

1H 2025 KEY REVENUE ANALYSIS

September 2025

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Key updates



Key Updates

Changes in 2025 (1/4)

	Nature	Implications
HKFE products: Increase in weighting of lower-fee products	<ul style="list-style-type: none">▪ Increased popularity of HSCEI suite and HS Tech suite – these are charged at lower fees compared to HSI suite – resulted in a lower average fee per contract traded on HKFE.▪ In addition, USD/CNH Futures continued to record strong volume growth, contributed by the active trader incentive programme.	<ul style="list-style-type: none">▪ <u>Average fee per contract</u> per side dropped from \$3.65 in 1H 2024 to \$3.52 in 1H 2025, due to the change in product mix and the incentive programmes.▪ Whether this trend will continue depends on the product mix and the prevailing 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. Due to the popularity of the newly launched products and incentive programmes, the number of contracts traded on the Futures Exchange recorded solid growth in recent years.



Key Updates

Changes in 2025 (2/4)

	Nature	Implications
New stock settlement fee structure for Exchange Trades	<p>The enhancement to the securities market stock settlement fee structure took effect and applied to Exchange Trades executed from 30 June 2025 onwards. The new stock settlement fee structure includes:</p> <ul style="list-style-type: none"> Removal of the minimum and maximum fees per trade Increase of the ad valorem rate from 0.002% (0.20bps) to 0.0042% (0.42bps) for all Exchange Trades excluding eligible market making trades for ETPs Fee for eligible market making trades for ETP remained at 0.002% (0.20bps) 	<ul style="list-style-type: none"> The new stock settlement fee structure ensures that settlement costs are equitable, deterministic, and consistent across different trade sizes. The new fee structure is designed to be cost-neutral to the market as a whole, with new fee rate of 0.0042% (0.42bps) referenced to the historical average fee rate based on 2019-2024 trading data. 2025 1H average fee rate was ~0.0033% (0.33bps, slide 17) due to higher average transaction size.
LME fee increment	<ul style="list-style-type: none"> For the second consecutive year, LME fee structure saw an upward revision effective from January 2025, with the blended average increase in trading and clearing fees ~4.7%⁽¹⁾. 	<p><u>Increase in average fee per contract.</u></p>



1. Computed based on the proportion of average daily volumes for each category of trades.

Key Updates

Changes in 2025 (3/4)

	Nature	Implications
Financial impact of the purchase of HKEX permanent headquarters	<ul style="list-style-type: none"> In April 2025, the Group announced to purchase certain properties at One Exchange Square as HKEX headquarters for \$6.3 billion. The payment will be funded entirely by the External Portfolio. As of 30 June 2025, the Group has taken possession of part of the properties for \$1.8 billion, with the remaining acquisition to be completed in phases over the next 12 to 18 months from the date of the agreement. During 1H 2025, the Group recognised \$1,718 million of lease premium for land under right-of-use assets, \$34 million of properties under right-of-use assets, and \$53 million of leasehold buildings under fixed assets. 	<ul style="list-style-type: none"> Redemption of External Portfolio and utilisation of Corporate Funds: ↓ in net investment income Self-owned land and building subject to depreciation <ul style="list-style-type: none"> Land depreciated over remaining life of the lease (>100 years) Building depreciated over 35 years Savings of rent for surrendered floors Overall: No material financial impact to overall HKEX's profit
Impact on D&A from newly launched systems	<ul style="list-style-type: none"> On 24 March 2025, the LME launched its new trading platform, LMEselect v10 and market data offering, LMEsource v4. 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. 	<ul style="list-style-type: none"> Amortisation of the system will commence when the system is ready for use, and impact of LMEselect v10 has been reflected in 1H 2025 results. The amortisation period for the self-developed proprietary systems is generally 10 years.



Key Updates

Changes in 2025 (4/4)

Higher effective tax rate due to OECD Pillar Two model rules⁽¹⁾

Nature

- HKEX Group is subject to global minimum tax under the Pillar Two tax legislation, which requires a top-up tax to be paid if the Global Anti-Base Erosion (GloBE) effective tax rate of a jurisdiction is below 15%.
- The effective tax rate for Hong Kong entities is currently below 15%, but the top-up tax for other jurisdictions where the Group operates is expected to be negligible.

Implications

- In 1H 2025, a provision for the new top-up tax (\$363m) has been made for Hong Kong entities.
- As a result, the Group's effective tax rate increased from 11.0% in 1H 2024 to 15.8% in 1H 2025.
- The amount of additional top-up tax in future years would depend on the level of interest income and other non-taxable income for Hong Kong entities.



Key Updates

Looking ahead

Impact on NII due to Enhancements to Margin Collateral Arrangements starting Oct 2025

Nature	Implications
<ul style="list-style-type: none">The Group has announced to implement enhancements to its margin collateral arrangements at its securities and derivatives clearing houses in Hong Kong, namely Hong Kong Securities Clearing Company Limited (HKSCC), HKFE Clearing Corporation Limited (HKCC) and The SEHK Options Clearing House Limited (SECH).The new arrangements include changing the calculation of the interest paid on cash margin collateral by paying an overnight reference rate less a handling fee, effective from 2 October 2025.	<ul style="list-style-type: none">Net Investment Income of Margin Funds depends on multiple factors, including prevailing interest rate levels, margin fund size and currency mix within cash collateralHIBOR has varied materially over the years and within the year, while Margin Fund size has played an increasing role recently in shaping NIINew arrangements will affect only Net Investment Income of Margin Funds of 3 of HKEX's Hong Kong Clearing Houses (i.e. excluding OTC Clear), and not affect Net Investment Income of Clearing House FundsNew arrangements are not expected to result in any changes to HKEX's existing investment policies for its Margin and Clearing House fundsNew arrangements aim to align approach with international peers, and are part of HKEX's ongoing commitment to boost market efficiency



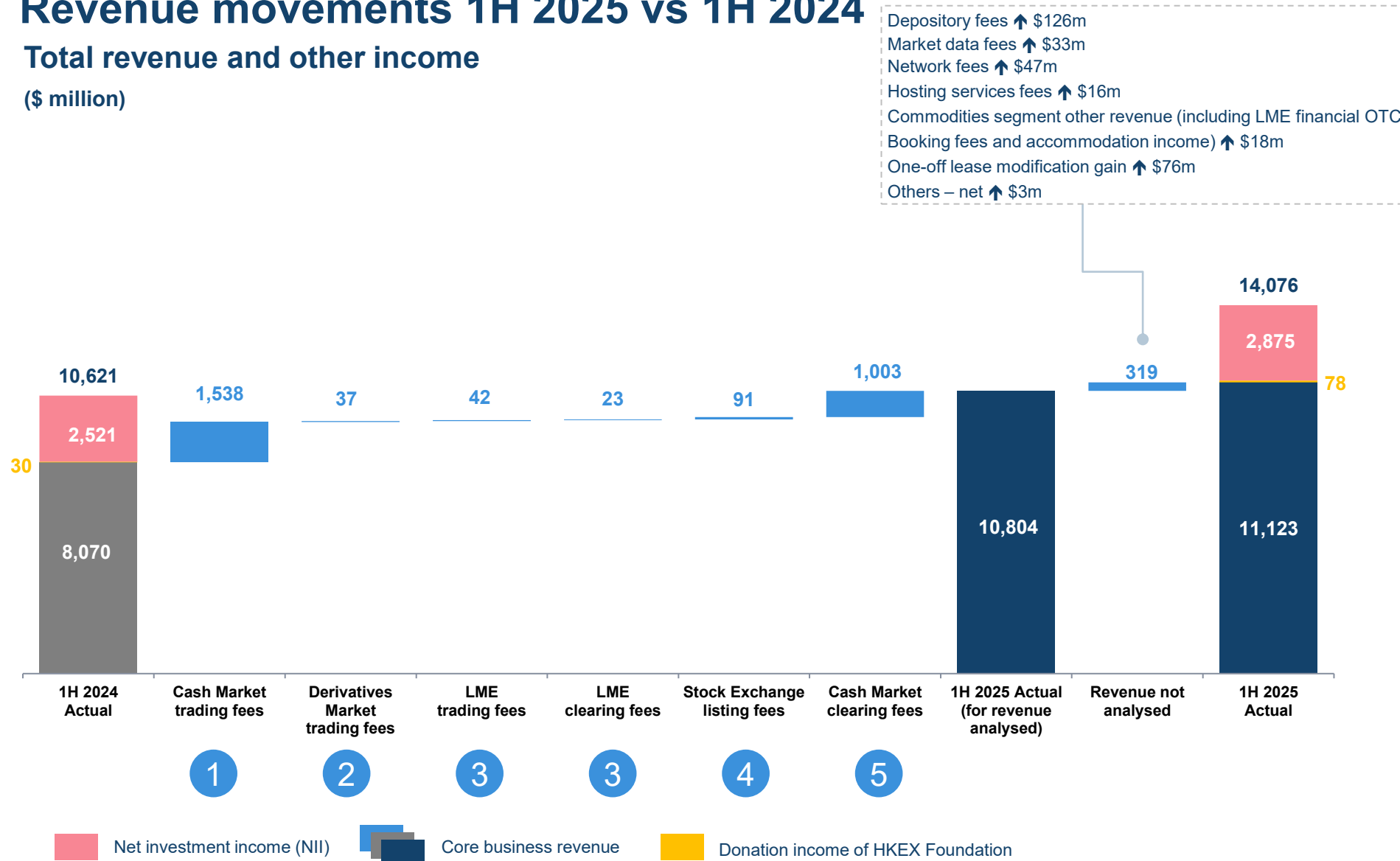
1H 2025 Key Revenue Analysis



Revenue movements 1H 2025 vs 1H 2024

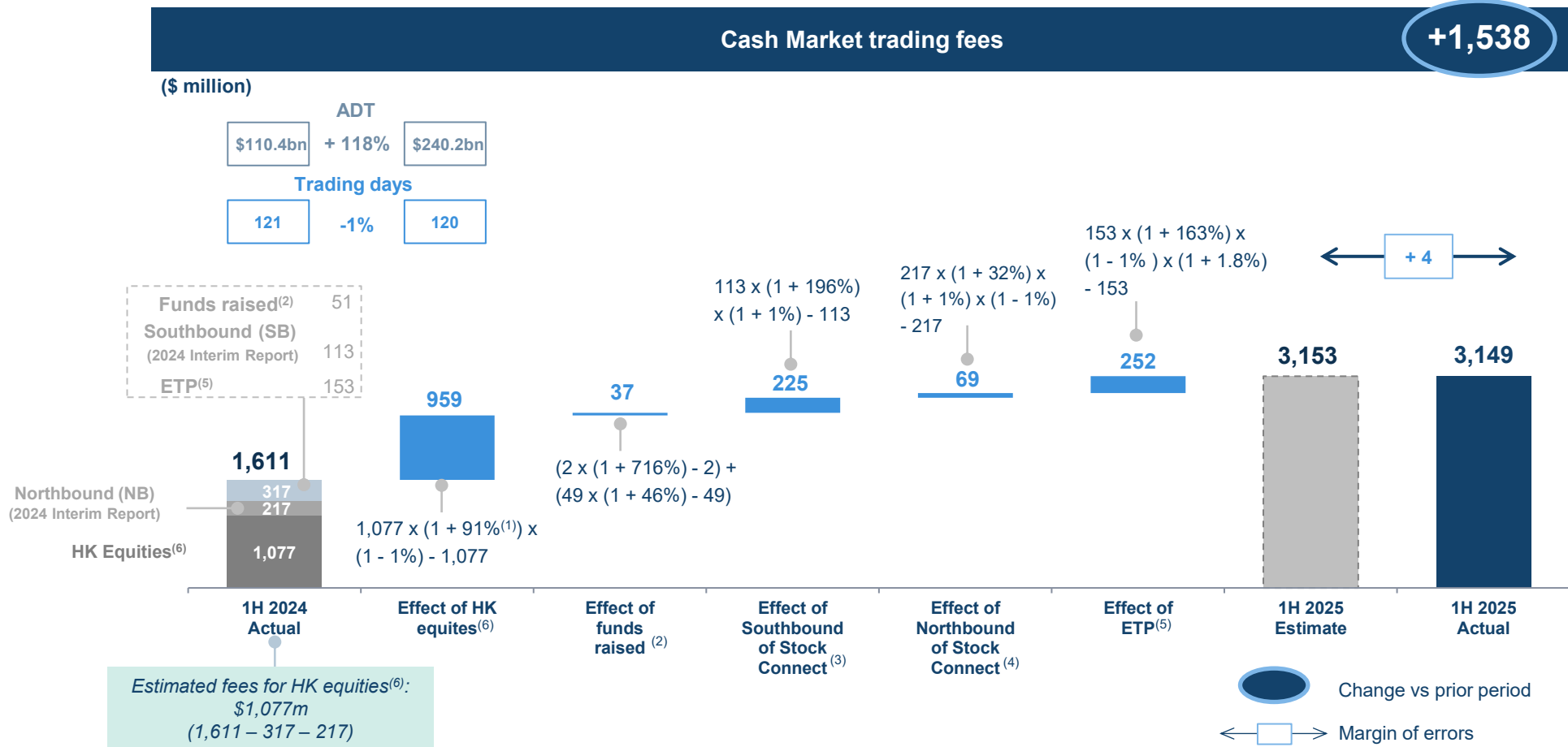
Total revenue and other income

(\$ million)



Cash Market trading fees ¹

Estimate based on volume and fee rate change



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

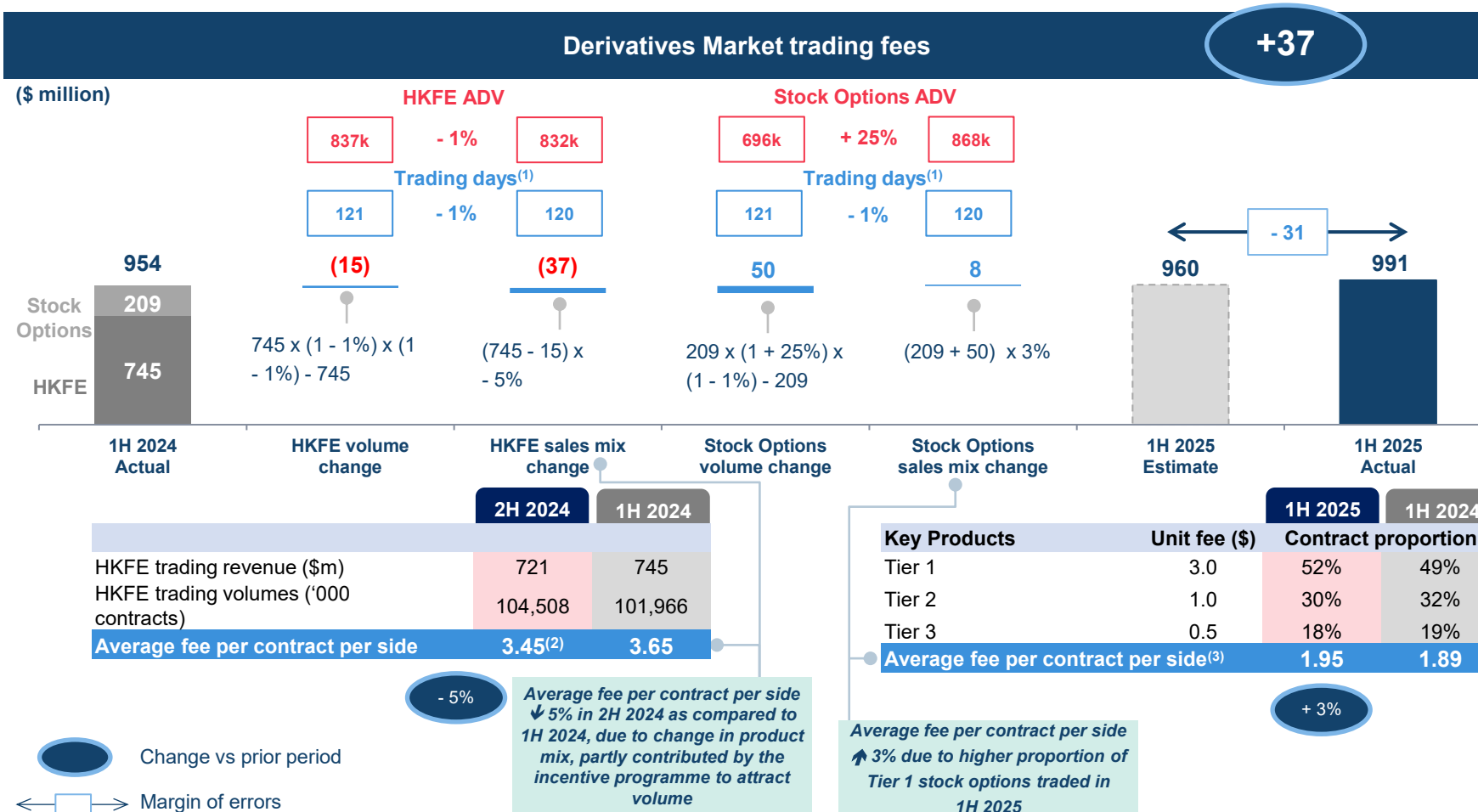
- Refers to % change in Headline ADT (ie, Stock Exchange trades (including DWs, CBBCs and warrants)) less SB ADT/2 less ETP ADT – 1H 2025: \$148.7bn; 1H 2024: \$78.0bn; ↑ 91%
(Headline ADT – 1H 2025: \$240.2bn; 1H 2024: \$110.4bn;
SB ADT (including ETF of \$3.8bn) – 1H 2025: \$111.0bn; 1H 2024: \$37.5bn;
ETP ADT (excluding SB) – 1H 2025: \$36.0bn; 1H 2024: \$13.7bn)
- 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 2025: \$109.4bn; 1H 2024: \$13.4bn; ↑ 716%
Funds raised for DWs and CBBCs – 1H 2025: \$720.6bn; 1H 2024: \$493.4bn; ↑ 46%
- Southbound (SB) trading fees = ADT of SB x no. of trading days x 0.00565% x 50%;
SB ADT – 1H 2025: \$111.0bn; 1H 2024: \$37.5bn; ↑ 196%;
No. of trading days – 1H 2025: 115 days; 1H 2024: 114 days; ↑ 1%;
The fee is subject to China VAT (6%)

- Northbound (NB) trading fees = ADT of NB x no. of trading days x 0.00341% x 40%;
NB ADT – 1H 2025: RMB171.3bn; 1H 2024: RMB130.2bn; ↑ 32%;
No. of trading days – 1H 2025: 115 days; 1H 2024: 114 days; ↑ 1%;
Exchange rate – 1H 2025: 1.06; 1H 2024: 1.07; ↓ 1%
- ETP trading fees = ADT x 0.00565% x 2 sides x no. of trading days x (1 – exemption %);
ADT (excluding SB) – 1H 2025: \$36.0bn; 1H 2024: \$13.7bn; ↑ 163%;
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 (~34% in 1H 2025 and ~37% in 1H 2024), which was computed with reference to the actual individual ETP's fee waiver % and the individual ETP ADT;
Thus, exemption % applied for 1H 2025 was ~ 50% x 34% = ~17.0% (1H 2024: ~ 18.5%)
Percentage of ETP fee not subject to exemption – 1H 2025: 83%; 1H 2024: 81.5%; ↑ 1.8%
- Excluding trading fees arising from funds raised, Stock Connect and ETPs (including L&I Products)



Derivatives Market trading fees 2

Estimate based on volume and average fee per contract



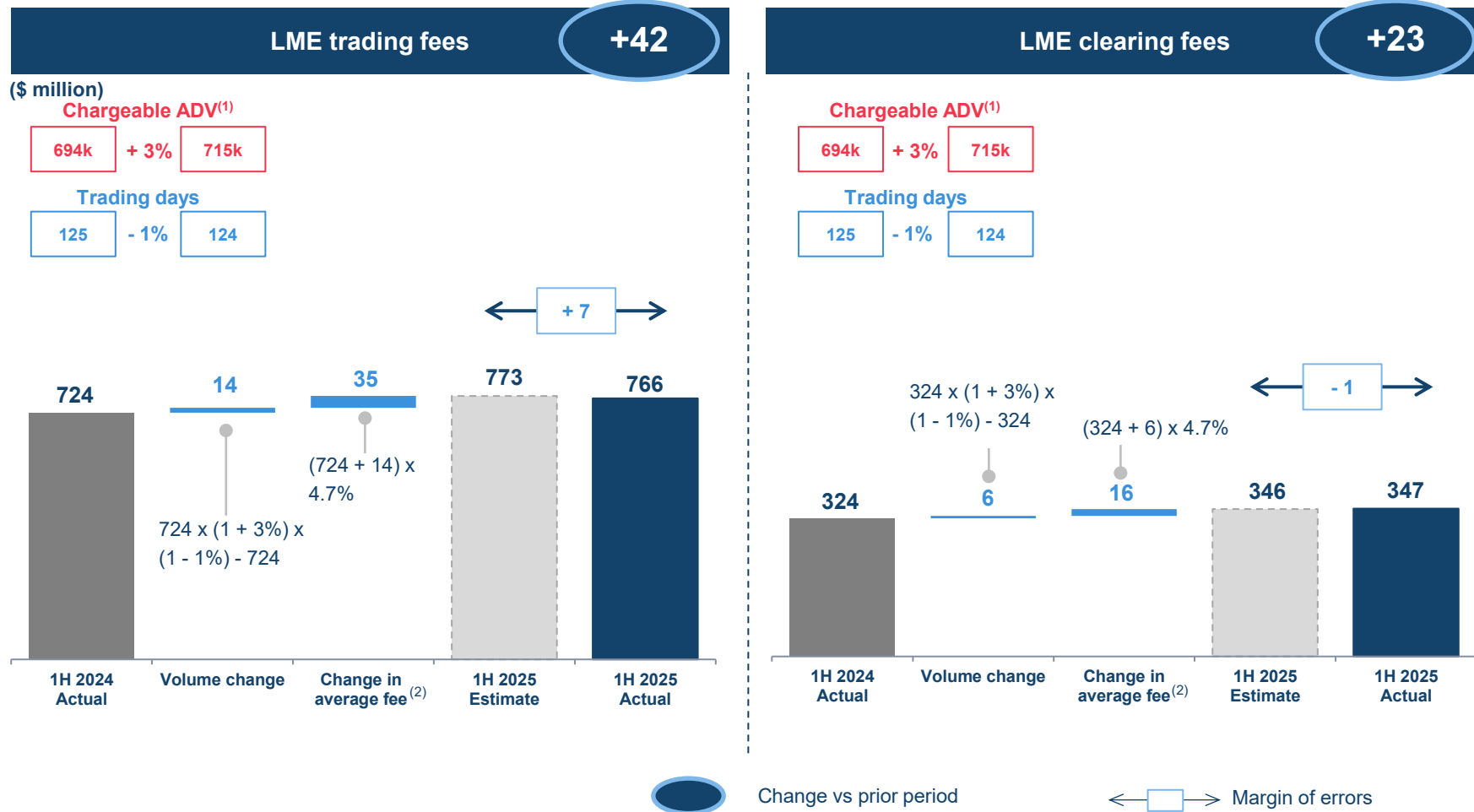
Derivatives Market trading fees generally move with the total number of contracts traded and average fee per contract. They are also affected by the change in product mix and the incentive programmes.



1. There were 8 holiday trading days in 1H 2025 (1H 2024: 8) for certain derivatives contracts. As the ADV is calculated as the sum of individual contracts, and majority of the contracts are traded during non-holidays, the number of non-holiday trading day is used for the calculation.
2. Average fee per HKFE contract per side for 1H 2025 was assumed to be the same as the actual fee per HKFE contract per side for 2H 2024.
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



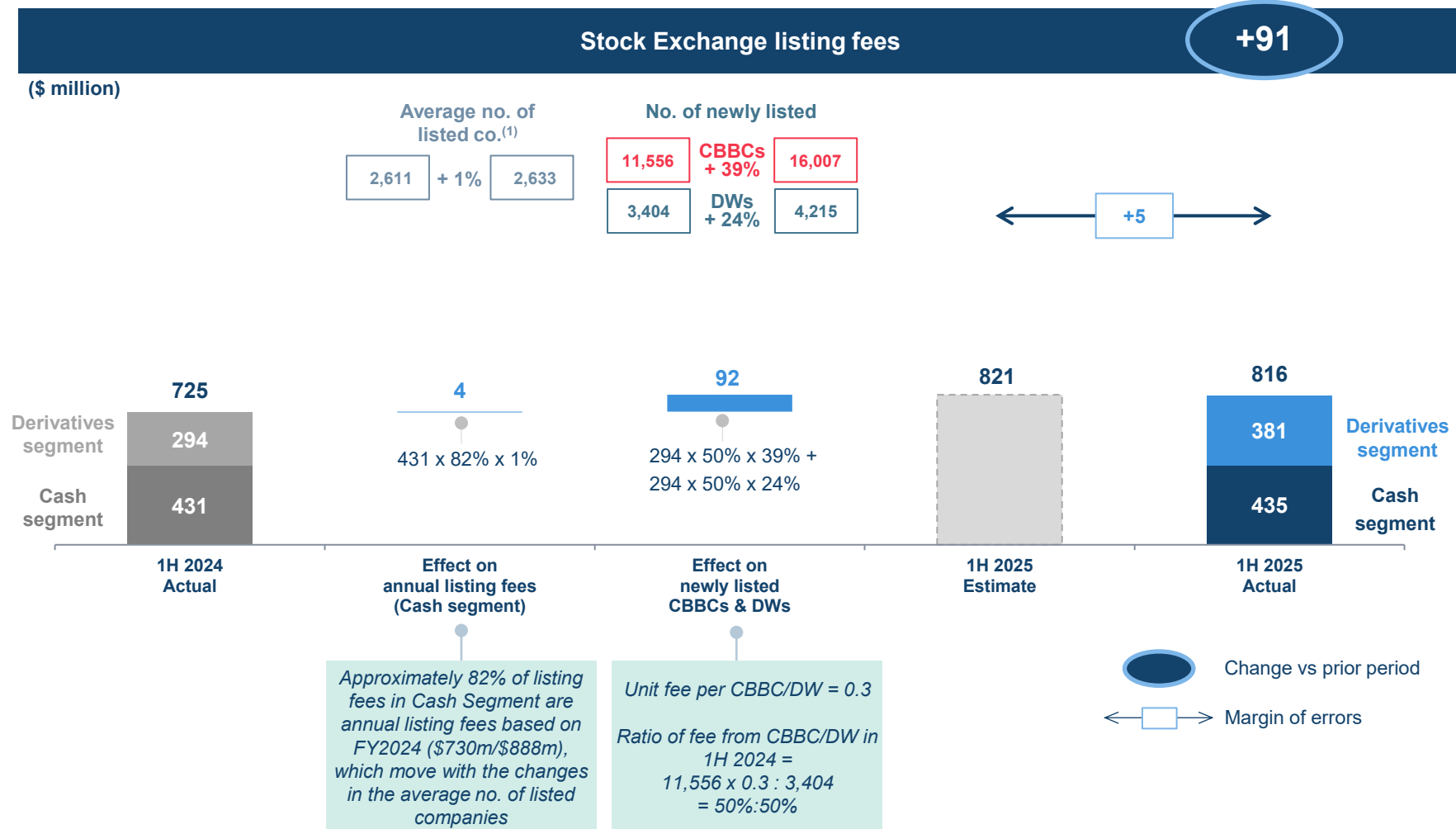
LME and LMEC fees generally move with total number of contracts traded and average fee per contract. The are also affected by other factors such as change in proportion of products (e.g. short-dated carries and medium-dated carries) and liquidity programmes.



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. Effective 1 January 2025, a revised fee schedule has been introduced. The blended average increase in trading and clearing fees was 4.7%.

Stock Exchange listing fees 4

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



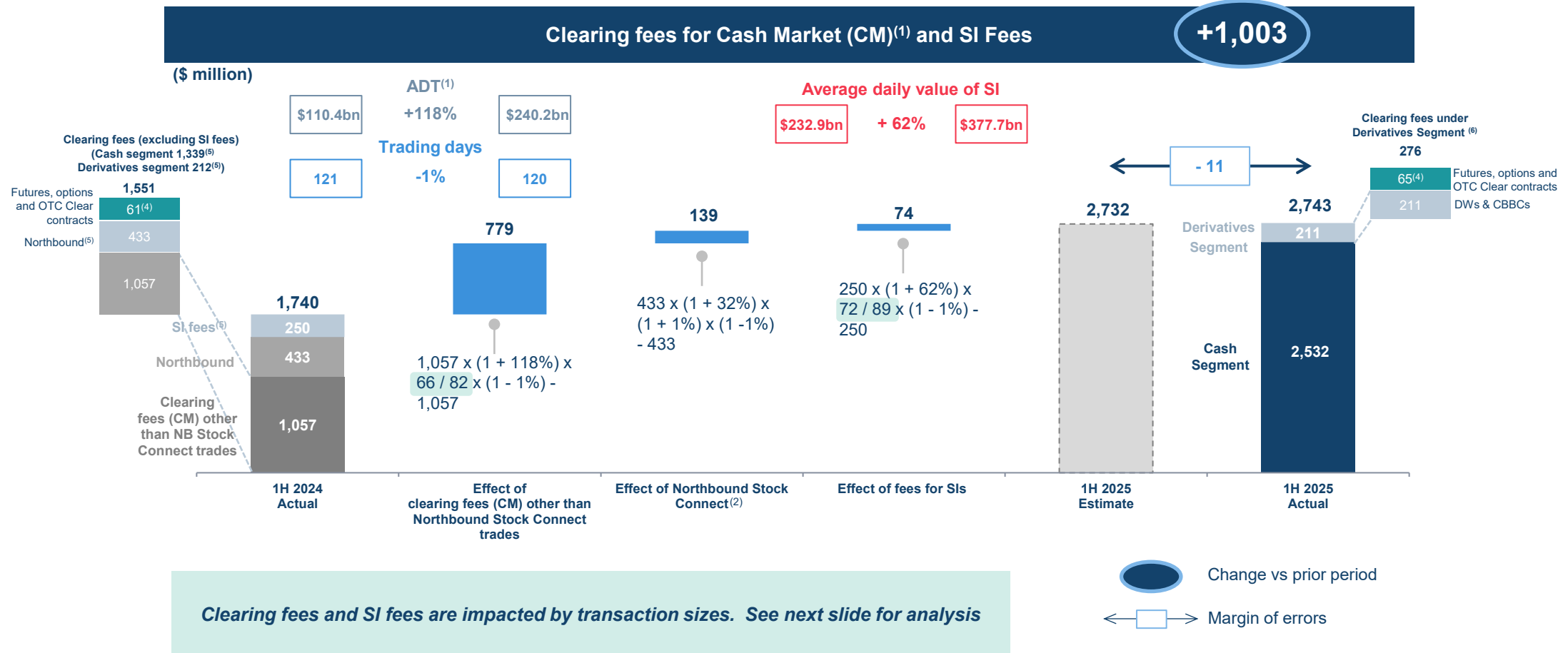
Stock Exchange listing fees move closely with changes in no. of listed companies and newly listed DWs/CBBCs, but are also impacted by number of forfeitures and withdrawn IPO applications and average fee per listed company.



1. Average number of listed companies represents the average number of listed companies at month end.

Cash Market clearing fees 5

Estimate based on volume change and change in average fee



Clearing fees and SI fees move with total value of trades and total value of SIs but are also impacted by transaction sizes of the trades/SIs.

From 30 June 2025 onwards, clearing fees for Exchange Trades will be revised to an ad valorem fee of 0.0042%, but SI fees remain the same.

- For all Cash Market trades (including DWs, CBBCs and warrants)
- Northbound (NB) ADT - 1H 2025: RMB171.3bn; 1H 2024: RMB130.2bn; ↑ 32%;
No. of trading days: 1H 2025: 115 days; 1H 2024: 114 days; ↑ 1%;
Exchange rate: 1H 2025: 1.06; 1H 2024: 1.07; ↓ 1%;
- The impact of Southbound fees is immaterial and therefore not included in the analysis.
- Clearing fees for futures, options and OTC Clear contracts were not separately disclosed in Interim Report, but were disclosed in Annual Report (FY2024: \$129 million; FY2023: \$122 million). Assume such fees do not change materially for the purpose of this analysis and amounted to \$65 million in 1H 2025 (1H 2024: \$61m).
- Disclosed in 2024 Interim Report. SI fees exclude immaterial fees under Derivatives Segment.
- Disclosed in 2025 Interim Report

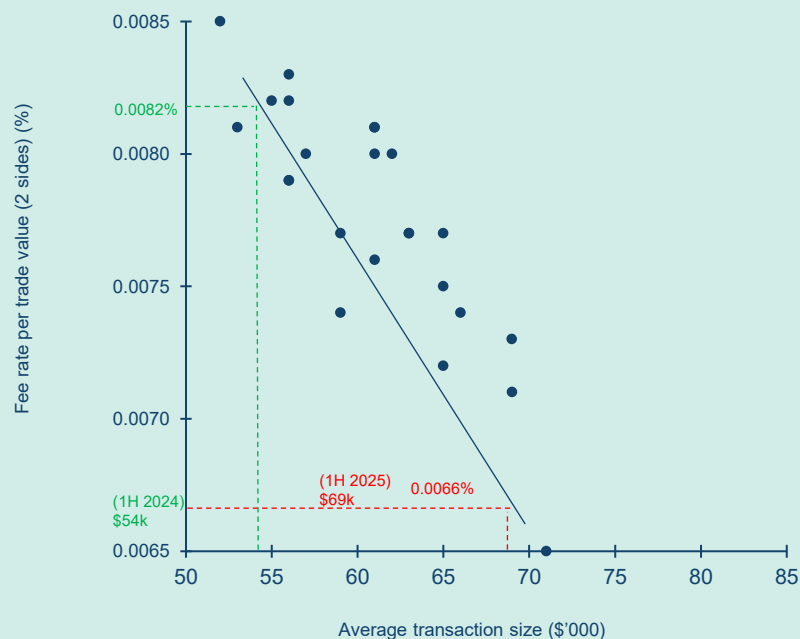


Cash Market clearing fees 5

Impact of transaction sizes of the trades / SIs

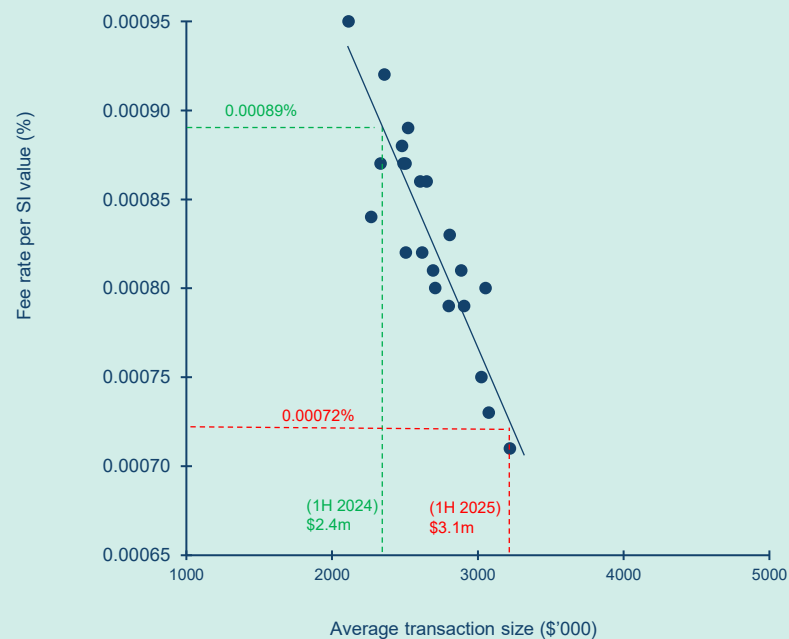
Clearing fees for Cash Market (CM) ¹

Clearing fees subject to maximum and minimum fees per trade¹. The increase in average transaction size (1H 2025: \$69k; 1H 2024: \$54k) resulted in a lower proportion of Cash Market trades being subject to the minimum fee of \$2. The fee rate per trade value of various average transaction sizes based on actual fee rates calculated from historical quarterly results from Q1 2018 to Q1 2025 are set out as follows:



SI Fees

SI Fees are subject to maximum and minimum fees per trade. The increase in average transaction size (1H 2025: \$3.1m; 1H 2024: \$2.4m) resulted in a higher proportion of SI transactions being subject to the maximum fee of \$100. The fee rate per SI value of various average transaction sizes based on actual fee rates calculated from historical quarterly results from Q1 2018 to Q1 2025 are set out as follows:



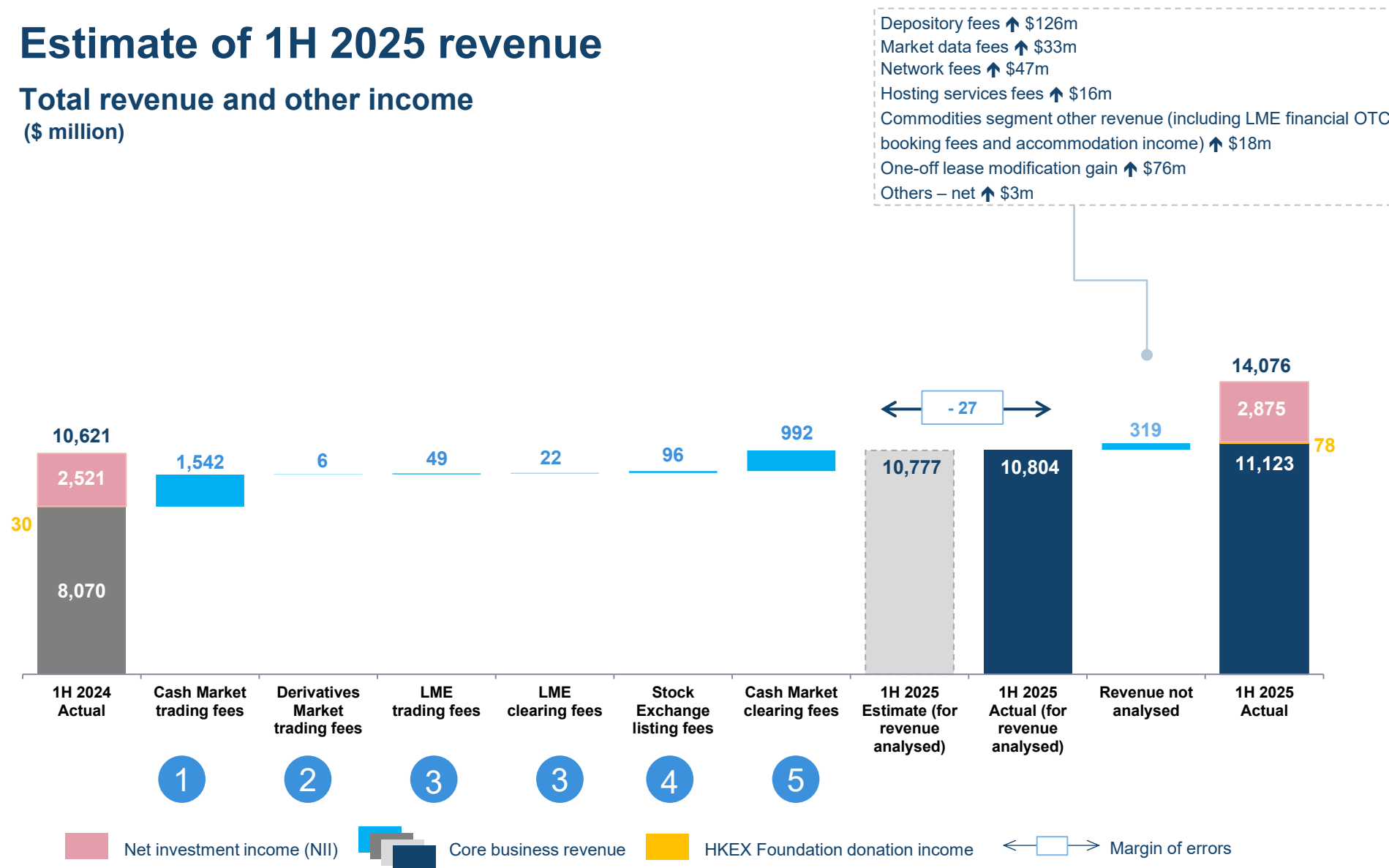
In general, if the average transaction size decreases, it will have a positive impact on the clearing fee rate¹ and SI fee rate



1. Effective 30 June 2025, the minimum and maximum stock settlement fee per trade is removed, with an ad valorem 0.0042% (0.42bps) stock settlement fee rate charged for all Exchange Trades, except for eligible market making trades for ETPs where they are charged at 0.0020% (0.20bps). Hence the historical general observation between average transaction size and clearing fee rate no longer applies

Estimate of 1H 2025 revenue

Total revenue and other income (\$ million)

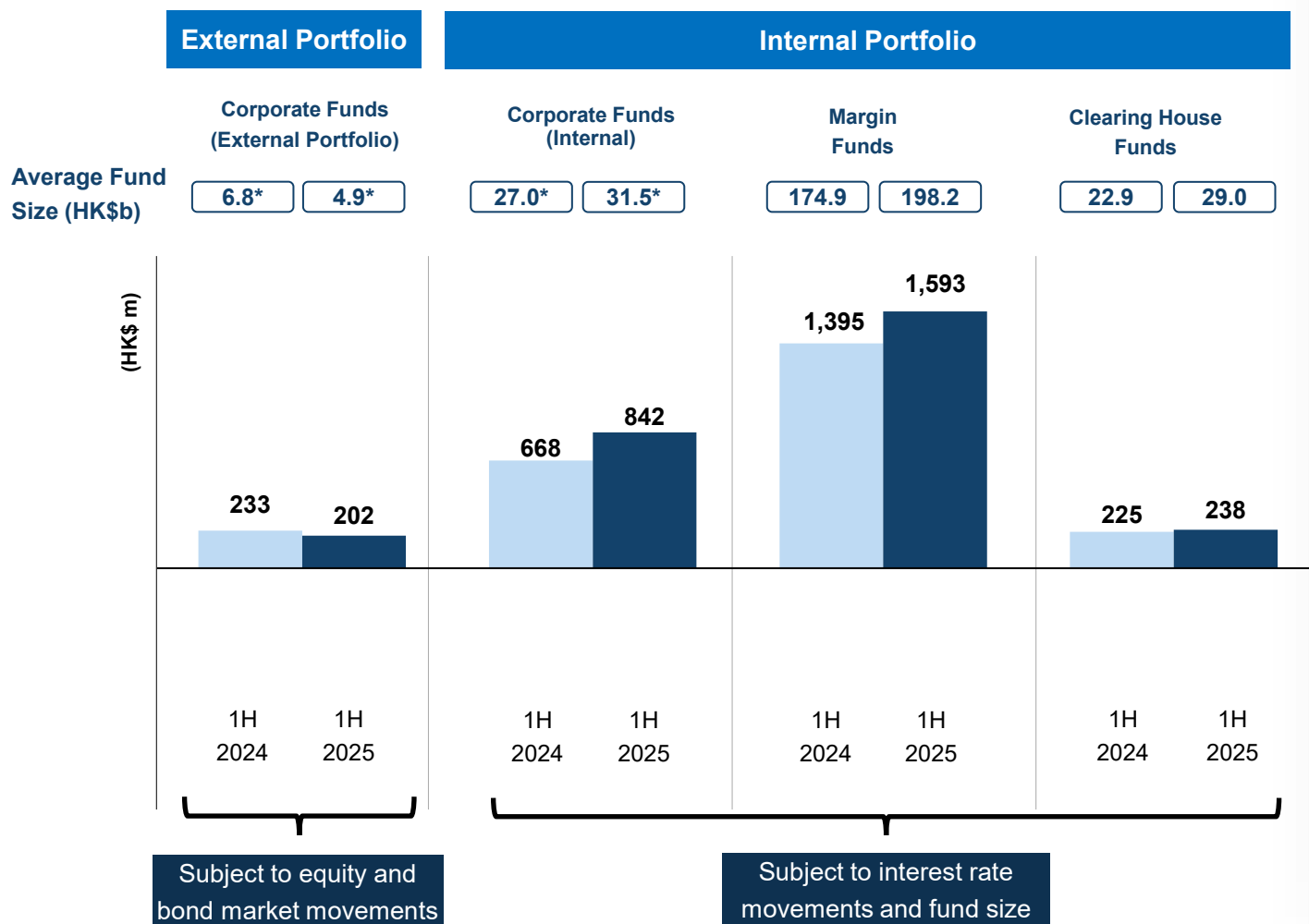


Margin of errors for revenue estimates (excluding NII, donation income and revenue not analysed)
was ~ 0%

Net Investment Income Overview

NII benefited from higher fund size but offset by lower interest rates and External Portfolio gains

Net investment income by funds



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 rate
 - Under current interest rate cycle, this has now become a **dominant driver** for total NII
 - Margin fund net returns also depend on **spreads with 1M HIBOR** (rebates, see later slides)
- External Portfolio performance is driven by **global equity and bond market** performance

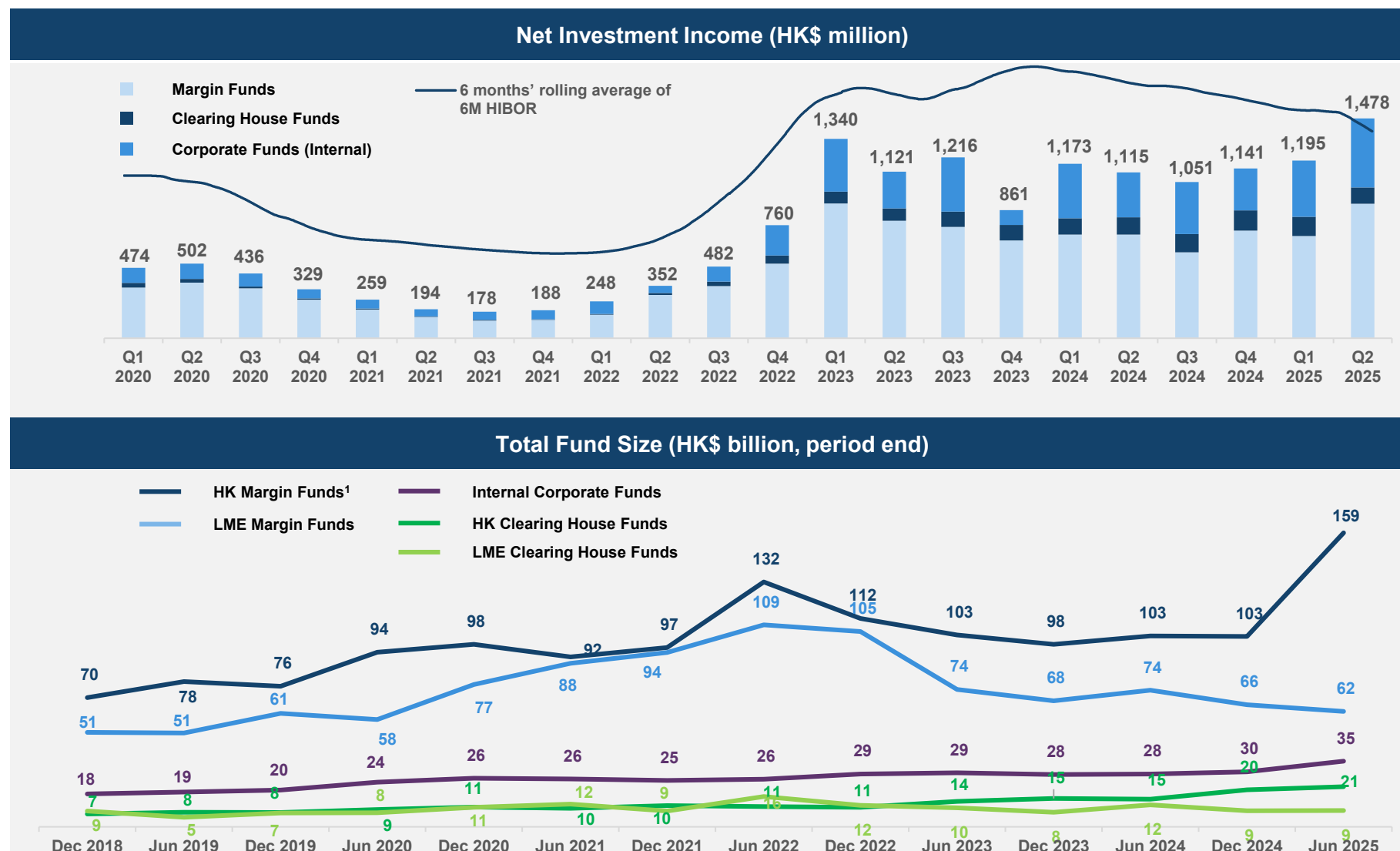


*External Portfolio's average fund size is estimated by the average of fund size at the beginning and end of the period.

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.


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, inter-central counterparties margin paid to Shanghai Clearing House and margin receivable from Clearing Participants

Internal Portfolios

 Current margin collateral arrangements shown here. New margin collateral arrangements to take effect 2 Oct 2025 (see Appendix)

Base case modelling: Q2 2025

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

	Corp Funds (Internal)	Margin Funds (HK)			Clearing House Funds (HK)	LMEC ¹	
Q1 2025 Average Fund Size (HK\$)	\$30.4bn ²	\$117.7bn			\$19.0bn	\$72.9bn	
Base case assumptions	Time Deposit and Short-term Debt securities (100%)	Overnight (30%)	Time Deposit and Short-term Debt securities (70%)	<div>Interest Rebate</div>	Overnight (100%)	Overnight (100%)	Interest Rebate
Proportion size (HK\$)	\$30.4bn	\$35.3bn	\$82.4bn	\$117.7bn	\$19.0bn	\$72.9bn	
Reference Rate	6 months' rolling average of 6M-HIBOR	Overnight HIBOR	6 months' rolling average of 6M HIBOR	1M HIBOR x 0.5 -25bps ⁵	Overnight HIBOR	USD OBFR	USD OBFR – 24bps
Annualised yield based on reference rate for Q2 2025	3.90%	1.44%	3.90%	-0.75%	1.44%	4.33%	-4.09%
Estimated NII for Q2 2025 ³	\$297m	\$709m			\$68m	\$44m	
Estimated total NII for Q2 2025	\$1,118m						
Actual NII (excluding FX gain) for Q2 2025	\$1,341m ⁴						

Actual
+20%
from est.⁶

Actual
+20%
from est.⁶

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 gain for Q2 2025 was HK\$1,478m
5. Current margin collateral arrangements shown here for Q2 2025 modeling. New arrangements to take effect 2 Oct 2025
6. Actual Q2 2025 NII is +20% higher vs estimate, mainly due to Q2 2025's HK Margin Fund size higher QoQ vs Q1 2025 because of higher margin requirements from elevated market activity and volatility in Q2



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	<ul style="list-style-type: none"> 100% HKD No FX gain/loss 	<ul style="list-style-type: none"> Actual currency mix can be in HKD, EUR, JPY, RMB, SGD and/or USD which have different yield curves Actual FX gain/loss
Allocation of overnight and weighted maturity of time deposits	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> HK: <ul style="list-style-type: none"> O/N HIBOR for HKD overnight deposit 6 months' rolling average of 6M HIBOR for time deposits and short-term debt securities¹ less rebate linked to 1M HIBOR² LMEC <ul style="list-style-type: none"> OBFR less rebate 	<ul style="list-style-type: none"> 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



¹ There will be a time lag effect on NII due to the decline of HIBOR rates since Q2 2025.

² Current margin collateral rebate arrangement shown as example

Appendix



Appendix: Current vs New Margin Collateral arrangements for HK Margin Funds

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

	Arrangement	Today (before 2 October 2025)	New (Effective from 2 October 2025)
Cash collateral	Formula for calculating interest payments ("Rebates") to participants ¹	HKCC: $\frac{1\text{m HIBOR}}{2} - 25\text{bps}$ (Spread)	Reference Rate – Handling Fee (O/N HIBOR) (across HKCC, HKSCC and SEOCH) ³
	(for HKD cash collateral as example) ²	SEOCH: $\frac{1\text{m HIBOR}}{2} - 25\text{bps}$ (Spread)	of which Handling Fee follows a phased transition: <ul style="list-style-type: none"> • 2 Oct 2025 to 30 Dec 2026: 80bps • 31 Dec 2026 to 30 Dec 2027: 70bps • 31 Dec 2027 to 28 Dec 2028: 60bps • 29 Dec 2028 onwards: 50bps
	Affects Net Investment Income	HKSCC: Prevailing savings rate	
		Arrangements for low / negative rate environments: <ul style="list-style-type: none"> • 1m HIBOR / 2 < spread: no interest paid 	Arrangements for low / negative rate environments: <ul style="list-style-type: none"> • 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	HKCC & SEOCH: 50bps	25bps (across HKCC and SEOCH)
	Affects Other Revenue		

¹ Calculated on a daily basis

² Under the new arrangements, reference rates for non-HKD currencies follow their respective overnight risk-free rates. Please refer to the respective Circulars for details.

³ New arrangement applies to HKFE Clearing Corporation Limited (HKCC), Hong Kong Securities Clearing Company Limited (HKSCC) and THE SEHK Options Clearing House Limited (SEOCH), does not apply to OTC Clear





Thank you