

Connecting Today with Tomorrow:

New Initiatives and Adjacencies

Glenda So
Co-Head of Markets



Delivering Our Vision | The Marketplace of the Future

Modernising our Platforms



Developing Target Operating Model



Emerging Business Development



New Products

- ESG
- Private markets



Data Business

- Origination
- Aggregation enrichment
- Access & distribution



New Digital Marketplace

- Diamond

Our Clients

Megatrends by the Numbers | Enabling New Business Opportunities

Digital Assets

Global digital assets
annual trade volumes
by 2030

US\$60-100tn

Expected
tokenization value
by 2027

US\$24tn

ESG

Global green
financing size
by 2030

US\$3-5tn
Per Annum

Global carbon
reduction gap in 2030

35Gt

Data

Growth in demand for
big data analytics
services

~30%
Per Annum

5 years growth in
buyside spending on
alternative data

~650%

Alternative Assets

Global private
companies worth
US\$bn+

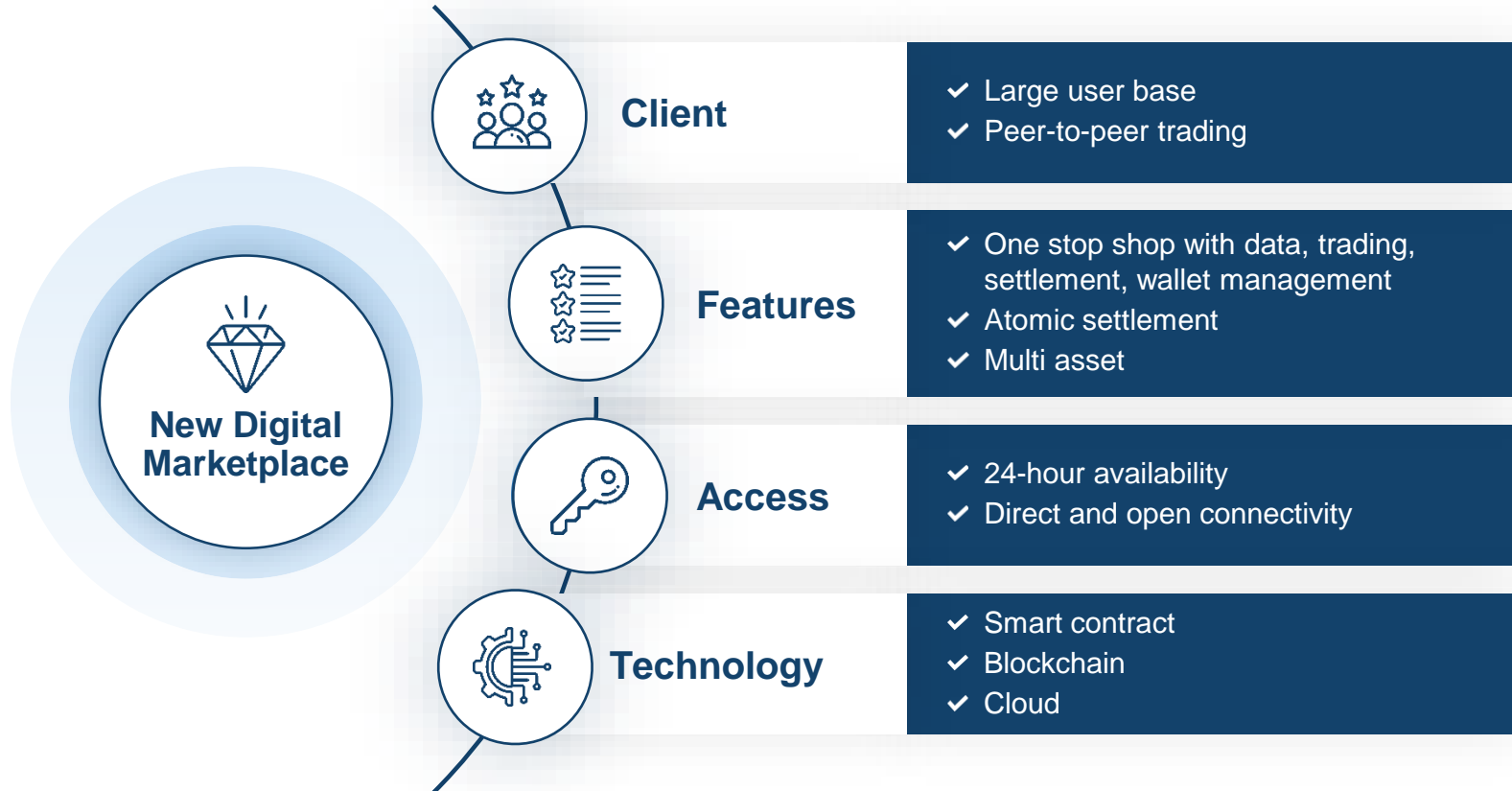
1,100 +

Current value of
unicorns in APAC

>US\$1tn

Source: BCG analysis X GFMA, "Global Landscape of Climate Finance 2021" report, BCG X China, IBM, Development Research Foundation (CDRF), World Bank, Emergen Research, AlternativeData.Org

Digital Marketplace | HKEX Digital Asset Platform



ESG | Building New Products



Act as a trusted platform for China in the global carbon market

- ✓ Create domestic & international Voluntary Carbon Markets offsets
- ✓ Develop standard & registry for projects



Attract foreign capital to support growth of China ESG market

- ✓ Promote green investment and project financing



Develop carbon and ESG derivatives

- ✓ Create carbon futures and carbon ETFs
- ✓ Create futures on ESG indexes



Help companies achieve their net zero goals

- ✓ Enhance STAGE, the repository for Green Products
- ✓ Enhance disclosures in TCFD¹ and ISSB²

1. Task-Force on Climate Related Financial Disclosure 2. International Sustainability Standards Board

Data | New Initiatives



Origination

- Market data
- Alternative data
- Reference data

- ✓ Originate golden source post trade data
- ✓ Originate alternative data on ESG
- ✓ Distributor for China Stock Connect data



Aggregation Enrichment

- Analytics services
- Indices & benchmarks
- Research & ratings

- ✓ Deliver client driven analytics
- ✓ License of HKEX product prices



Access & Distribution

- Data infrastructure
- Data delivery
- Workflow integration

- ✓ Accessibility of data via multiple channels
- ✓ Workflow front to back integration

Alternative Assets | Potential Opportunities in Private Markets



Every ~15 hours, a new unicorn is created

27% of unicorns headquartered in APAC, with combined worth > US\$1tn

Companies are staying private longer

Investors seeking diversification

- ✓ Creating a platform to match supply and demand
- ✓ Use technology to provide solutions and eliminate pain points, making it available to a broader range of investors
- ✓ Provide data to improve transparency of valuations
- ✓ Decrease transaction fees for both buyer and seller
- ✓ Establish and build relationships with companies before IPO

Our Path for the Future



Short-term (2022)

ESG

- ESG disclosure guidance ✓
- Guangzhou Futures Exchange MOU ✓
- China Emission Exch. MOU ✓
- ESG Index Derivatives
- Carbon Credit Trading

Data

- Mobile device programme promotion programme ✓
- Corporate Actions (CAMS¹) ✓
- Data Lake ✓
- Enhance STAGE
- Upgrade delivery capabilities and workflow integration for Corporate Actions

Digital

- Internal AI ✓
- Synapse project kicked off ✓
- Pilot Diamond Platform ✓
- CBDC and Bond tokenisation ✓
- Launch Digital Platform Pilots and introduce HKEX points
- Further upgrade digital asset platform functionalities and expand to new use cases



Mid-term (2023-4) / Long-term (2025+)

- Augment ESG product offerings
- Distribution and curation of ESG data

- HKEX Carbon Standard and Repository of Projects
- One-stop shop data solution incl. analytics
- Offer regional Asian indexes and rating services

- Further expansion to other use cases including potential integration with CBDCs



In Connecting Today with Tomorrow, This is What We Will Achieve



Enable **New Business Opportunities** and develop new **Megatrend products**



Disrupt the status quo and **create a new digital ecosystem**



Provide **Analytics**, increasing **breadth and depth of data**, making this more **accessible** to our clients. **Data is key**