Group's total revenue and other income in FY2024 (FY2023: 11%)**

Source: HKEX, SSE and SZSE data

1. Northbound (NB) trading is conducted in RMB; the NB figures in the chart are converted to HKD based on the month-end exchange rate
2. Includes buy and sell trades. May not add up due to rounding
3. As at 31 Dec 2024

