1H 2026 KEY REVENUE ANALYSIS

September 2026

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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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Content

Key updates

Key Updates

Changes in 2026 (1/4)

Clearing and settlement fee increase outpaced trading fees increase in 1H 2026 vs 1H 2025

Nature

Trading fees and clearing and settlement fees in 1H 2026 increased by 22% and 38% respectively, compared with 1H 2025:

Trading fees	1H 2026 $m	1H 2025 $m	% change	Proportion of 1H 2025 fees	Key drivers[1]	Fee rate
Stock Exchange trades (excluding Southbound)	3,342	2,863	17%	58%	trading turnover	0.00565%
Southbound Stock Connect						0.00565% x 50%
Northbound Stock Connect	602	286	110%	6%		0.00341% x 40%
HKFE contracts	732	711	3%	14%	# of contracts traded	varies
Stock options contracts	343	280	23%	6%		
LME metals contracts	972	766	27%	16%		
Total	**5,991**	**4,906**	**22%**	**100%**		

Clearing and settlement fees	1H 2026 $m	1H 2025 $m	% change	Proportion of 1H 2025 fees	Key drivers[1]	Fee rate
Stock Exchange trades (excluding Southbound), and settlement instructions (SIs)	2,680	2,187	23%	69%	trading turnover	0.0042%
Southbound Stock Connect						0.0042% x 50%
Northbound Stock Connect and SIs	1,157	556	108%	18%		0.0025%
HKFE contracts[2]	72	65	11%	2%	# of contracts settled/ exercised	varies
Stock options contracts[2]						
OTC Clear contracts[2]					# of contracts cleared	
LME metals contracts	440	347	27%	11%		
Total	**4,349**	**3,155**	**38%**	**100%**		

Implications

Higher percentage increase in clearing fees was due to the following:

- Strong growth in NB Stock Connect: NB Stock Connect represented a relatively larger proportion of clearing fee (18% in 1H 2025) than trading fee (6% in 1H 2025). Due to base effect, the doubling of NB trading turnover has a more significant impact on overall clearing fees than on overall trading fees.
- Lower growth in HKFE trading fees: HKFE fees represented a relatively larger proportion of trading fee (14% in 1H 2025) than clearing fee. As ADV of HKFE contracts traded only recorded a 4% growth, the increase of overall trading fees are diluted by such modest growth.

In conclusion, the relative changes in trading and clearing fees were influenced by changes in trading turnover/ volumes of the respective markets.

1. For detailed calculation basis, please refer to “Major Revenue Drivers” deck.
2. Clearing fees for futures, options and OTC Clear contracts were not separately disclosed in Interim Report, but were disclosed in Annual Report (FY2025: $144 million; FY2024: $129 million). Assume such fees do not change materially for the purpose of this analysis and amounted to $72m in 1H 2026 (1H 2025: $65m).

Key Updates

Changes in 2026 (2/4)

	Nature	Implications
Revised stock settlement fee structure for Exchange Trades	The enhancement to the securities market stock settlement fee structure took effect and applied to Exchange Trades executed from 30 June 2025 onwards. The revised stock settlement fee structure includes: ▪ Removal of the minimum and maximum fees per trade ▪ Increase of the ad valorem rate from 0.002% to 0.0042% for all Exchange Trades excluding eligible market maker trades for ETPs ▪ Fee for eligible market making trades for ETP remained at 0.002%	▪ The revised stock settlement fee structure ensures that settlement costs are equitable, deterministic, and consistent across different trade sizes. ▪ The revised fee structure is designed to be **cost-neutral to the market** as a whole, with revised fee rate of 0.0042% is referenced to the historical average fee rate of the 2019-2024 data.
Valuation of unlisted equity investments	▪ The Group holds minority stakes in three unlisted investments. ▪ These investments are measured at fair values, with gains or losses arising from changes in fair values included in the income statement.	▪ Non-recurring gains on valuation of the unlisted equity investments of $298m were recognised in 1H 2026. ▪ The fair values are determined using a market-based approach, taking into account the investments' financial position, operating results and prospects, with reference to trading multiples and financial data of other comparable companies. ▪ Fair value movements are influenced by a range of factors and may fluctuate from period to period. Analysts are advised not to assume that the gain is recurring. ▪ We do not disclose a breakdown of gain/loss by individual investment. It would also be difficult to provide guidance on the forecast.

Key Updates

Changes in 2026 (3/4)

	Nature	Implications
Product mix of HKFE products[1]	▪ Product mix of HKFE products would affect the average fee per contract. ▪ Average fee per contract per side stabilised at ~$3.5 in both 1H 2025 and 1H 2026.	▪ The average fee is dependent on the product mix, which is influenced by market sentiment and the incentive programmes in effect from time to time. ▪ Our aim is to build a futures exchange that offers a diversified range of products providing investors with a broad selection to meet their needs.

1. HKFE products comprise futures and options contracts traded on HKFE, with underlying asset classes including stocks and equity indices, fixed income. interest rates, currencies and commodities, but excluding single stock options.

Key Updates

Changes in 2026 (4/4)

	Nature	Implications
LME fee increment	For the third consecutive year, LME and LME Clear increased their trading and clearing fee tariff in 2026.	▪ The average fee per LME contract (including both trading and clearing fees) increased from $6.28 in 1H 2025 to $6.75 in 1H 2026. However, the average fee will vary from time to time depending on trade types and products.
Impact on D&A from newly launched systems	▪ HKEX's in-house developed derivatives platform, Orion Derivatives Platform (ODP), is expected to be rolled out in phases in 2027 and 2028. ▪ HKEX is also upgrading its clearing system of the Cash Market for preparation of a potential accelerated settlement cycle, and is expected to be rolled out in phases from 2027 to 2029	▪ Amortisation of the system will commence when the system is ready for use. ▪ The amortisation period for the self-developed proprietary systems is generally 10 years.

Key Updates

Looking ahead (1/3)

Uncertified Securities Market (USM) regime

Nature

The USM regime is expected to commence in November 2026, and the following fee changes[1] will come into effect:

Fee Type (Key)	Current Fee Structure	Revised Fee Structure
Stock Withdrawal Fee	$3.50 per board lot	0.015% of the gross value, with a minimum of $10 per stock withdrawal
Scrip Fee	$1.50 per board lot on net increase in aggregate holdings between two book-closed dates	To be removed
Stock Custody Fee	Clearing Participant (CP): $0.012 per board lot per month, subject to a maximum of $100k per month per CP Investor Participant (IP): $0.012 per board lot per month, subject to a minimum fee of $20 and maximum fee of $3k per IP	A regressive tiering structure with an ad valorem rate, ranging from 0.000875% to 0.00625%, based on the daily stock portfolio value[2]
CCASS Membership Fee[3]	N/A	A progressive tiered annual fee, ranging from $12K to $150K, based on the average daily stock portfolio value

Implications

- After the implementation of USM regime, total depository and nominee services fees **are not expected to differ significantly from current level.**
- Currently, scrip fees are subject to seasonal fluctuations – Q1 being the lowest and Q2 the highest, as more companies have their book close in Q2 due to dividend payment.
- As a result of the removal of scrip fees, the seasonal fluctuation is expected to be significantly reduced.
- There will be no changes to Stock Connect fees and dividend collection fees.

1. Please refer to the USM-Information-Paper-for-Intermediaries.pdf for details.
2. For Investor Participants, the stock custody fee is subject to a minimum fee of $20 and maximum fee of $3k per month.
3. Investor Participants will not be charged a membership fee.

Key Updates

Looking ahead (2/3)

	Nature	Implications
Extension of validity period of new listing applications	▪ Effective from 21 August 2026, a temporary waiver was granted to eligible new listing applicants, extending the validity of new listing applications from 6 months to 12 months from the date of the listing application, subject to satisfaction of certain prescribed conditions[1]. ▪ The waiver gives applicants greater flexibility to manage their listing timetable and reduces the need for duplicate work.	▪ IPO forfeiture fees were not significant in previous years but increased in 1H 2026 due to a higher number of forfeited applications. ▪ The temporary waiver is expected to reduce initial listing fee revenue. ▪ Previously, initial listing fees from lapsed applications were recognised upon lapse after the six-month validity period. Under the temporary waiver arrangement, recognition of such fees will only occur if the application lapses after the extended 12-month validity period. ▪ After the change, the number of IPO forfeitures will be reduced, and the increase in initial listing fees will be moderated.

1. Please refer to the regulatory announcement (The Exchange to Extend Validity Period of New Listing Applications) for details.

Key Updates

Looking ahead (3/3)

	Nature	Implications

Impact on NII due to multiple factors

Nature

The following new arrangements have been announced as HKEX's ongoing commitment to **enhance capital efficiency** for market participants and **support the development of Hong Kong's offshore RMB ecosystem.** These may affect NII going forward, depending on macro factors, margin fund size, and potential changes in Clearing Participants' behaviour on cash collateral allocation in response to the arrangements

1. Expansion of eligible non-cash collateral for HKCC and SEOCH

- Acceptance of non-cash collateral (Northbound Bond Connect CGBs and Policy Bank Bonds, and offshore bonds issued by MOF)(1) for HKCC and SEOCH, targeted for Q4 2026, subject to regulatory approval

2. Client Margin Framework Enhancements

- In June 2026, HKEX announced enhancements to client margin framework for HKCC and SEOCH, adjusting Client Margin Multiplier ("CMM") which impacts the minimum client margin requirements collected by Clearing Participants from their clients(2), in 2 phases(3)

Client Margin	Current	Phase 1 (21 Sept 2026)	Phase 2 (Target: March 2027 (4))
Client initial margin (CMM x Clearing House ("CH") margin)	1.33 x CH margin	1.2 x CH margin	1.1 x CH margin

3. Phased reduction of handling fees for calculation of interest payments to participants on cash margin collateral

- As announced in September 2025, prevailing handling fee will be reduced from current 80bps to 70bps per annum effective 31 December 2026 for HKSCC, HKCC and SEOCH and 4 January 2027 for OTCC, and reduced by 10bps per annum each year until reaching 50bps per annum effective late Dec 2028 / early Jan 2029

Implications

- Net Investment Income of Margin Funds depends on multiple factors, including prevailing interest rate levels, margin fund size, mix of cash vs non-cash collateral, and the currency mix within cash collateral
- Expansion of eligible non-cash collateral and client margin framework enhancements may affect NII of Margin Funds of HKCC and SEOCH, depending on Clearing Participants' behaviour on their cash collateral allocation in response to these arrangements
- Phased reduction in handling fee will increase interest payments on cash collateral for HKSCC, HKCC, SEOCH and OTCC, and hence reduce the NII
- Above new arrangements are **not expected to result in any changes to** HKEX's existing **investment policies** for its Margin and Clearing House funds

1 Acceptance as non-cash collateral of Chinese Government Bonds and Policy Bank Bonds in the China Interbank Bond Market traded via Bond Connect, and bonds issued by the Ministry of Finance of the People's Republic of China offered for sale offshore
2 Client initial margin is the minimum margin collected by Clearing Participants from their respective clients. Clearing House margin is the minimum margin collected by HKEX from Clearing Participants.
3 For details of the framework enhancements, please refer to announcement HKEX Enhances Client Margin Framework to Strengthen Derivatives Market Efficiency dated 22 June 2026
4 Subject to regulatory approval

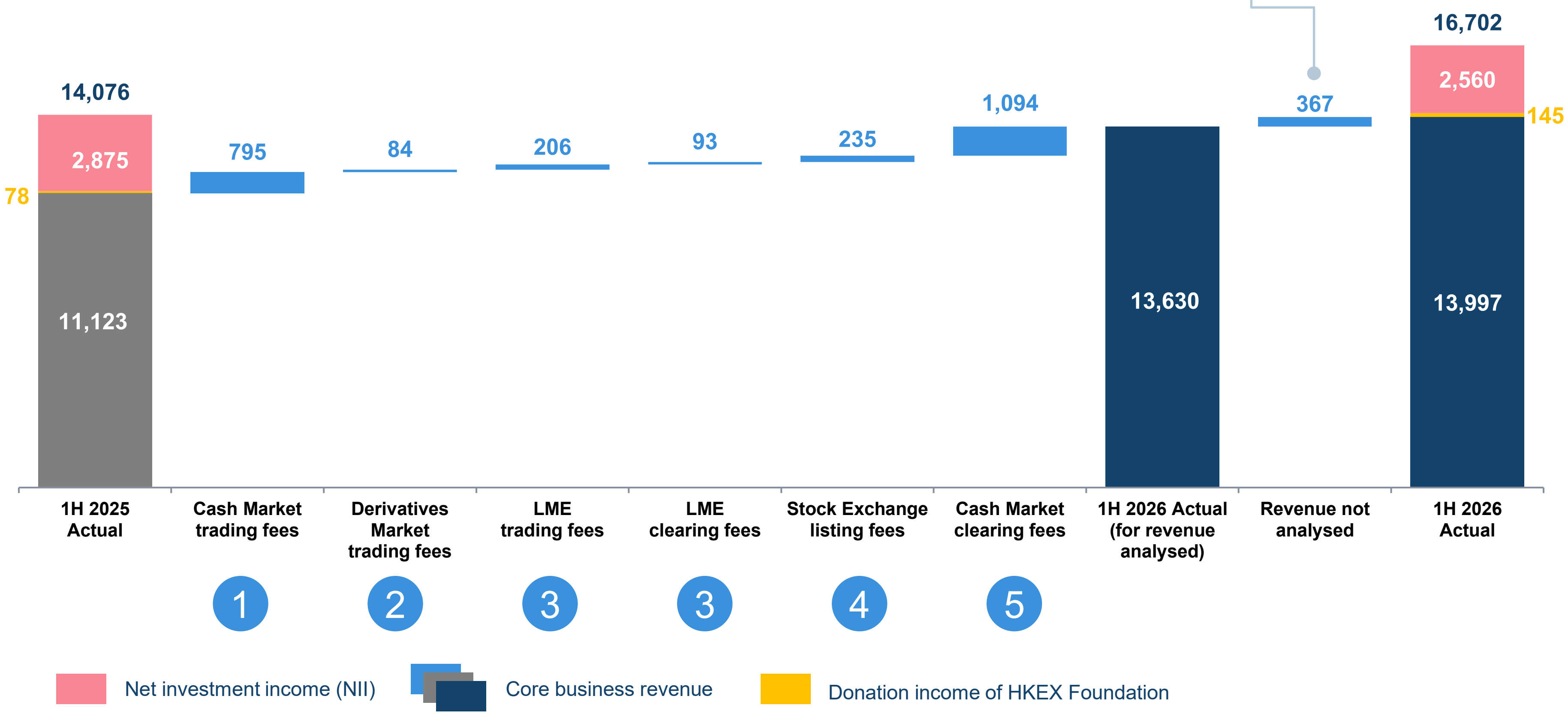
1H 2026 Key Revenue Analysis

Revenue movements 1H 2026 vs 1H 2025

Total revenue and other income

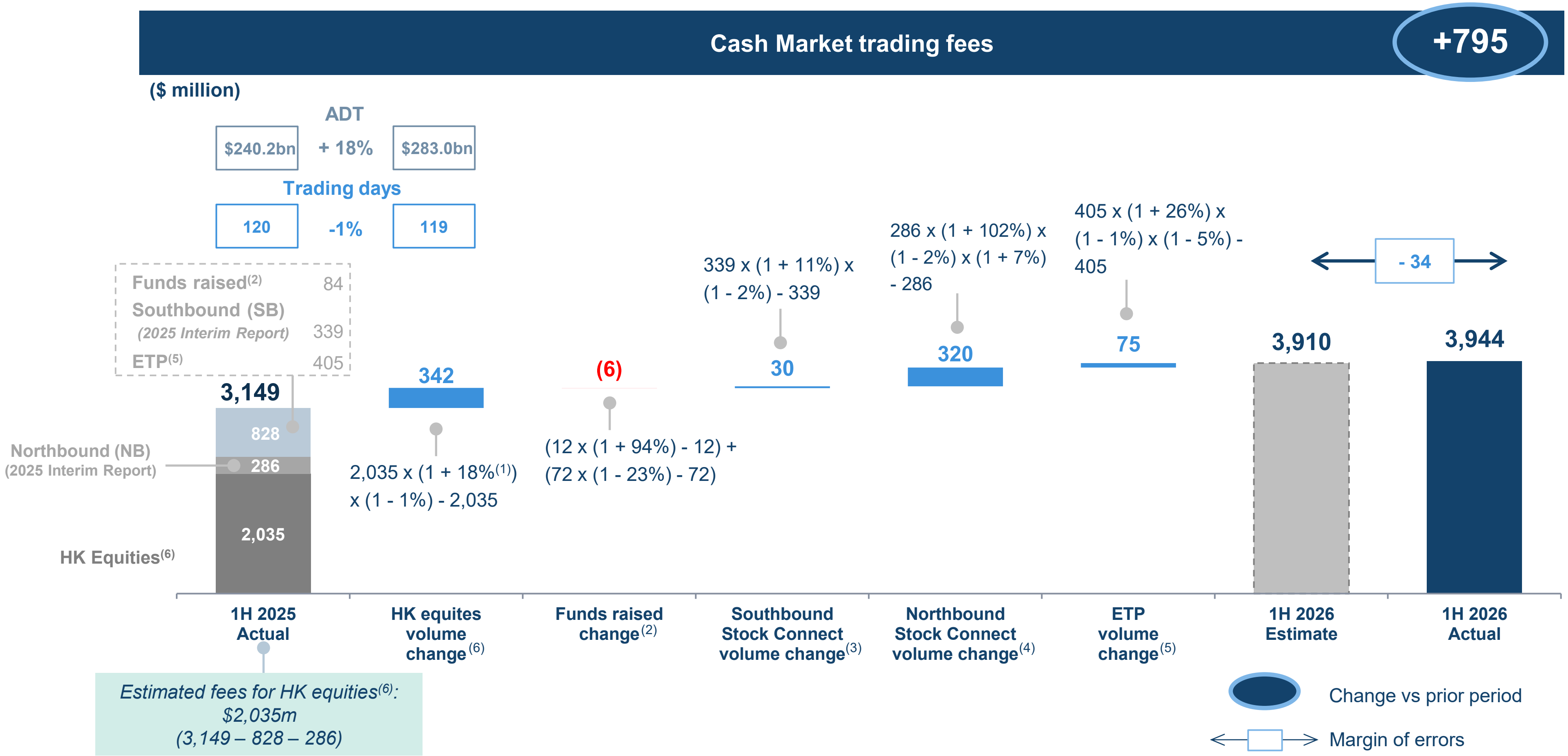
($ million)

Depository fees ↑ $243m
Market data fees ↑ $69m
Network fees ↑ $45m
Hosting services fees ↑ $22m
Commodities segment other revenue (including LME financial OTC Booking fees and accommodation income) ↑ $45m
One-off lease modification gain ↓ $76m
Others – net ↑ $19m



Cash Market trading fees 1

Estimate based on volume change



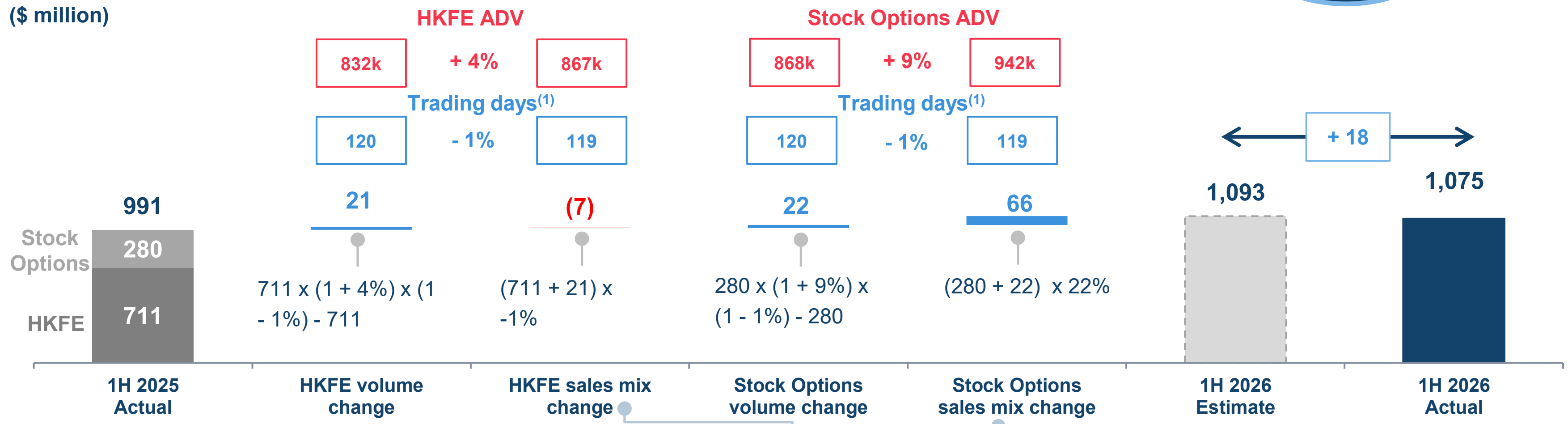
Cash Market trading fees move closely with changes in total value of trades

1. Refers to % change in Headline ADT (ie, Stock Exchange trades (including DWs, CBBCs and warrants)) less SB ADT/2 less ETP ADT – 1H 2026: $176.2bn; 1H 2025: $148.7bn; ↑ 18%
   (Headline ADT – 1H 2026: $283.0bn; 1H 2025: $240.2bn;
   SB ADT – 1H 2026: $123.1bn (including ETF of $6.1bn); 1H 2025: $111.0bn (including ETF of $3.8bn);
   ETP ADT (excluding SB) – 1H 2026: $45.3bn; 1H 2025: $36.0bn);
2. Fees for equity products = Funds raised x 0.00565% x 2 sides;
   Fees for DWs and CBBCs = Funds raised x 0.005% x 2 sides;
   Funds raised for equity products – 1H 2026: $212.4bn; 1H 2025: $109.4bn; ↑ 94%;
   Funds raised for DWs and CBBCs – 1H 2026: $556.6bn; 1H 2025: $720.6bn; ↓ 23%
3. Southbound (SB) trading fees = ADT of SB x no. of trading days x 0.00565% x 50%;
   SB ADT – 1H 2026: $123.1bn; 1H 2025: $111.0bn; ↑ 11%;
   No. of trading days – 1H 2026: 113 days; 1H 2025: 115 days; ↓ 2%;
   The fee is subject to China VAT (6%)
4. Northbound (NB) trading fees = ADT of NB x no. of trading days x 0.00341% x 40%;
   NB ADT – 1H 2026: RMB345.3bn; 1H 2025: RMB171.3bn; ↑ 102%;
   No. of trading days – 1H 2026: 113 days; 1H 2025: 115 days; ↓ 2%;
   Exchange rate – 1H 2026: 1.13; 1H 2025: 1.06; ↑ 7%
5. ETP trading fees = ADT x 0.00565% x 2 sides x no. of trading days x (1 – *exemption %*);
   ADT (excluding SB) – 1H 2026: $45.3bn; 1H 2025: $36.0bn; ↑ 26%;
   Exemption % = % of trades carried out by market makers (~ 50% per 2018 Annual Report) X *fee waiver %*;
   Fee waiver %: the fee waiver is referenced to the ETP's ADT over a 12-month period and its relevant investment exposure (~41% in 1H 2026 and ~ 34% in 1H 2025), which was computed with reference to the actual individual ETP's fee waiver % and the individual ETP ADT;
   Thus, exemption % applied for 1H 2026 was ~ 50% x 41% = ~21.0% (1H 2025: ~ 17.0%)
   Percentage of ETP fee not subject to exemption – 1H 2026: ~79%; 1H 2025: ~83%; ↓ 5%;
6. Excluding trading fees arising from funds raised, Stock Connect and ETPs (including L&I Products)

Derivatives Market trading fees 2

Estimate based on volume change and change in average fee per contract

Derivatives Market trading fees +84



	2H 2025	1H 2025
HKFE trading revenue ($m)	654	711
HKFE trading volumes ('000 contracts)	93,320	100,954
Average fee per contract per side	**3.50[2]**	**3.52**

- 1%

Key Products	Unit fee ($)	Contract proportion 1H 2026	Contract proportion 1H 2025
Tier 1	3.0	71%	52%
Tier 2	1.0	19%	30%
Tier 3	0.5	10%	18%
Average fee per contract per side[3]		**2.37**	**1.95**

+ 22%

Average fee per contract per side ↓ 1% due to change in product mix

Average fee per contract per side ↑ 22% due to higher proportion of Tier 1 stock options traded in 1H 2026

Change vs prior period

Margin of errors

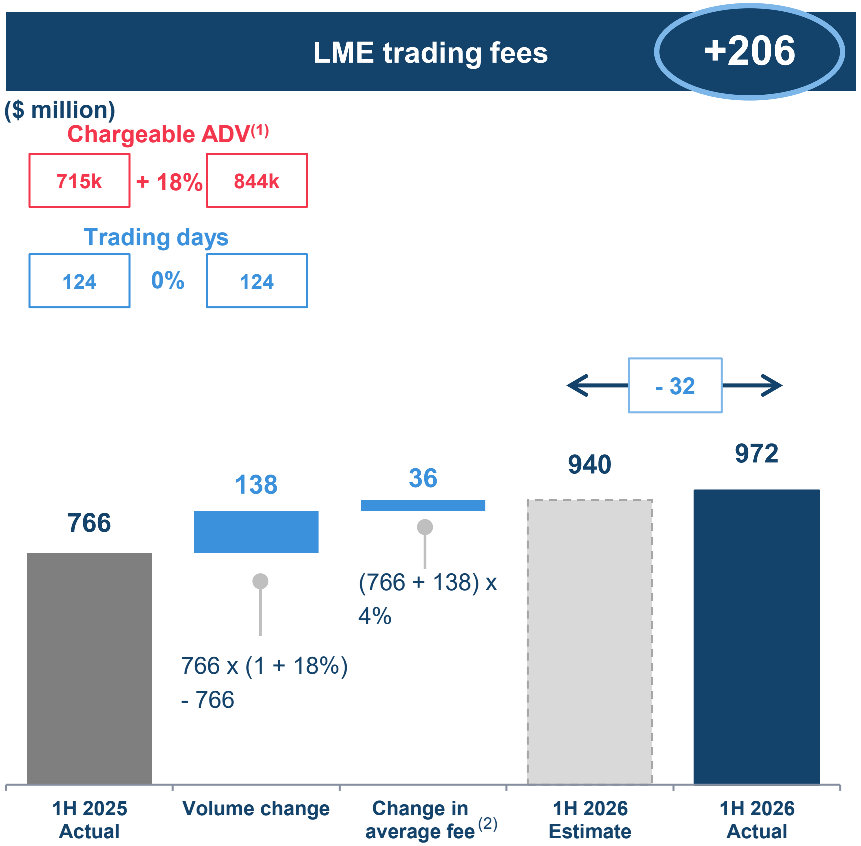
Derivatives Market trading fees generally move with the total number of contracts traded and average fee per contract.
They are also affected by the change in product mix and the incentive programmes.

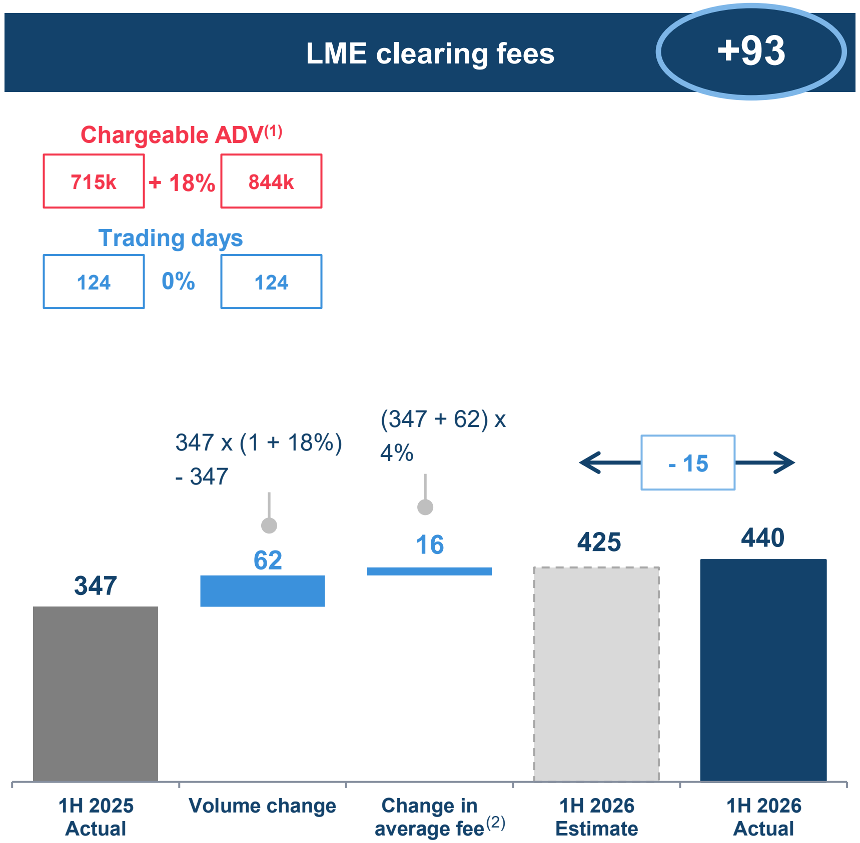
1. There were 9 holiday trading days in 1H 2026 (1H 2025: 8) for certain derivatives contracts. As the ADV is calculated based on the aggregate number of individual contracts traded, and the majority of the contracts are traded during non-holiday trading days, the number of non-holiday trading days is used for this illustration.
2. Average fee per HKFE contract per side for 1H 2026 was assumed to be the same as the actual fee per HKFE contract per side for 2H 2025.
3. Average fee per contract per side for stock options is calculated based on % of total contracts of key products as listed in the table above.

LME trading and clearing fees

3

Estimate based on volume change and change in fee per contract





Change vs prior period

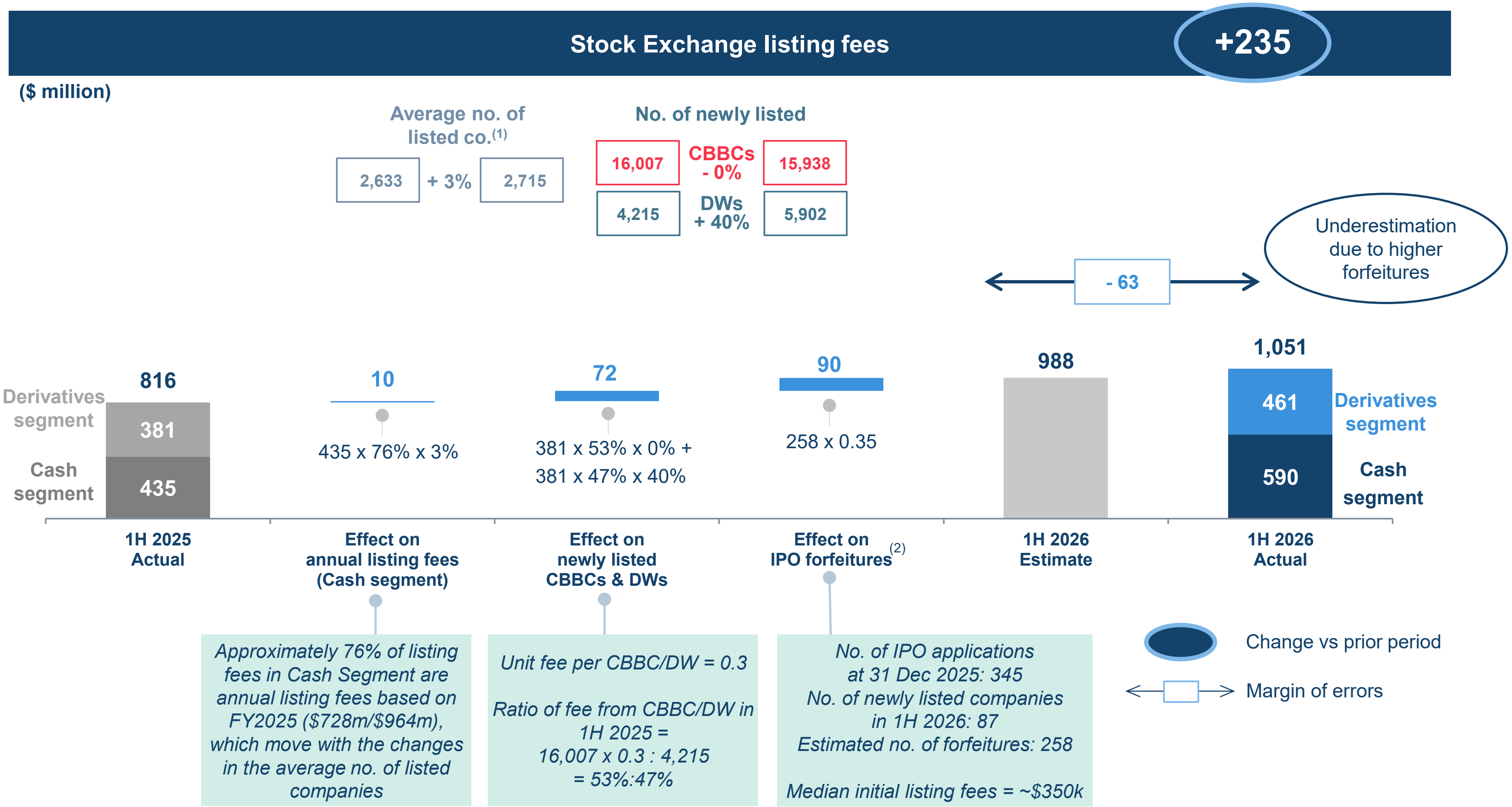
Margin of errors

LME and LMEC fees generally move with total number of contracts traded and average fee per contract. The are also affected by other factors such as change in proportion of products (e.g. short-dated carries and medium-dated carries) and prevailing liquidity programmes.

1. Chargeable ADV excludes Admin Trades (which are chargeable at a lower trading fee rate of US$0.04 per contract and a lower clearing fee rate of US$0.02 per contract) and other non-chargeable trades.
2. In 2026, LME and LMEC increased the trading and clearing fee tariffs, with an inflationary increase on electronic transaction fees of ~ 4%. However, different fee increases were applied across different products and the actual increase in average fees were higher than 4%.

Stock Exchange listing fees 4

Estimate based on change in number of listed companies and newly listed DWs/CBBCs

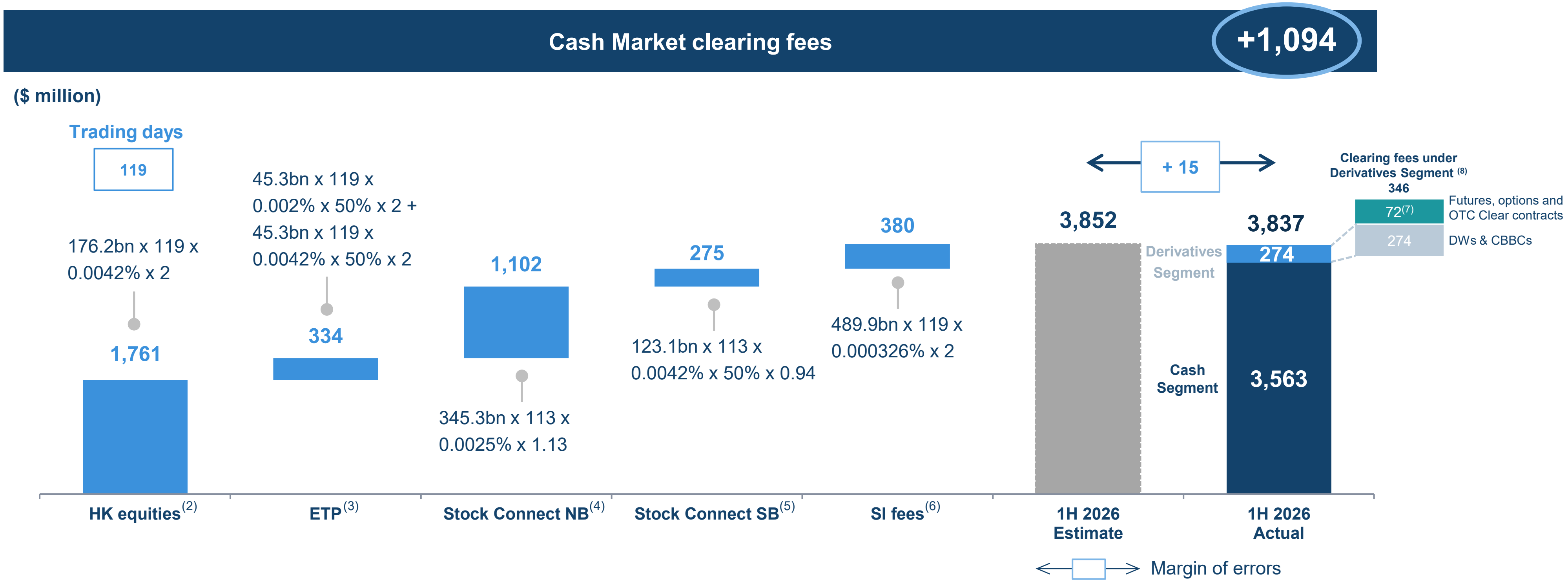


Stock Exchange listing fees move closely with changes in no. of listed companies and newly listed DWs/CBBCs, but are also impacted by number of forfeitures and withdrawn IPO applications and average fee per listed company.

1. Average number of listed companies represents the average number of listed companies at month end.
2. The number of forfeited applications is not publicly disclosed. The estimate is indicative only, and does not take into account applications that were submitted during 2026 and subsequently withdrawn and forfeited. In addition, differences may arise between actual initial listing fee and median fee used in the estimation.

Cash Market clearing fees 5

Estimate by using a bottom-up approach based on volume and applicable fee rate(1)



Cash Market clearing fees can be estimated from total value of trades and applicable fee rate

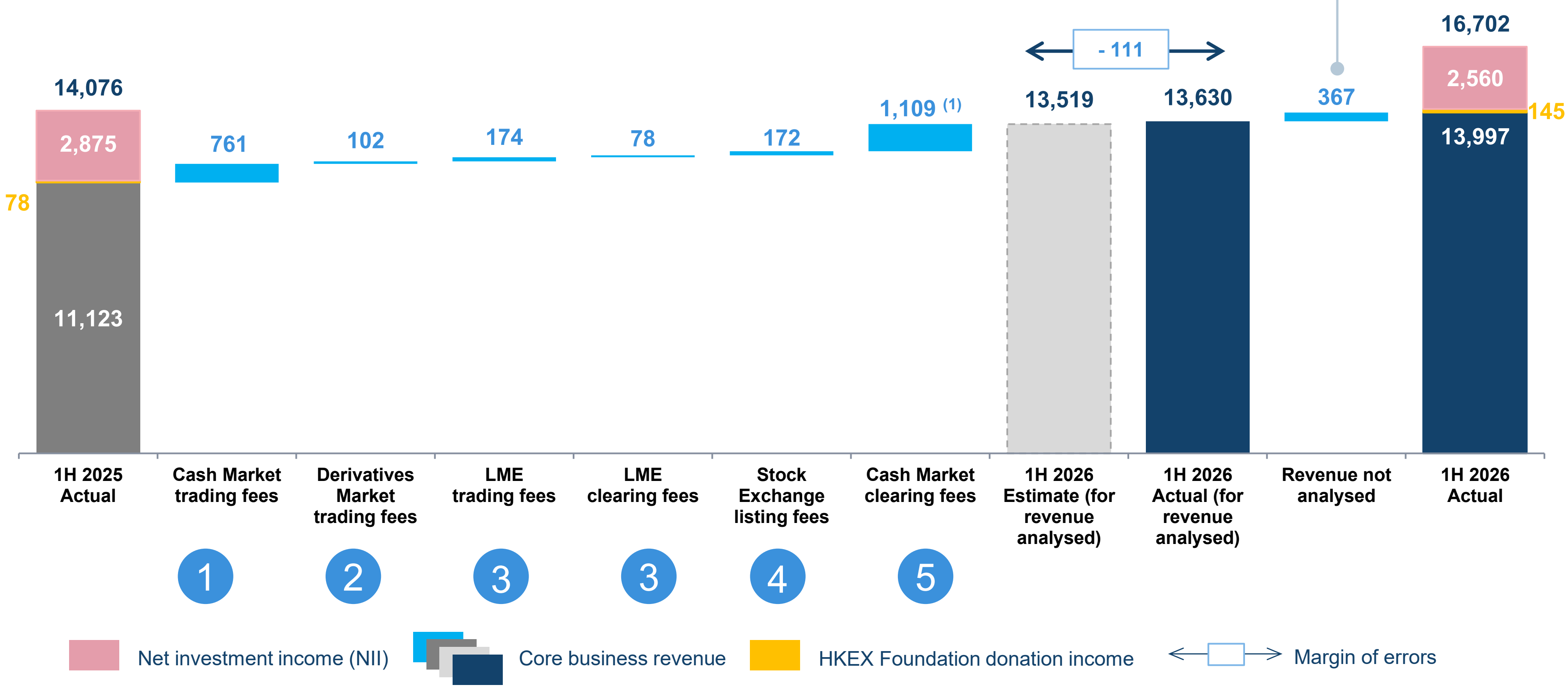
1. Effective from 30 June 2025, the enhancement to the Cash Market clearing fee structure took effect. With the removal of maximum and minimum fees per trade, the Cash Market clearing fees can be reasonably estimated by using a bottom-up approach based on trading turnover and applicable fee rate.
2. Excluding clearing fees arising from Stock Connect and ETPs (including L&I Products);
   Headline ADT less SB ADT/2 less ETP ADT – $176.2bn
   (Headline ADT – $283.0bn; SB ADT – $123.1bn (including ETF of $6.1bn); ETP ADT (excluding SB) – $45.3bn);
3. ETP clearing fees for eligible market making trades = ETP ADT of market making trades x no. of trading days x 0.002% x 2 sides;
   Other ETP clearing fees = ETP ADT of other trades x no. of trading days x 0.0042% x 2 sides;
   ETP ADT (excluding SB) – $45.3bn;
   % of trades carried out by market makers – ~ 50% per 2018 Annual Report
4. Stock Connect NB clearing fees = ADT of NB x no. of trading days x 0.0025%;
   NB ADT – RMB345.3bn;
   No. of trading days – 113 days;
   Exchange rate:1.13
5. Stock Connect SB clearing fees = ADT of SB x no. of trading days x 0.0042% x 50%;
   SB ADT – $123.1bn;
   No. of trading days – 113 days;
   The fee is subject to China VAT (6%)
6. SI fees = SI ADV x no. of trading days x 0.002% x 2 sides, subject to minimum fee of $2 and maximum fee of $100;
   SI ADV – $489.9bn;
   Average fee per contract for 1H 2026 was assumed to be the same as the actual fee per contract for FY2025 (0.000326%).
7. Clearing fees for futures, options and OTC Clear contracts were not separately disclosed in Interim Report, but were disclosed in Annual Report (FY2025: $144 million). Assume such fees do not change materially for the purpose of this analysis and amounted to $72m in 1H 2026.
8. Disclosed in 2026 Interim Report

Estimate of 1H 2026 revenue

Total revenue and other income

($ million)

Depository fees ↑ $243m
Market data fees ↑ $69m
Network fees ↑ $45m
Hosting services fees ↑ $22m
Commodities segment other revenue (including LME financial OTC
Booking fees and accommodation income) ↑ $45m
One-off lease modification gain ↓ $76m
Others – net ↑ $19m

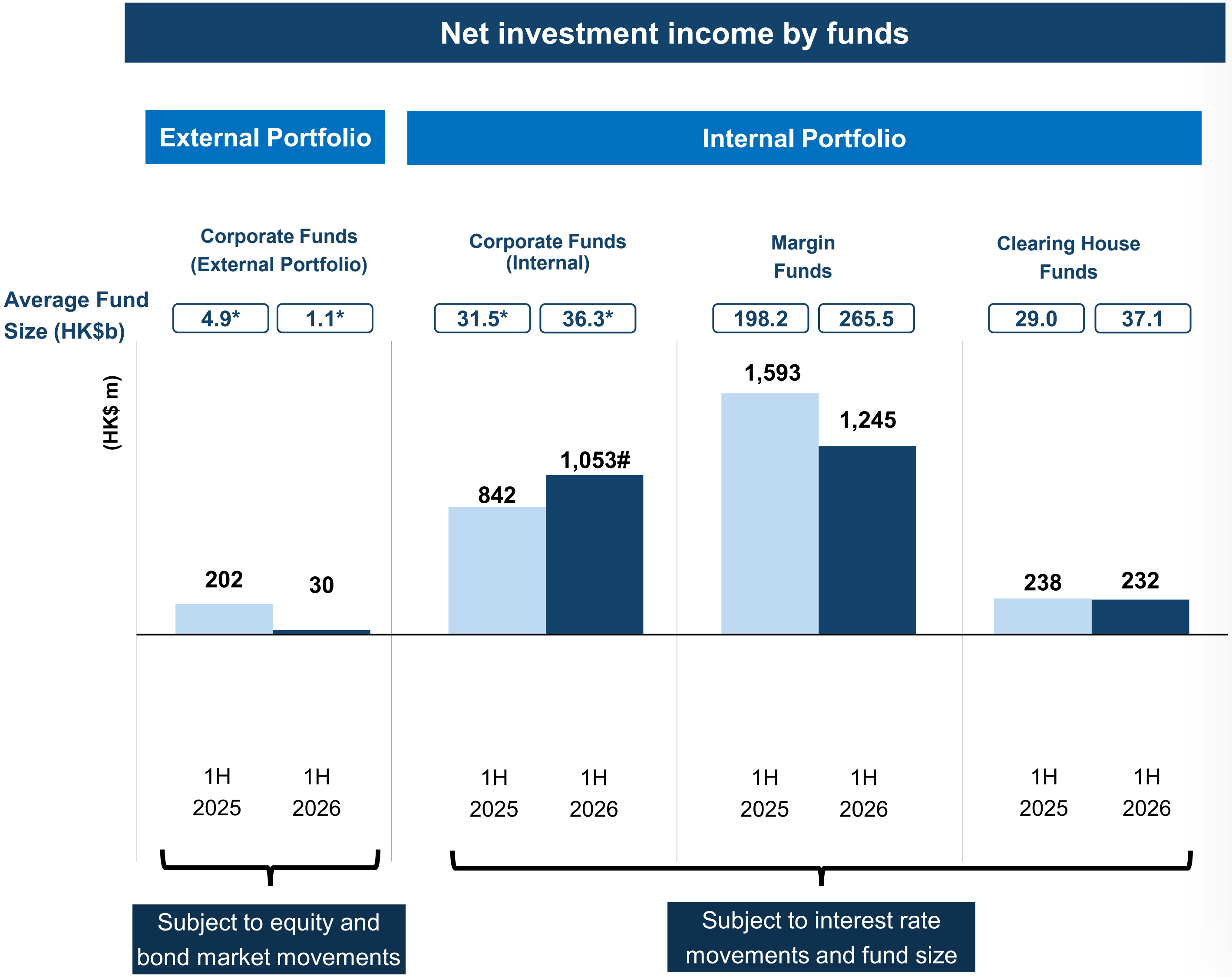


Margin of errors for revenue estimates (excluding NII, donation income and revenue not analysed) was ~ 1%

1. Difference between 1H 2026 estimate ($3,852m) and 1H 2025 actual ($2,743m)

Net Investment Income Overview

NII is lower due to lower investment returns, higher interest rebates paid on cash margin collateral in HK and lower External Portfolio gains, offset by higher average fund size and non-recurring gains on valuation of unlisted equity investments



Key drivers at a glance

Fund Size

Corporate Funds
- Retained earnings of the Group
- Fair value changes of External Portfolio

Margin Funds
- Open interest
- Prices and volatility of underlying products
- Margin requirements

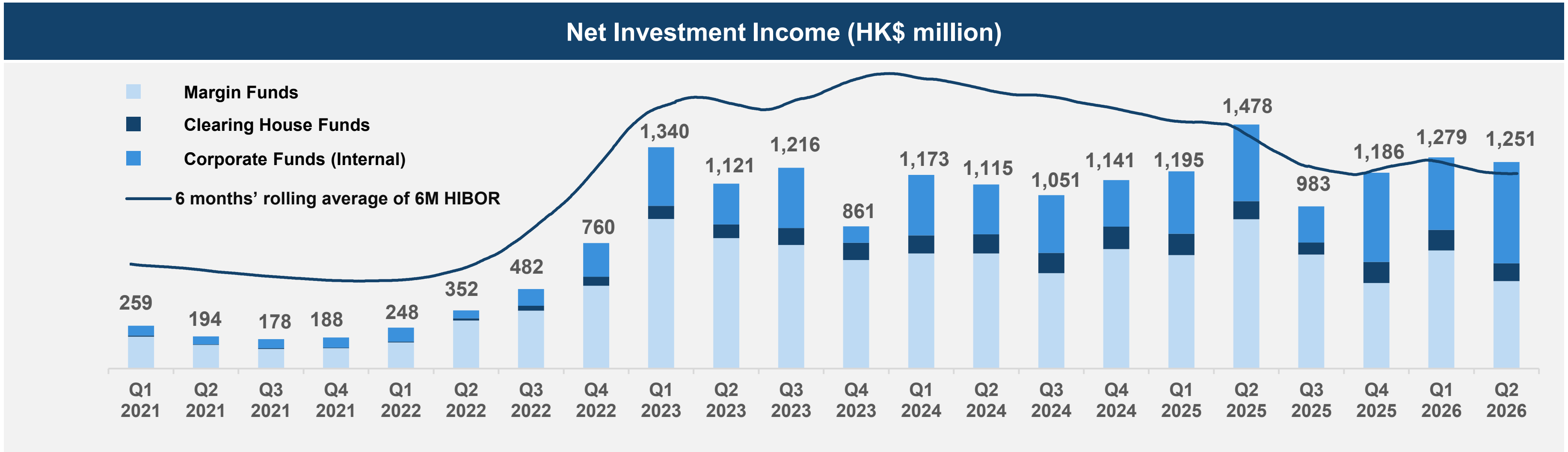
Clearing House Funds
- Number of Clearing Participants
- Contribution requirement according to risk exposures
- Volatility of corresponding markets

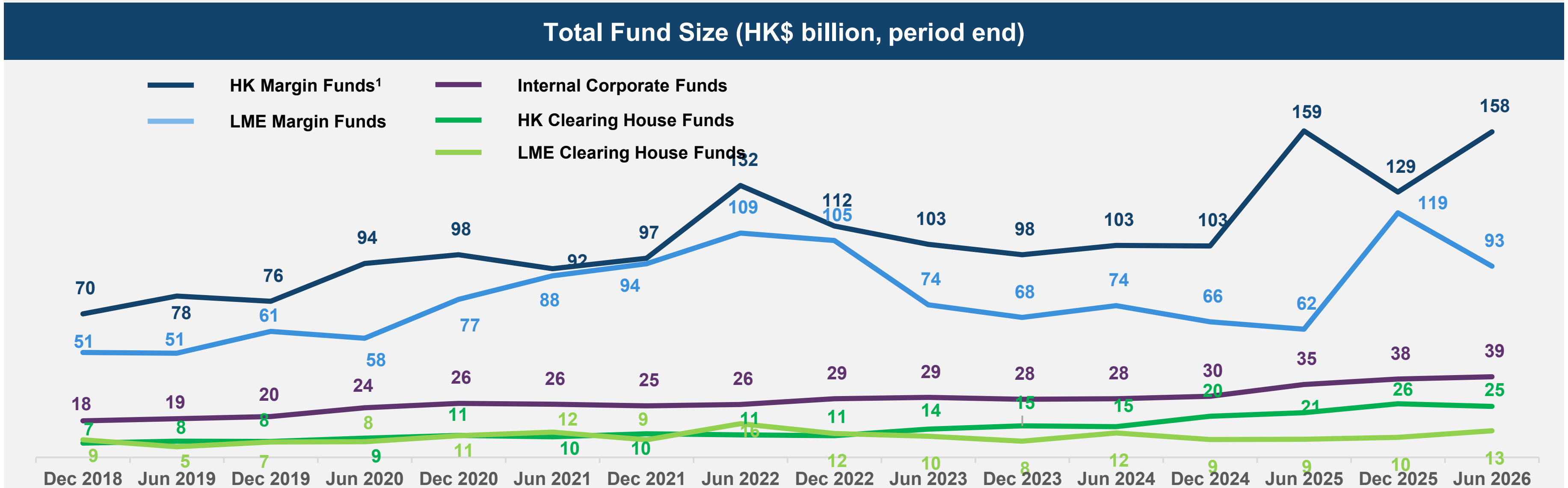
Yields (more details in following slides)
- Internal Portfolio is sensitive to interest rates
  - Under current interest rate cycle, this has now become a **dominant driver** for total NII
  - Margin fund net returns also depend on **spreads with O/N HIBOR** (rebates, see later slides)
- External Portfolio performance is driven by fund size, global equity and bond market performance

*External Portfolio's average fund size is estimated by the average of fund size at the beginning and end of the period.
Corporate Funds (Internal) is estimated by deducting External Portfolio's estimated average fund size from the total Corporate Fund average fund size for the period.
Included gain from equity securities of $298m (1H 2025: $5m) which are investments in minority stakes of unlisted companies.

Internal Portfolio

Net investment income is mainly driven by fund size and interest rates





1. Excludes Settlement Reserve Fund and Settlement Guarantee Fund paid to ChinaClear under Stock Connect, inter-central counterparties margin paid to Shanghai Clearing House under Swap Connect, and margin receivable from Clearing Participants

Internal Portfolios

Base case modelling
(Net investment income is mainly driven by fund size and interest rates)

<table>
<tr><th></th><th>Corp Funds (Internal)</th><th colspan="4">Margin Funds (HK)</th><th>Clearing House Funds (HK)</th><th colspan="2">LMEC[1]</th></tr>
<tr><td>Q1 2026 Average Fund Size (HK$)</td><td>$37.9bn[2]</td><td colspan="4">$148.8bn</td><td>$25.6bn</td><td colspan="2">$129.6bn</td></tr>
<tr><td>Base case assumptions</td><td>Time Deposit and Short-term Debt securities (100%)</td><td>Overnight (30%)</td><td colspan="2">Time Deposit and Short-term Debt securities (70%)</td><td>Interest Rebate</td><td>Overnight (100%)</td><td>Overnight (100%)</td><td>Interest Rebate</td></tr>
<tr><td>Proportion size (HK$)</td><td>$37.9bn</td><td>$44.6bn</td><td colspan="2">$104.2bn</td><td>$148.8bn</td><td>$25.6bn</td><td colspan="2">$129.6bn</td></tr>
<tr><td>Reference Rate</td><td>6 months' rolling average of 6M-HIBOR</td><td>Overnight HIBOR</td><td colspan="2">6 months' rolling average of 6M HIBOR</td><td>O/N HIBOR - 80bps</td><td>Overnight HIBOR</td><td>USD OBFR</td><td>USD OBFR – 24bps</td></tr>
<tr><td>Annualised yield based on reference rate for Q2 2026</td><td>2.90%</td><td>2.47%</td><td colspan="2">2.90%</td><td>-1.67%</td><td>2.47%</td><td>3.63%</td><td>-3.39%</td></tr>
<tr><td>Estimated NII for Q2 2026[3]</td><td>$275m</td><td colspan="4">$411m</td><td>$158m</td><td colspan="2">$78m</td></tr>
<tr><td>Estimated total NII for Q2 2026</td><td colspan="8">$922m</td></tr>
<tr><td>Actual NII (excluding FX & equity securities gain) for Q2 2026</td><td colspan="8">$957m[4]</td></tr>
</table>

Actual +4% from est.

1. Included Margin Funds and Clearing House Funds of LMEC
2. Estimated by deducting External Portfolio's estimated fund size from the total Corporate Fund average fund size. External Portfolio's average fund size is estimated by the average of fund size at the beginning and end of the quarter.
3. Estimated by fund size x annualised yield / 4
4. Actual NII including FX and equity securities gain for Q2 2026 was HK$1,251m
5. Current margin collateral arrangements shown here for Q2 2026 modelling. New arrangements to take effect 31 December 2026

Internal Portfolio – Base case modelling and actual NII variances

Key factors that are not predictable

	Base Case Assumptions	Actual variances from base case
Fund size	Same as previous quarter	Fluctuate daily, in particular for Margin Funds which are dependent on open interests and margin requirements
Currency mix	• 100% HKD • No FX gain/loss	• Actual currency mix can be in HKD, EUR, JPY, RMB and/or USD which have different yield curves and rebate formula • Actual FX gain/loss
Allocation of overnight and weighted maturity of time deposits	• Corporate Funds (Internal) – 100% time deposits and short-term debt securities (average 6-month maturity) • Margin Funds (HK) – 30% overnight / 70% time deposits and short-term debt securities (average 6-month maturity) • Clearing House Funds & LMEC Funds – 100% overnight	Proactively managed to maximise return from interest rate outlook while ensuring all liquidity requirements are prudently met
Yield	• HK: - O/N HIBOR for HKD overnight deposit - 6 months' rolling average of 6M HIBOR for time deposits and short-term debt securities (Note) - less rebate linked to O/N HIBOR • LMEC - OBFR less rebate	• Actual deposit rates are different from HIBOR / OBFR • Actual time deposit and short-term debt securities portfolio is a mixture of various tenors rather than just 6M
Timing of locking in longer tenor time deposits	Evenly distributed over the quarter	Proactively managed to maximise return from interest rate outlook

Appendix

Appendix: Current Margin Collateral arrangements for HK Margin Funds

Enhancements to Margin Collateral Arrangements to align approach with international peers and boost market efficiency

	Arrangement	Current[3]
Cash collateral	Formula for calculating **interest payments** ("Rebates") **to** participants[1] (for HKD cash collateral as example)[2] ***Affects Net Investment Income***	***Reference Rate – Handling Fee*** **(e.g., O/N HIBOR)** *(across HKCC, SEOCH, HKSCC and OTC Clear[3])* of which Handling Fee follows a phased transition: (see table below) Arrangements for low / negative rate environments: • 0 < O/N HIBOR < handling fee: no interest paid • O/N HIBOR < 0: HKEX will charge net costs incurred
Non-cash collateral	Accommodation charge rate per annum **payable by** participants[1] ***Affects Other Revenue***	*HKCC & SEOCH:* **25bps[4]** *OTC Clear:* **15bps[4]**

Prevailing handling fee (per annum)	HKCC / SEOCH / HKSCC	OTC Clear
80bps	2 Oct 2025 to 30 Dec 2026	2 Jan 2026 to 3 Jan 2027
70bps	31 Dec 2026 to 30 Dec 2027	4 Jan 2027 to 2 Jan 2028
60bps	31 Dec 2027 to 28 Dec 2028	3 Jan 2028 to 1 Jan 2029
50bps	29 Dec 2028 onwards	2 Jan 2029 onwards

1 Calculated on a daily basis
2 Reference rates for non-HKD currencies follow their respective overnight risk-free rates. Please refer to the respective Circulars dated 1 Sep 2025 from HKSCC, HKCC and SEOCH and 9 Dec 2025 for OTC Clear for details
3 Arrangement applies to HKFE Clearing Corporation Limited (HKCC), Hong Kong Securities Clearing Company Limited (HKSCC) and THE SEHK Options Clearing House Limited (SEOCH) effective from 2 Oct 2025. Arrangement applies to OTC Clear effective from 2 Jan 2026
4 For HKCC and SEOCH, accommodation charge is imposed on utilized non-cash collateral (link). For OTC Clear, accommodation charge is calculated on the average daily aggregate principal amount of non-cash Collateral outstanding across each Clearing Member's Collateral Accounts over the immediately preceding month (link)