

HKEX: Building the Marketplace of the Future

August 2023

HKEX
香港交易所

Context

Hong Kong: Asia's premier international financial centre (IFC)



Global Gateway to China

STOCK CONNECT
滬港通 深港通
SHANGHAI CONNECT SHENZHEN CONNECT

**MUTUAL
RECOGNITION OF
FUNDS**

BOND CONNECT
債券通
BOND CONNECT

**CROSS-BOUNDER
WEALTH MANAGEMENT
CONNECT**

Capital Markets and Wealth Management



**Asia's
leading**

International IPO
market

Asia's #1

International wealth
management
centre

#4 IFC

Out of 116 financial
hubs in the 2022
Global Financial
Centres Index



Banking Sector

75+

Of the world's top
100 banks have a
presence in Hong
Kong

99.98%

Availability of 4 real-
time gross
settlement (RTGS)
systems

**Asia's
Largest**

Concentration of
financial talent



Offshore RMB Centre



Global #1

Offshore RMB
liquidity pool

74%

Market share of
RMB SWIFT
payments globally

Global #1

Daily turnover of RMB
FX transactions
(excluding Mainland
China)

Source: HKMA, World Bank, BIS, SWIFT, FY 2022 unless otherwise stated.



HKEX Overview

Asia's Premier international exchange group

HKEX Group

- One of the world's top five international exchange groups by market capitalisation
- Hong Kong's only exchange group
- A premier global IPO market
- Fast growing derivatives and ETF markets
- One-stop shop for trading, clearing, and risk management
- Owner of LME – a world-leading metals market

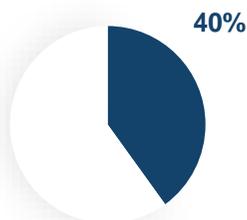
Financials

	H1 2023	FY 2022	FY 2021
REVENUE:	HK\$10.6bn	HK\$18.5bn	HK\$21.0bn
EBITDA:	HK\$7.9bn	HK\$13.2bn	HK\$16.3bn
PAT:	HK\$6.3bn	HK\$10.1bn	HK\$12.5bn
EPS:	HK\$4.99	HK\$7.96	HK\$9.91
DPS:	HK\$4.50 (90% payout)	HK\$7.14 (90% payout)	HK\$8.87 (90% payout)

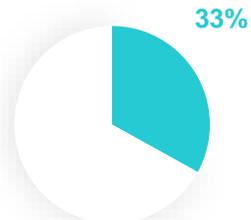
Primary & Secondary Markets

Cash Equities

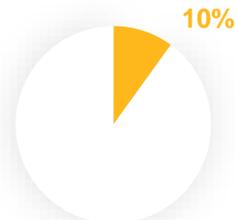
H1 2023 Revenue Share



Equity & Financial Derivatives

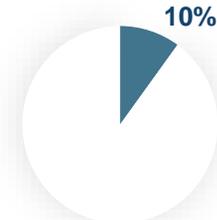


Commodities



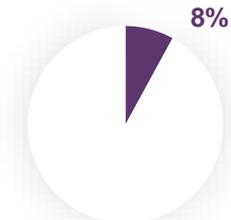
Market Access

Data and Connectivity



Corporate Items

Corporate Items



Remarks: % may not add up due to rounding



HKEX Overview

Transformed from a local to a global exchange

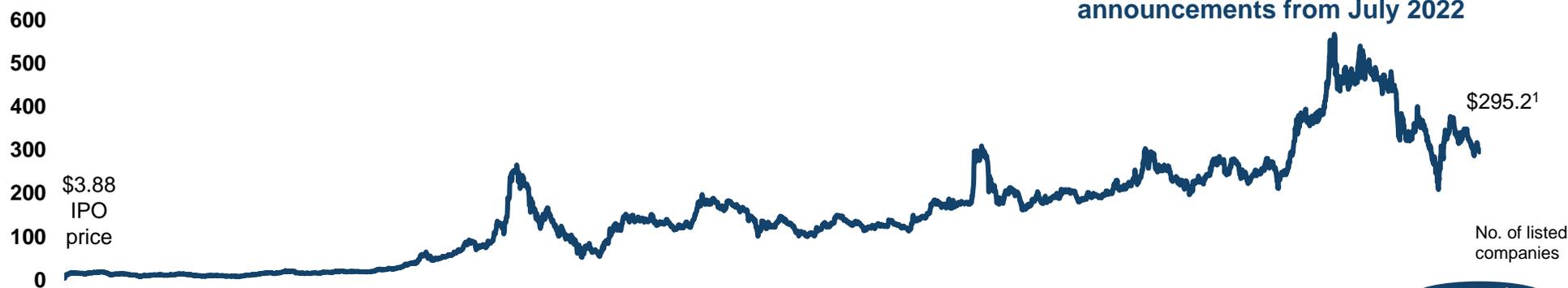


- Demutualisation
- Technology consolidation
- Major Chinese SOE and private enterprise IPOs

- Expansion into FICC (2010's)
- After-hours trading (2013)
- Shanghai Stock Connect (2014)

- Shenzhen Stock Connect (2016)
- Bond Connect (2017)
- Listing reforms (2018)
- MSCI Asia & EM product suite (2020)
- MSCI China A50 Connect Futures (2021)
- Series of Connect enhancements / announcements from July 2022

HKEX Share Price¹
(HK\$)



Hong Kong Market Capitalisation
(HK\$trn)

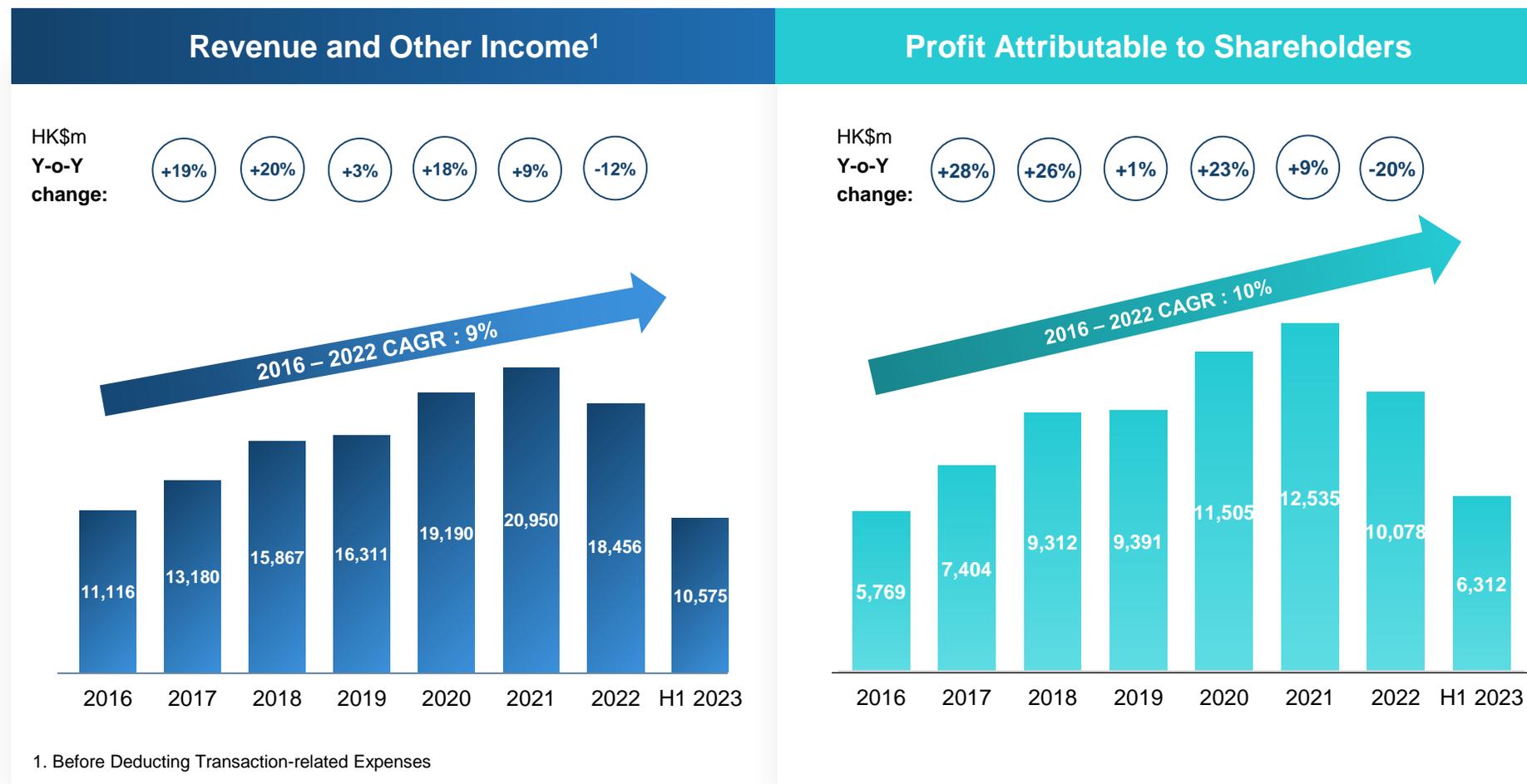


1. As of 30 Jun 2023. Sourced from HKEX and Bloomberg.



HKEX Overview

Strong financials, with a track record of growth



Source: HKEX, H1 2023



Building the Marketplace of the Future



Our Unique Proposition

Unrivalled East-West connectivity



Sources: HKEX, PBOC, HKMA as of Jun 2023 unless otherwise stated | 1. RMB2.4 trillion total shareholder value in Northbound Stock Connect as of Jun 2023, contributing to about 70% of total equities held by overseas entities | 2. RMB3.3 trillion foreign investment in Mainland onshore CIBM bonds as of Jun 2023 compared with RMB0.89 trillion as of Jun 2017



Connecting China with the World: Positioning HKEX as China's go-to offshore trading, risk management and fundraising hub

Stock Connect

RMB 109.3bn

Northbound ADT

RMB 2.3tn

Northbound CCASS holdings

HK\$ 33.8bn

Southbound ADT

HK\$ 2.2tn

Southbound holdings

71% Northbound holdings as a % of international investors' total A-share holdings

Bond Connect

RMB 38.9bn

Northbound ADT

RMB 3.3tn

BCCL Northbound holdings

802

Registered overseas institutional investors

68% BCCL turnover as a % of total turnover by international investors in Mainland China's cash bond markets

A new chapter in connectivity: ETF Connect, Swap Connect, inclusion of international companies in Southbound Stock Connect and HKD-RMB trading counters; China T-Bond Futures in the pipeline.

Mainland Partners

Partners



Joint Venture



Connecting Capital with Opportunities: Listing reforms have transformed Hong Kong's markets

Where We are Today

One of the world's leading IPO fundraising venues, ranked fourth globally by funds raised in 2022.

Introduced WVR, Secondary Listing and Biotech listing reforms in 2018, SPACs in 2022, 18C Specialist Technology listing rules in 2023

Around 30 US-listed issuers have sought **"home-coming" listings** in Hong Kong; issuers are increasingly attracted by dual-primary rather than secondary listings

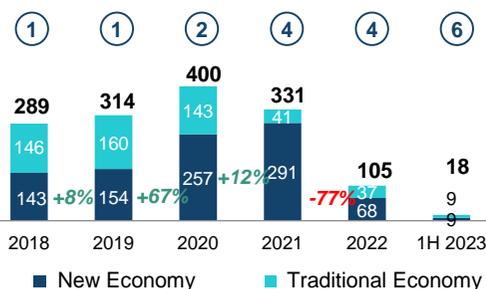
One of the world's leading biotech and healthcare fundraising venues

Since our 2018 reforms, IPOs by **new economy companies** have accounted for 65% of total IPO fundraising, raising around HKD920 billion

New economy stocks and related structured products account for an increasing portion of ADT

New Economy IPOs Performing Strongly

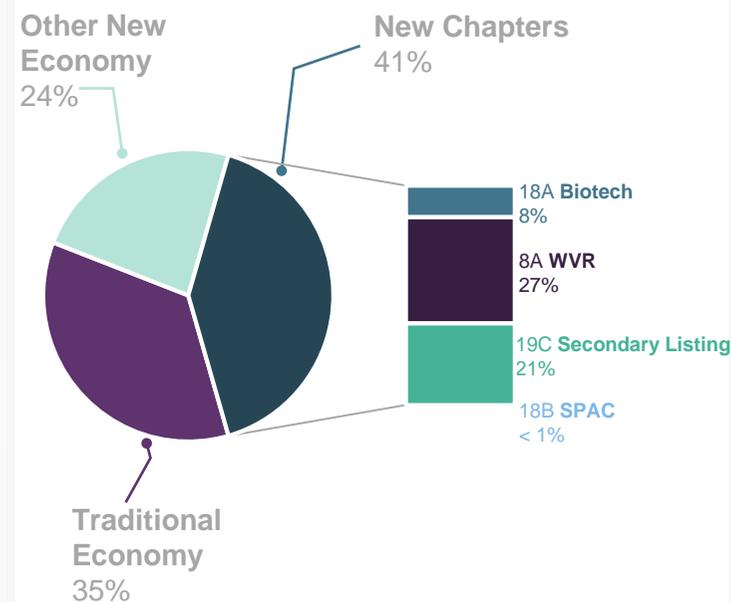
Global IPO Ranking (Funds raised HK\$bn)



Equity Turnover Contribution (As of Jun 2023)



New Chapter IPOs¹ (by Funds Raised)



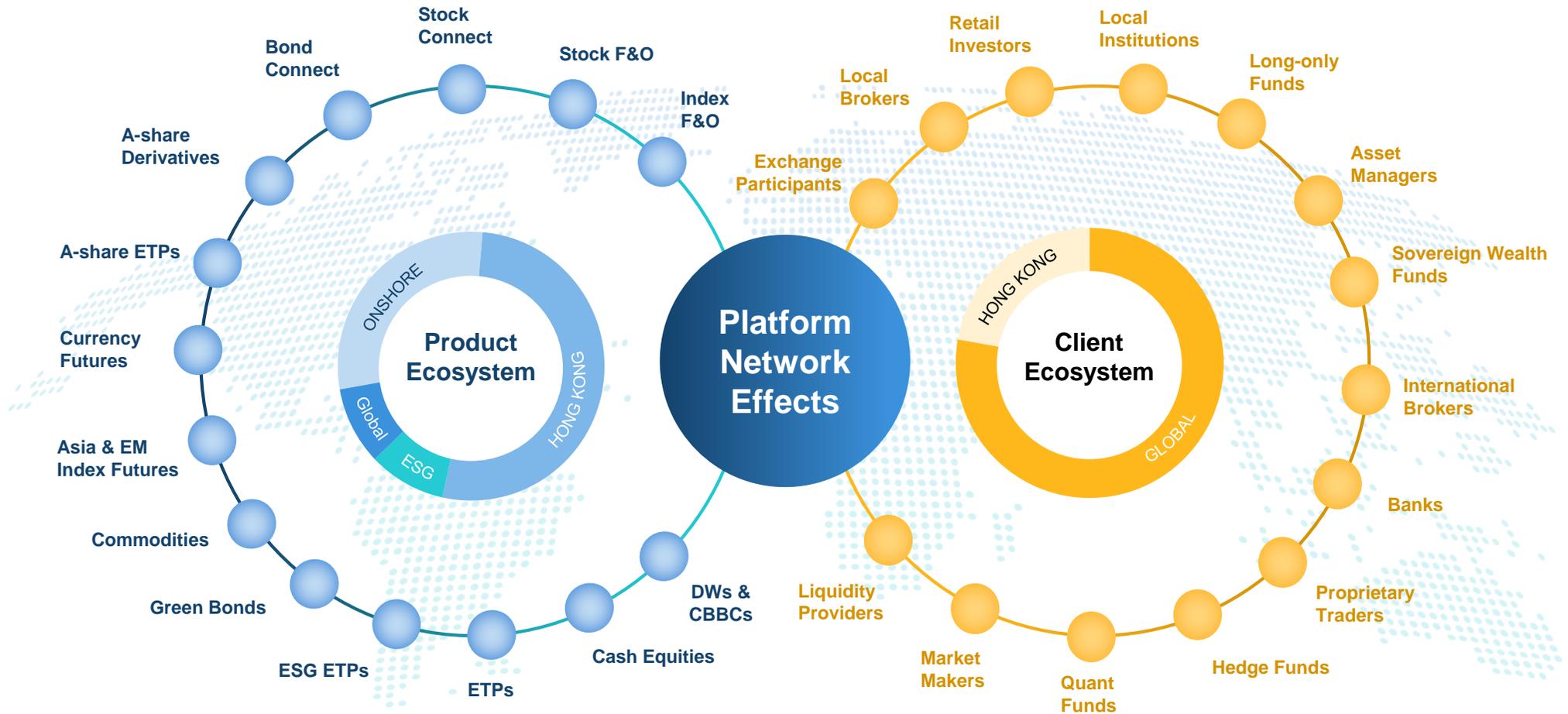
1. From 30 Apr 2018 to 30 Jun 2023

Source: HKEX, as of 30 Jun 2023

1. Summation of all numbers exceed 100% as an issuer may be listed under two chapters



Connecting Capital with Opportunities: Building a vibrant, diverse and international ecosystem



Proven Track Record of Delivery

Turnover, liquidity and Connect programmes have grown in recent years

New Economy Market



High ADT growth from New Chapter¹



65%

IPO funds raised from New Economy companies in 2022

1. From 30 Apr 2018 to 30 Dec 2022

Superconnector for China and the World



Strong and continuous growth in Connect programmes²



2. FY 2022

Significant Increase in Turnover



Growth in Hong Kong ADT²



2. FY 2022



HKEX is a Purpose-led Organisation

Sustainability: progressing our business and markets for the prosperity of all

Corporate

- Global advocacy
- Business-linked CSR
- Reporting excellence, sector memberships and rankings
- HKEX Foundation has raised HK\$404 million for community projects since launch in 2020
- Glasgow Financial Alliance for Net Zero (GFANZ)



Regulator

- Trusted market oversight
- ESG listing rules
- Market education & transparency: ESG Academy; Board Diversity repository
- Promotion of HK as competitive venue
- LME Passport & Sustainability Roadmap



Market

- Asian and GBA green finance leader
- Best-in-class data centre, leadership in energy and environmental design
- STAGE - displays over US\$50bn of green & ESG-related bonds
- Core Climate – new international voluntary carbon marketplace



Employer

- Diversity is a core value for HKEX
- HKEX Network
- Innovative employment schemes
- Employee wellness programmes
- Mental health advocacy
- Ranked as one of top 20 companies to work for in HK



HKEX Board of Directors

International and diverse governance and leadership



Laura M CHA

GBM, GBS, JP; Chairman of the Board

Mrs Cha is Chairman of Hong Kong Exchanges and Clearing Ltd and a member of the Financial Leaders Forum in Hong Kong.

Mrs Cha is also an Independent Non-Executive Director of Ant Group Co., Ltd., a Senior International Advisor of Foundation Assets Management Sweden AB and a member of Sotheby's International Advisory Board. In addition, she is also Vice Chairman of the International Advisory Council of the China Securities Regulatory Commission, and a Director of the World Federation of Exchanges.

Mrs Cha became the first, and to-date, only person outside Mainland China to join the Central Government of the People's Republic of China at the vice ministerial rank when she was appointed as Vice Chairman of the China Securities Regulatory Commission in January 2001. She served in that position until 2004. Mrs Cha worked for the Securities and Futures Commission in Hong Kong from 1991 to 2000, becoming its Deputy Chairman in 1998.

Mrs Cha was a member of Executive Council of the Government of Hong Kong from 2004 to 2022. She was also Chairman of The Financial Services Development Council of Hong Kong from January 2013 to July 2018, and Chairman of the University Grants Committee from 2007 to 2011.



Nicolas AGUZIN
Executive Director,
Chief Executive Officer



Nicholas Charles ALLEN
Independent Non-
executive Director



Apurv BAGRI
Independent Non-
executive Director



CHEAH Cheng Hye
Independent Non-
executive Director



**CHEUNG Ming Ming,
Anna**
Independent Non-
executive Director



**CHOW WOO Mo Fong,
Susan**
Independent Non-
executive Director



**HUNG Pi Cheng,
Benjamin**
Independent Non-
executive Director



**LEUNG Nisa
Bernice Wing-Yu**
Independent Non-
executive Director



**LEUNG Pak Hon,
Hugo**
Independent Non-
executive Director



Carlson TONG
Independent Non-
executive Director



**YAM Chi Kwong,
Joseph**
Independent Non-
executive Director



ZHANG Yichen
Independent Non-
executive Director



HKEX Executive Team

Experienced global team committed to delivery



Nicolas AGUZIN

Chief Executive Officer

Nicolas Aguzin joined HKEX as Chief Executive Officer on 24 May 2021 from J.P. Morgan, where he was most recently Chief Executive Officer of J.P. Morgan's International Private Bank. Mr Aguzin has been based in Hong Kong since 2012.

From 2013 to 2020, Mr Aguzin was CEO, J.P. Morgan, Asia Pacific where he was responsible for all the firm's business across 17 markets. Mr Aguzin presided over some of the firm's major expansion efforts during the period, including establishing itself in China as one of the few international financial institutions with a full range of services and capabilities; including a fully-owned locally incorporated commercial bank, a majority-owned securities company, an asset management company and a futures and options company. Concurrent with his Asia CEO role, Mr Aguzin also ran J.P. Morgan's Investment Banking division in Asia. During his tenure the bank rose to become one of the leading investment banks in the Asia Pacific region.

Mr Aguzin joined J.P. Morgan in 1990 in Buenos Aires as a financial analyst. Between 1990 and 2005, he held a variety of roles in New York and Buenos Aires, and in 2005 he was appointed as CEO, Latin America. In 2008 and 2009, in addition to his responsibilities as CEO, Latin America and Head of Latin America Investment Banking, he served as Senior Country Officer for Brazil.



Matt CHAMBERLAIN
Chief Executive, LME



Bonnie Y CHAN
Co-Chief Operating
Officer



Paul CHOW
Group General
Counsel



Tori COWLEY
Group Chief
Communications Officer



Vanessa LAU
Group Chief
Financial Officer



Richard LEUNG
Group Chief
Technology Officer



Katherine NG
Head of Listing



Kerry ROOKS
Group Chief People
Officer



Adam SINGER
Group Chief
Compliance Officer



Glenda SO
Group Head of
Emerging
Business & FIC



Richard WISE
Group Chief
Risk Officer



Wilfred YIU
Co-Chief Operating
Officer & Head of
Equities



ZHOU Jiannan
Head of Mainland
Development



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Hong Kong

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