

HKEX Investor Presentation

Investor Relations

May 2024

HKEX
香港交易所

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Where this document refers to the trading of securities through the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (together, the “Stock Connect” programs), the applicable SEHK rules and Hong Kong and Mainland China regulations shall apply. Currently, access to northbound trading is only available to intermediaries licensed or regulated in Hong Kong; southbound trading is only available to intermediaries licensed or regulated in Mainland China. Direct access to the Stock Connect is not available outside Hong Kong and Mainland China.

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		
	Q1 2023	Q1 2024
REVENUE:	HK\$5.6b	HK\$5.2b
EBITDA:	HK\$4.2b	HK\$3.7b
PAT:	HK\$3.4b	HK\$3.0b
EPS:	HK\$2.69	HK\$2.35

Build on our China strength

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

Enhance market vibrancy

– Create network effect

Strategic
focus

Build future-ready technology & operations

– Invest in and operate modernised technological systems

Explore new adjacent businesses

– Build new businesses



Q1 2024 key highlights

Resilient financial performance

Q1 2024: HK\$5.2b (-6% YoY, +7% QoQ)

Revenue and other income

Continuing strategic progress

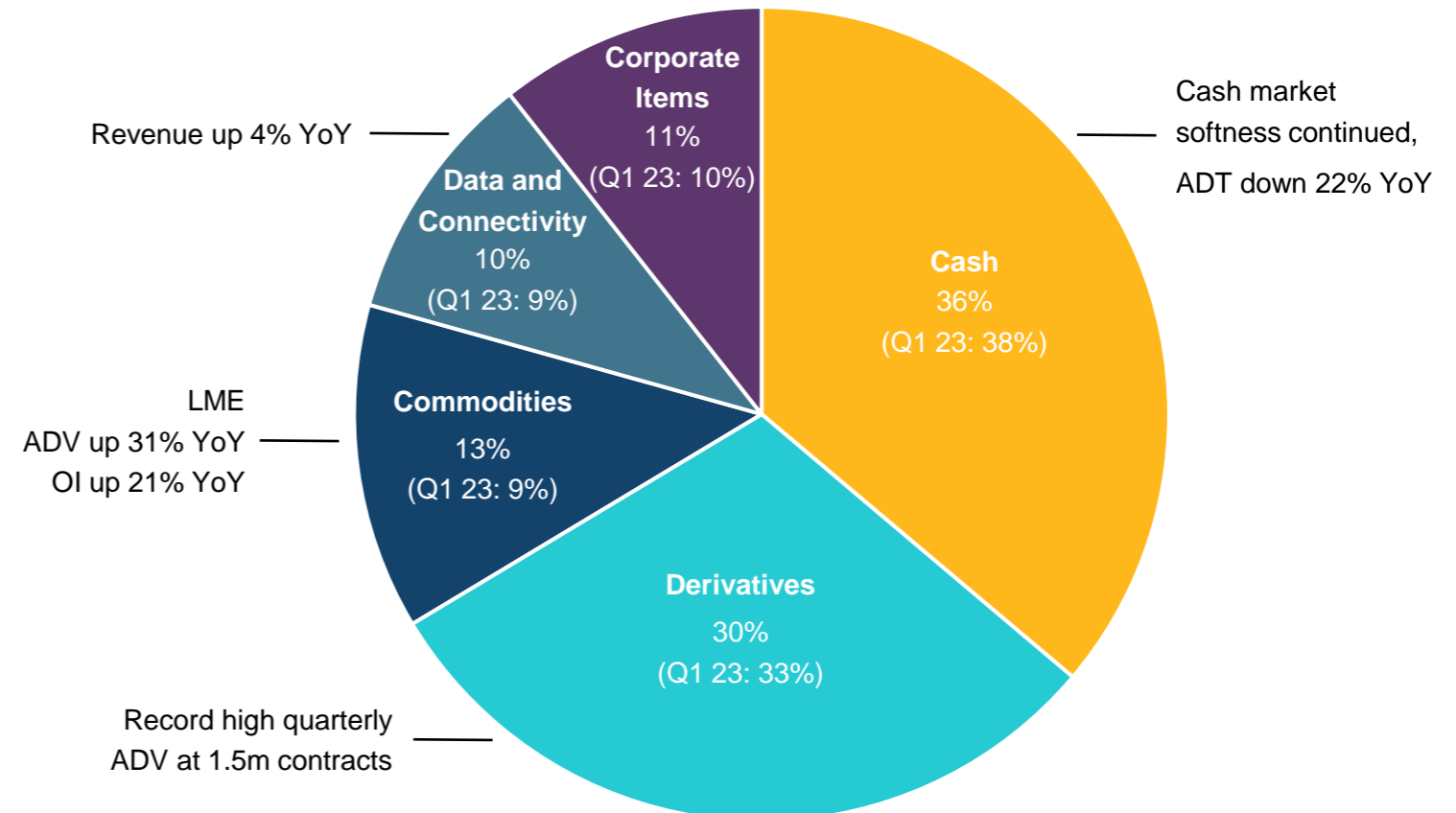
- Consultation on **Severe Weather Trading** ended (Jan 2024), conclusion aiming mid-2024
- **LME** implemented **trading and clearing fee increase** by **13%** on average (Jan 2024)
- LME implemented **new Closing Price methodology** for 5 major contracts, bringing greater determinism, transparency and standardisation to the Closing Price discovery process (Jan 2024)
- First batch of **Covered Call ETFs** launched (Feb 2024)
- Introduction of **Self-Match Prevention (SMP)** service in the Securities Market (Mar 2024)

Q1 2024: HK\$3.0b (-13% YoY, +14% QoQ)

Profit attributable to shareholders

Diversification delivering results

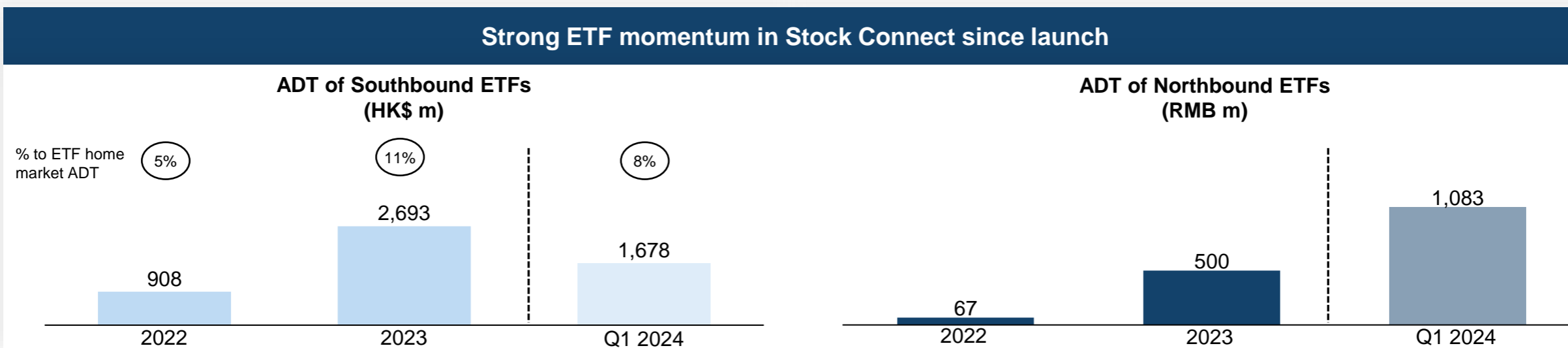
Q1 2024 Revenue breakdown



1. % may not add up due to rounding

Strong, resilient performance in Q1 2024

Strategic diversification helped mitigate lower cash market volumes		Connect programmes continue to perform well	
<p>★ Derivatives</p> <p>Record high ADV 1.5m Contracts (up 6% YoY)</p>	<p>FX</p> <p>USD/CNH Futures ADV 74,505 Contracts (>6 times vs Q1 2023)</p>	<p>Stock Connect</p> <p>Revenue HK\$585m (up 4% YoY), contributed 11% of Group total revenue</p>	<p>NB ADT RMB133.0b (Up 37% YoY)</p>
<p>★ OTC Clear</p> <p>Record high Clearing volume US\$196.2b (up 152% YoY)</p>	<p>Data and Connectivity</p> <p>Revenue HK\$523m (up 4% YoY)</p>	<p>★ ETF Connect</p> <p>SB ADT HK\$1.7b Record high NB ADT RMB1.1b</p>	<p>★ Bond Connect</p> <p>Record high NB ADT at RMB45.2b (up 22% YoY)</p>

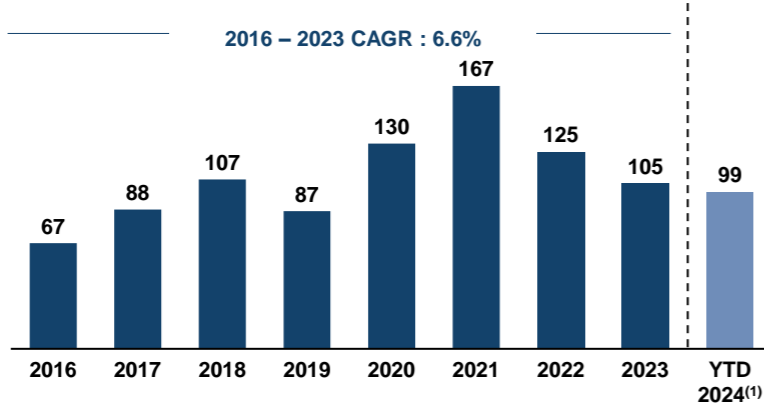


★ : quarterly record-high in Q1 2024

Core business well-positioned for organic and structural growth

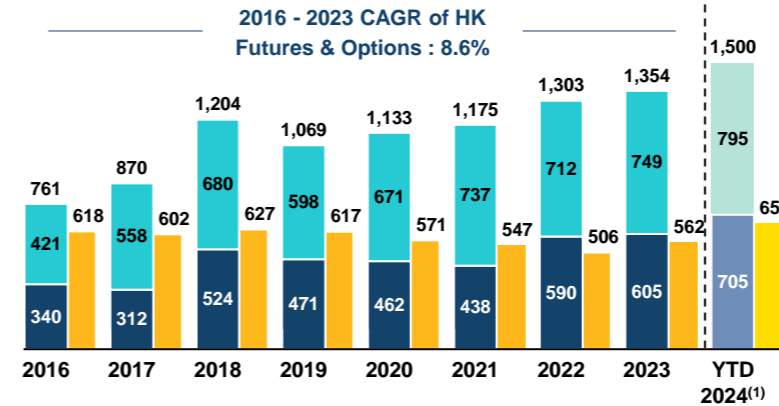
A | Broad Product Ecosystem Attracting Diverse Mainland and International Investor Base

Securities ADT (HK\$ b)



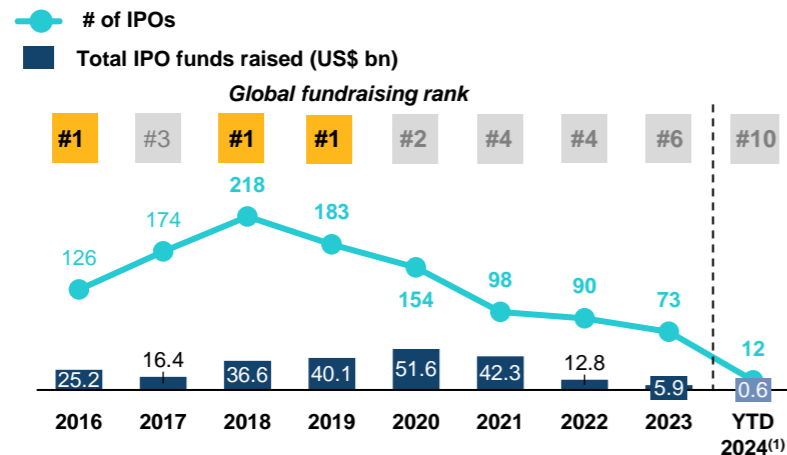
- Southbound Connect
- Jumbo IPOs
- Global Investors

Derivatives ADV ('000 contracts)



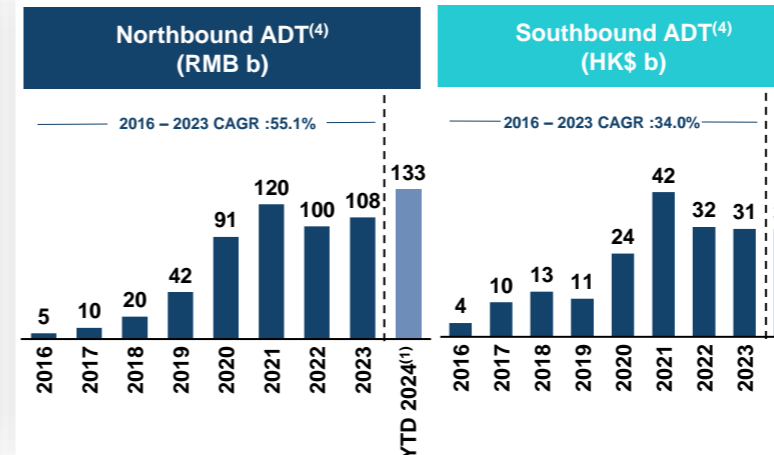
- Algo / Quant Investors
- New product launches
- After-hours trading
- Derivatives holiday trading (non-HKD products)

B | Continuous IPO Listing Regime enhancements



- New Economy Listing Reforms
 - Biotech
 - WVR
 - Secondary Listings
 - Specialist Tech
- Enhanced the listing regime for overseas issuers

C | Transformational Growth from China's Opening⁽³⁾



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

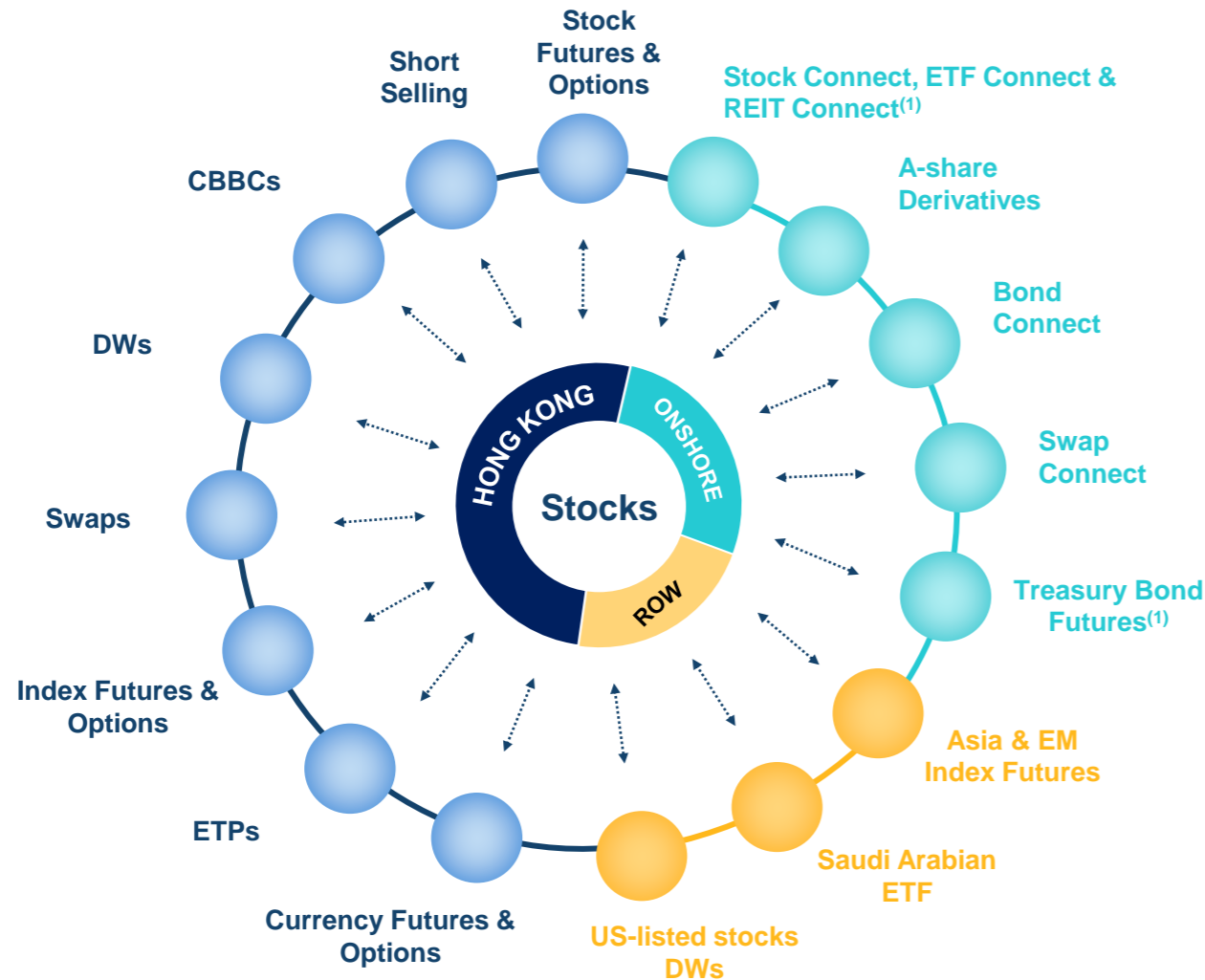
D | Focus on Revenue Growth and Cost Discipline

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

1. Data as at 31 Mar 2024
2. Chargeable ADV of metals contracts traded on the LME
3. Shanghai-HK and Shenzhen-HK Stock Connect was launched in Nov 2014 and Dec 2016 respectively
4. Buy + Sell ADT



A | Diverse international investor base attracted to broad product ecosystem



Algo / Quant Participation in Cash Market

Relatively low
(circa. 10-20% of ADT)

Due to...

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

Algo / Quant Participation in Derivatives Market

Relatively high
(circa. 40-60% of ADV)

Driven by...

- No stamp duty
- Market maker participation
- Capital efficiency

Enhance the depth, vibrancy and diversity of our markets while being a trusted global capital raising venue of choice

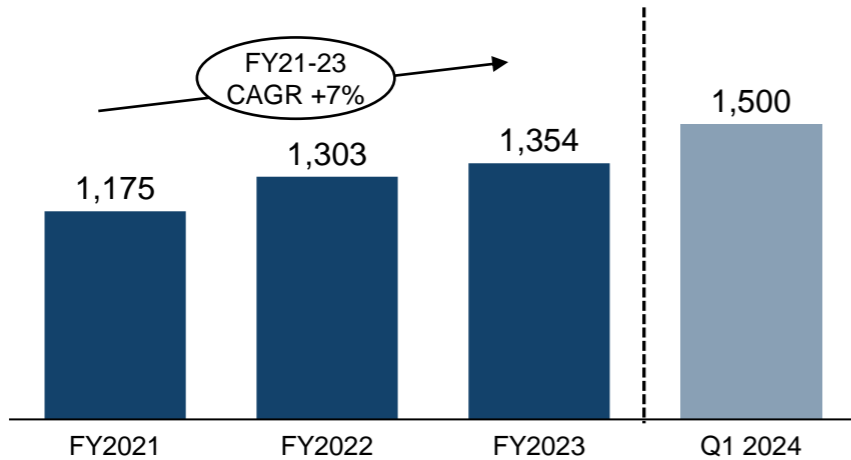
- **Improve our Primary Market's Attractiveness:** Competitiveness, market quality and regulatory efficiency
- **Enhance Market Structure:** Efficient trading, clearing and settlement, and risk management
- **Expand Product Ecosystem:** Across asset-classes and value-added services
- **Grow Client Ecosystem:** Issuers and investors from China and the World



A | Strong momentum in derivatives and LME ADV sustained in Q1 2024

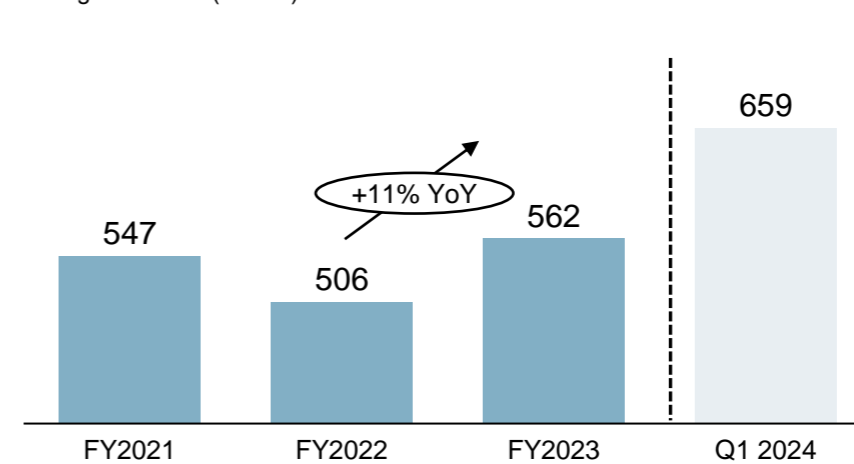
Record number of derivatives contracts traded

ADV (in '000)



Strong recovery in LME volumes

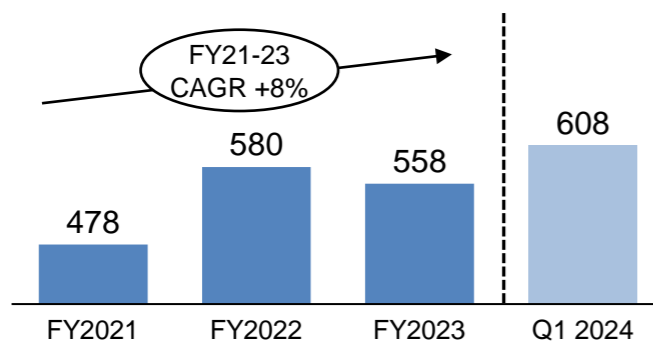
Chargeable ADV (in '000)



HSI and HSCEI products provide strong base, while growth mainly driven by HS TECH Index products and USD/CNH futures

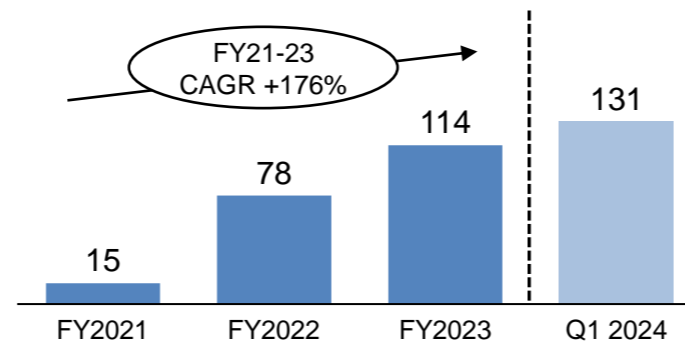
ADV (in '000)

HSI & HSCEI products⁽¹⁾



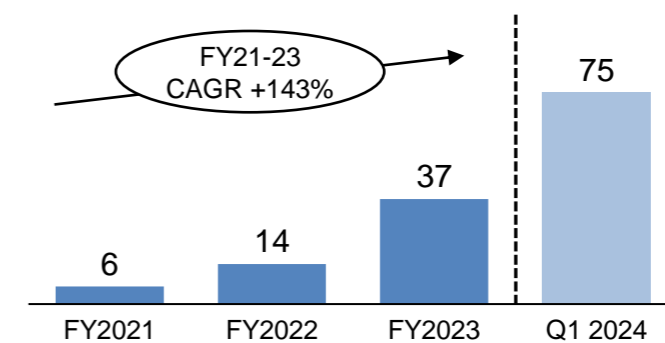
ADV (in '000)

HS TECH Index products⁽²⁾



ADV (in '000)

USD/CNH futures



Source: HKEX

1. Include mini- and weekly HSI Futures and HSCEI Futures, and Options on Futures
2. Include HS TECH Index Futures, Options, and Options on Futures



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

Equity market capitalization

Hong Kong

~US\$4tn



HKEX derivatives offerings

HSI and HSCEI product suite

Mainland China

~US\$11tn



MSCI China A 50 Connect Index Futures

Asia (ex. China)

~US\$18tn



MSCI Asia and Emerging Market product suite

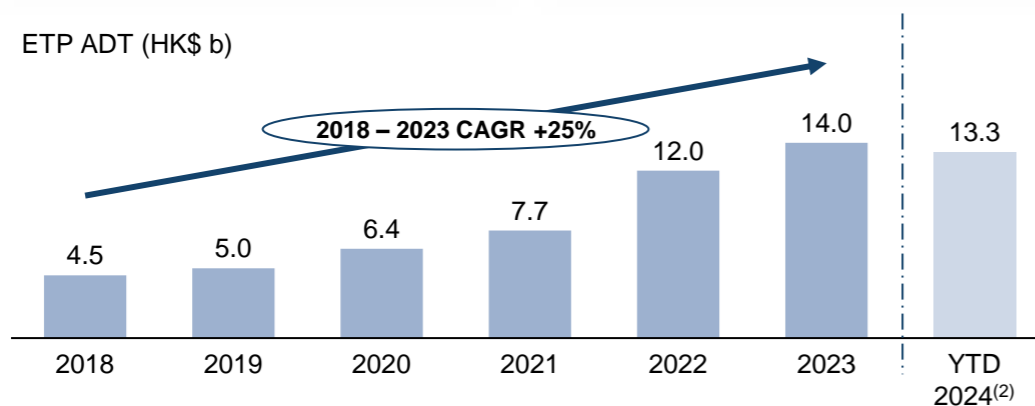
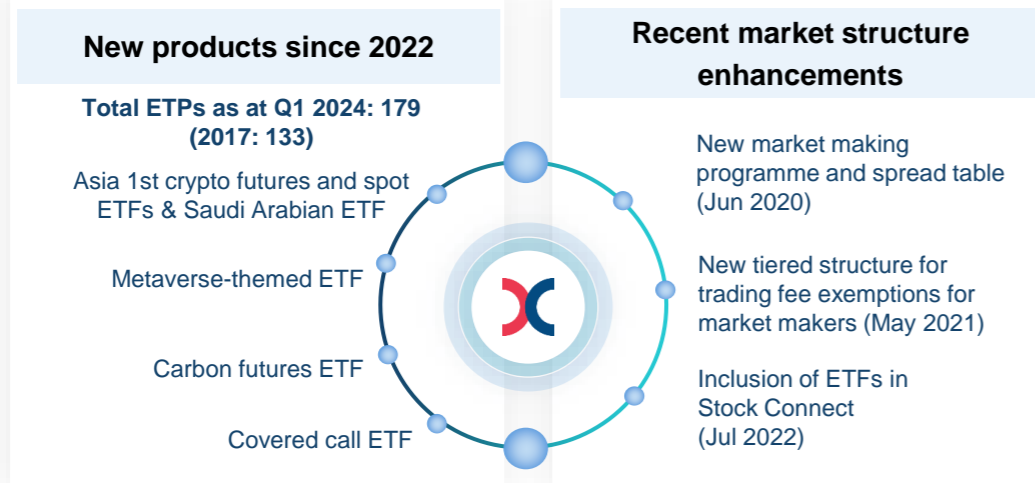
Most competitive offshore A-share equity derivatives futures

- 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 an one-stop-shop solution to trade and manage their China exposures
- **Catalyst for further index inclusion** weightings

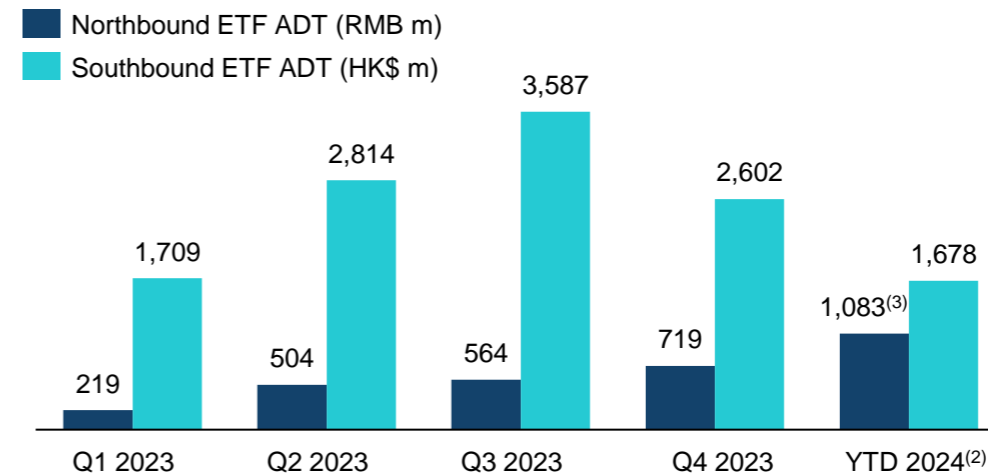


A | ETF inclusion in Stock Connect will further support growing investor demand in HK and Mainland

Increased product diversity and enhanced market structure has led to strong growth in HK ETP⁽¹⁾ market



Strong ETF momentum in Northbound ETF Connect



(See Note 4)

	Southbound	Northbound
No. of eligible ETF	10	141
Total no. of ETF in local market	161	941
Eligible ETF ADT as % of local market's ETF ADT	96%	34%

Expansion in eligible ETF will provide potential for growth in HK and Mainland's ETP markets

Source: HKEX, SSE, SZSE, ETFGI, Bloomberg

1. ETP includes ETF and leverage and inverse products
2. Data as at 31 Mar 2024
3. Quarterly record-high
4. Southbound data as at 6 May 2024; Northbound data as at 30 Apr 2024



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

Fundraising Summary (Q1 2024)

HK\$4.8b

IPO Funds Raised
(#10 globally)⁽³⁾

-28% YoY

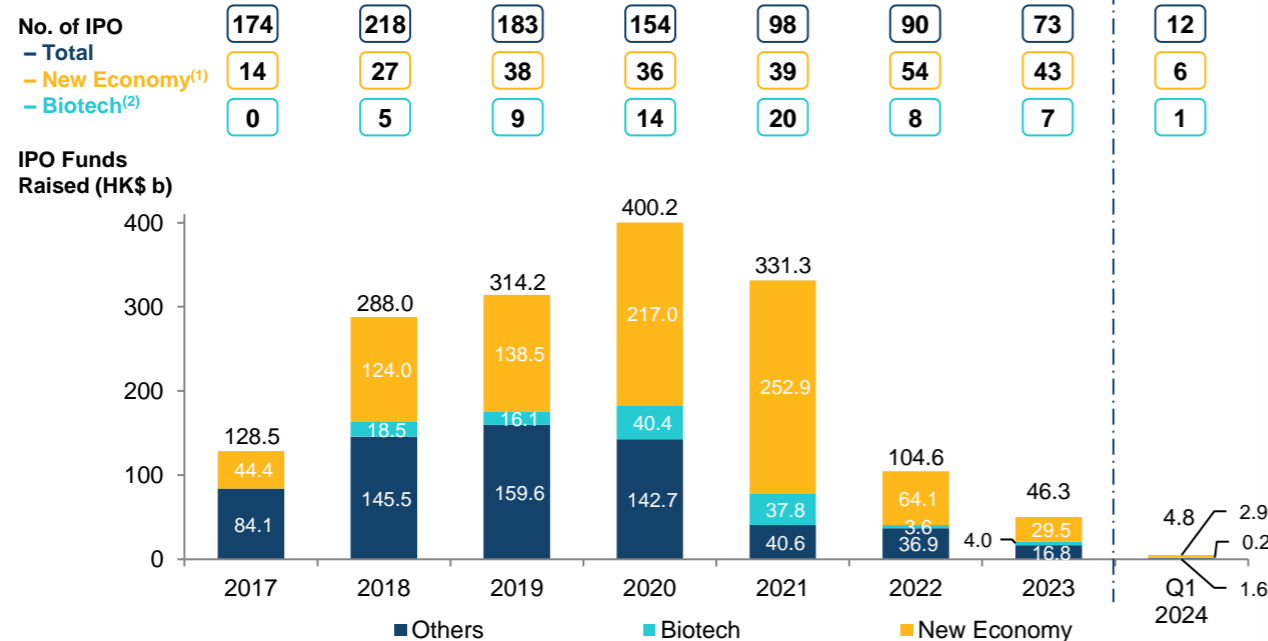
7

New Economy & Biotech
Companies Listed...

...raising
HK\$3.1b

-40% YoY

IPO Funds Raised by Segments



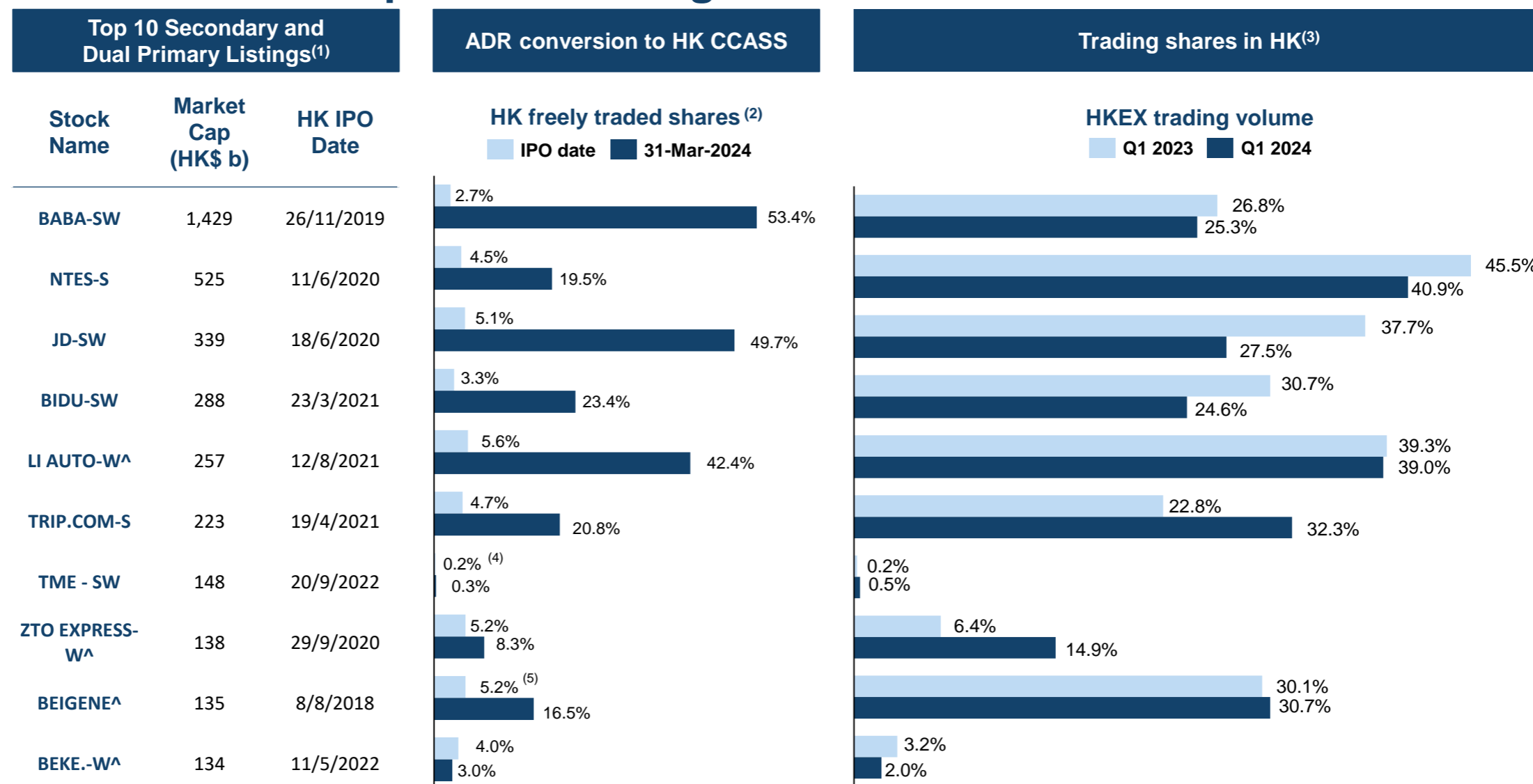
- **World's leading fund raising hub** for biotech companies
- **Completed listing reforms**
 - Enhanced listing regime for overseas issuers (Q2 2018), specialist tech companies (Mar 2023), introduction of listing regimes for SPACs (Jan 2022) and GEM Board reform (Jan 2024)
- **Ongoing enhancements**
 - Launch of FINI (Nov 2023), digitalised IPO settlement platform to shorten IPO settlement
 - Enhancing the book building and price discovery aspects of IPOs (cornerstone investors, pricing flexibility, claw back mechanism)



Source: HKEX as of Mar 2024. Figures may not add up due to rounding

1. Include Non-18A Biotech companies
2. Only include Chapter 18A Biotech companies
3. Ranking excludes SPAC listings

B | Continuous ADR conversion while trading migration moderated from China concept homecoming



Source: HKEX, FactSet, Bloomberg, as at 31 Mar 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 TME (1698.HK) on its IPO date is not available and the earliest data available is as at 9 Apr 2023
5. 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

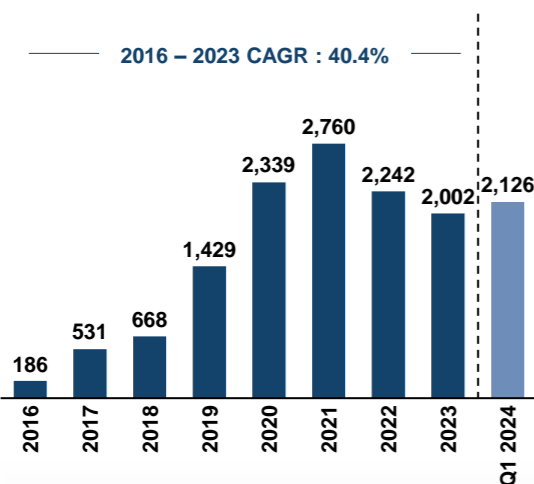


C | Transformational growth from China's opening

Stock Connect⁽¹⁾

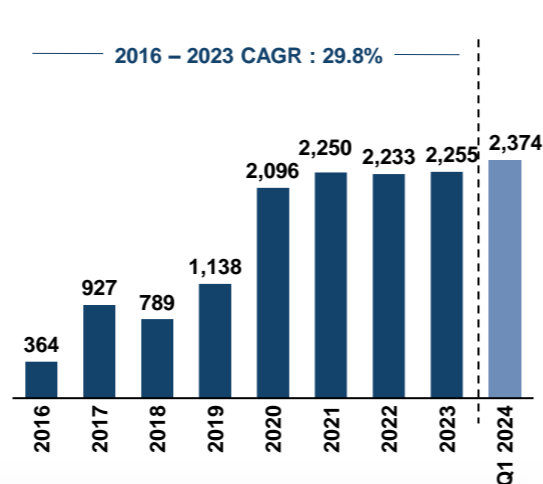
Northbound (RMB b)

Portfolio Value



Southbound (HK\$ b)

Portfolio Value

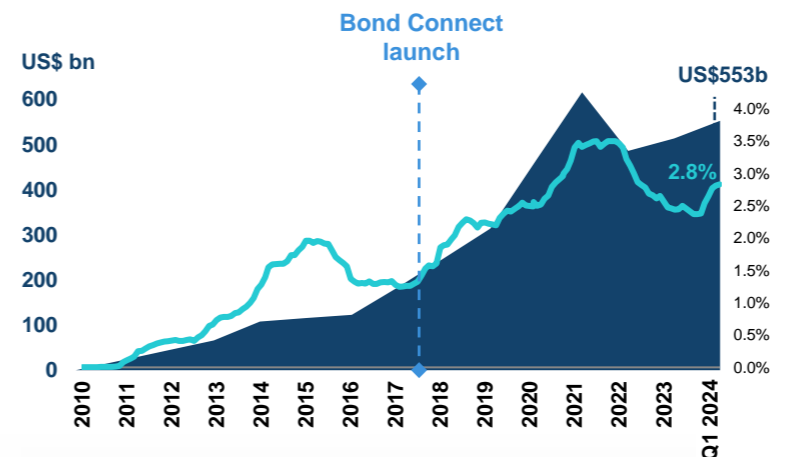


- Continuing portfolio diversification by Mainland and international investors
- Inclusion of A shares into major global benchmarks
- Inclusion of HK-listed foreign companies in Stock Connect
- Continuous expansion in eligible products and investors

Bond Connect

Total Foreign Participation in CIBM⁽²⁾

Foreign Holdings in Chinese Bonds (shaded area)



Investors Onboarded
823

Q1 2024 ADT
RMB45.2b

- 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

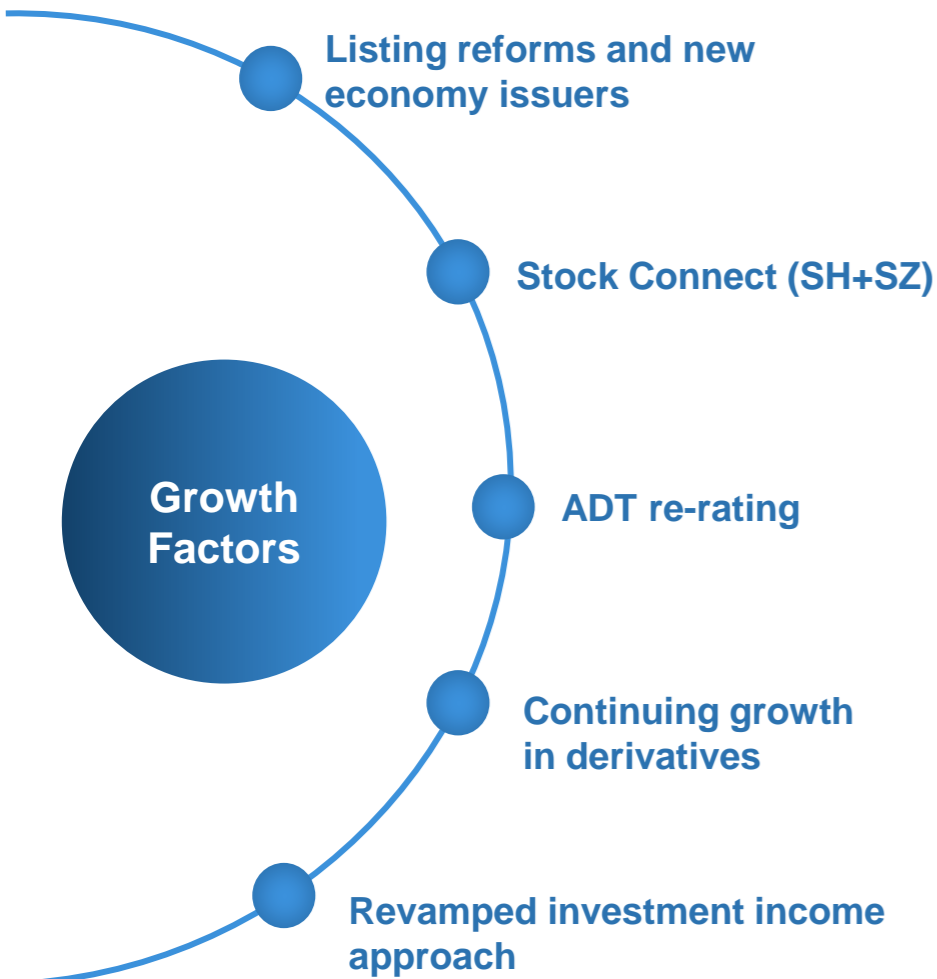
Benefiting from the increased capital flow into and out of Mainland China, in particular inbound flows driven by international index inclusions

Source: HKEX, Bond Connect, ChinaBond, SCH as at 31 Mar 2024

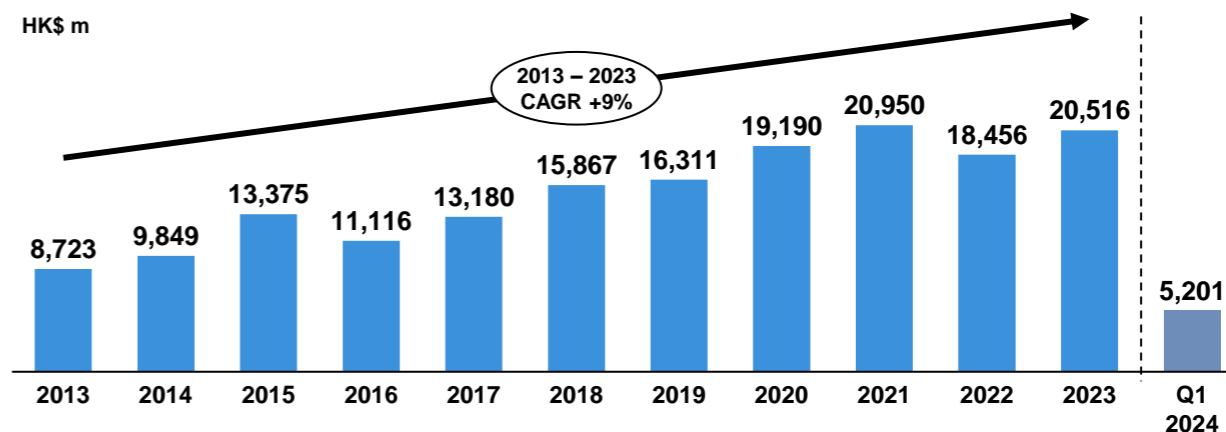
1. Shanghai-HK and Shenzhen-HK Stock Connect was launched in Nov 2014 and Dec 2016 respectively
2. Foreign participation in CIBM was first allowed in 2010 when the PBOC rolled out a Pilot Scheme to allow foreign financial institutions to invest in CIBM



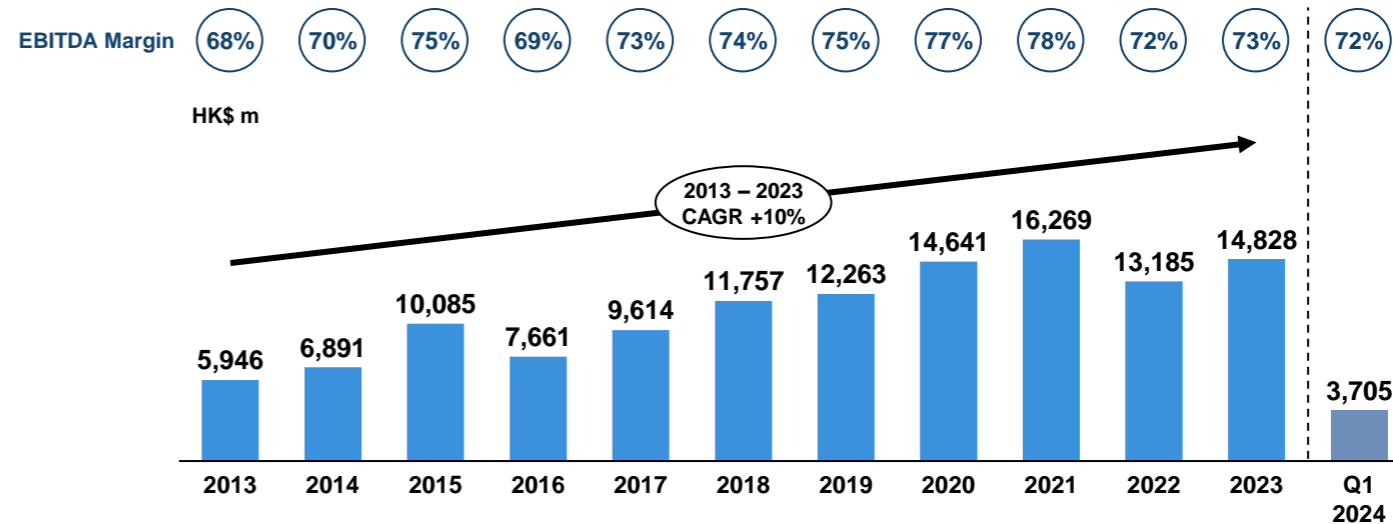
D | Focus on revenue growth and cost discipline (1/2)



Revenue growth supported by business initiatives

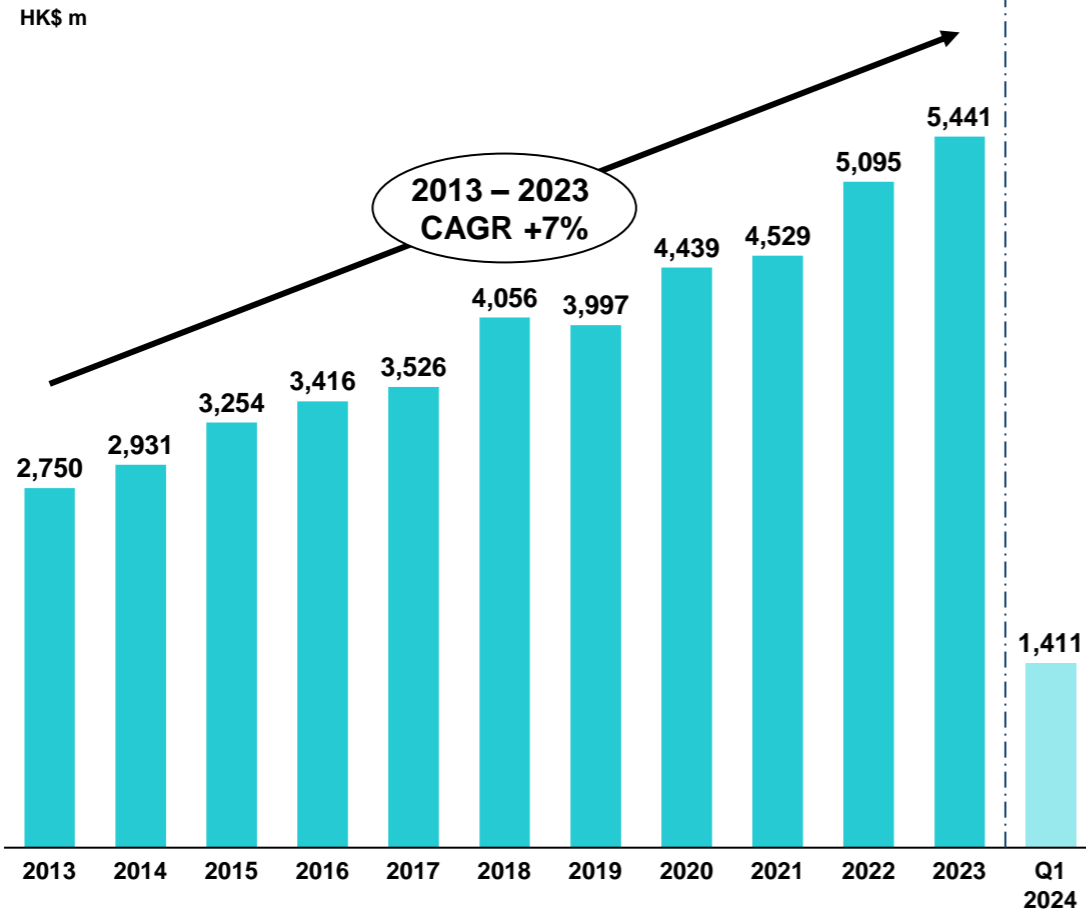


EBITDA grew at similar pace as a result

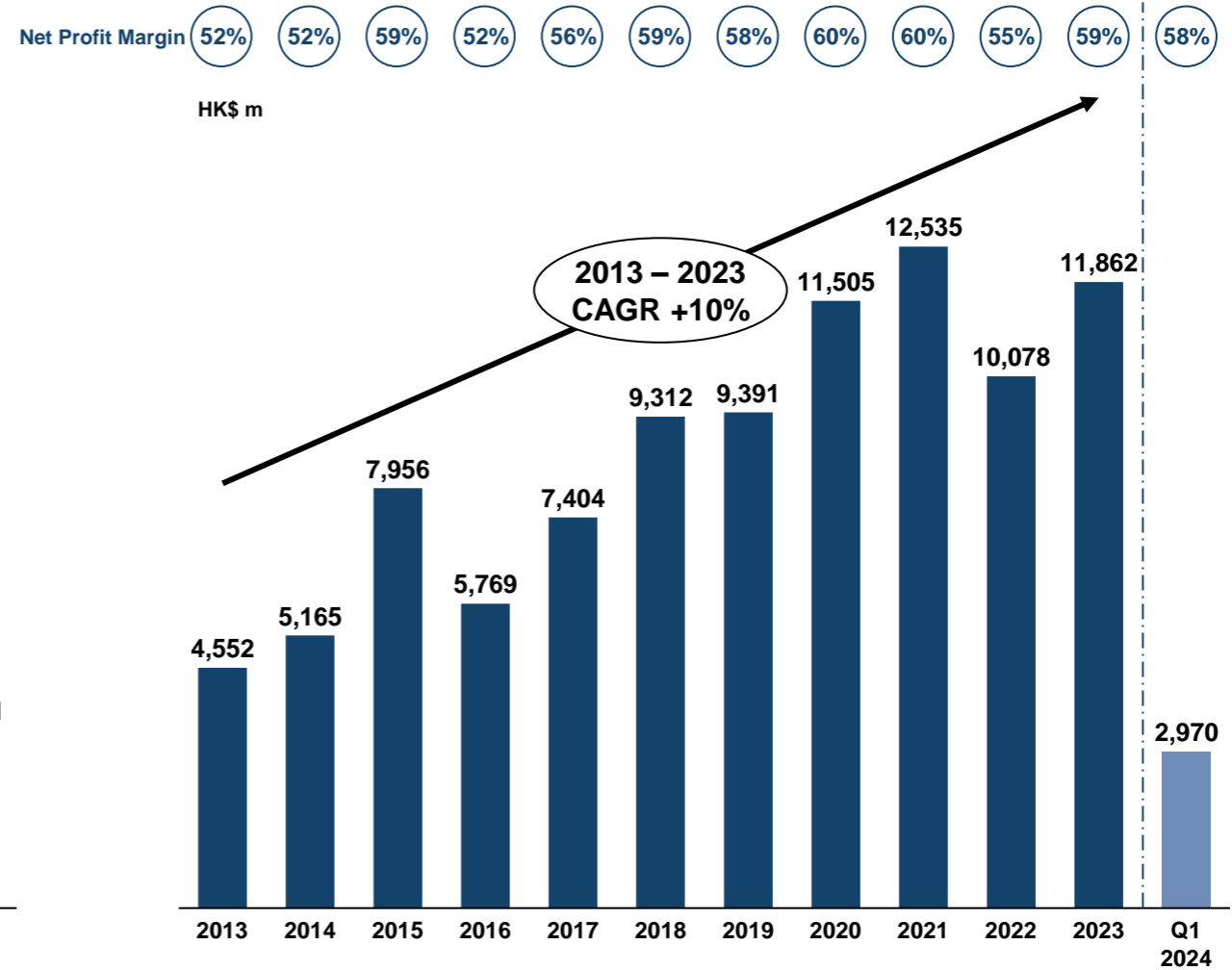


D | Focus on revenue growth and cost discipline (2/2)

Prudent growth of operating expenses...



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



Sustainability | HKEX sustainability – beyond box ticking

Corporate

- Global advocacy
- HKEX Foundation
- HKEX and LME's net-zero commitment by 2040
- Reporting excellence, sector memberships and rankings



Regulator

- Trusted market oversight
- Ongoing enhancement to ESG Guide and CG Code
- LME's responsible sourcing requirements
- Consultation conclusion on climate-related disclosures enhancement
- ESG Academy



Market

- Core Climate, an international carbon marketplace
- US\$70+ bn green, social and sustainability-related bonds on STAGE
- LMEpassport with 600+ sustainability disclosures



Employer

- HKEX's core Values
- Employee-led Diversity Networks
- Group Code of Conduct
- Global Wellness Challenge and Wellness Marketplace





02 | Group Financial Update

Q1 2024: resilient quarterly revenue and other income and profit

Core business revenue⁽²⁾ \$4.7b

↓7% vs Q1 2023

↑3% vs Q4 2023

Revenue and other income⁽³⁾ \$5.2b

↓6% vs Q1 2023

↑7% vs Q4 2023

EBITDA \$3.7b

↓12% vs Q1 2023

↑14% vs Q4 2023

PAT \$3.0b

↓13% vs Q1 2023

↑14% vs Q4 2023

EPS \$2.35

↓13% vs Q1 2023

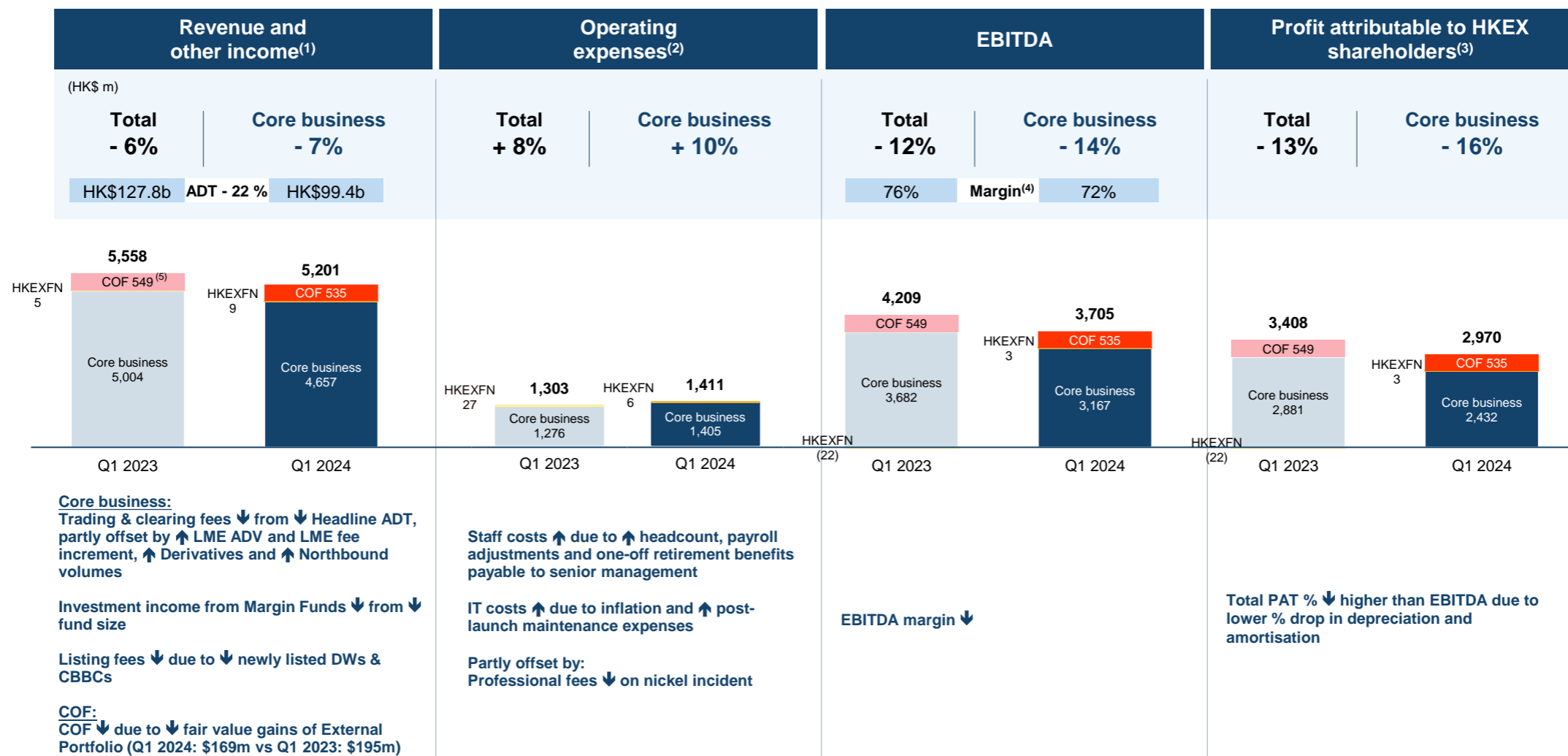
↑15% vs Q4 2023



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/(loss) of Corporate Funds and donation income of HKEX Foundation (HKEXFN)
3. Represents gross revenue and other income before deducting transaction-related expenses

Q1 2024 vs Q1 2023

Net profit down 13% mainly due to lower Headline ADT, partly offset by better performance at LME

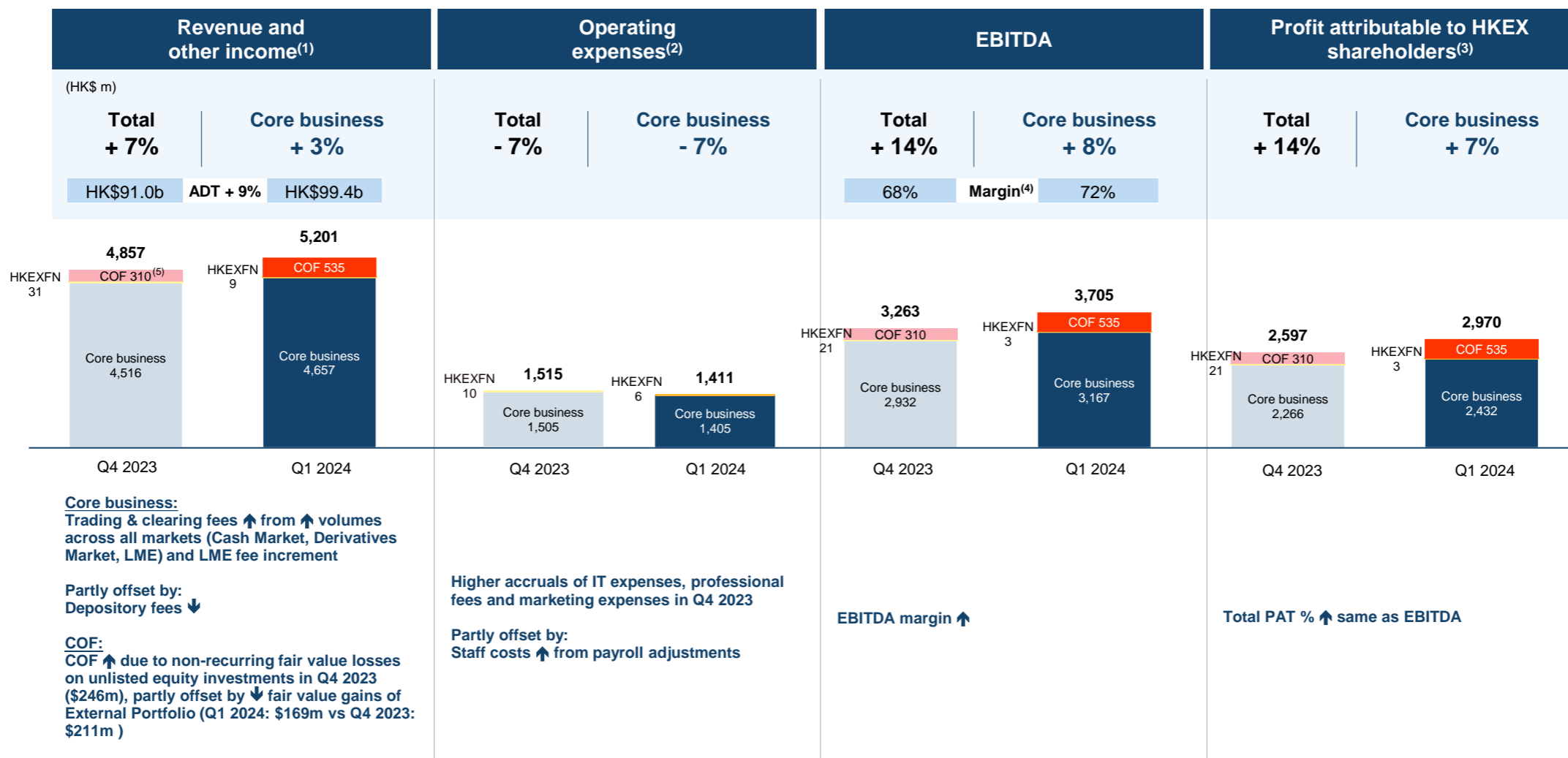


1. Represents gross revenue and other income before deducting transaction-related expenses (Q1 2023: \$46m; Q1 2024: \$85m)
2. Excludes transaction-related expenses, depreciation and amortisation, finance costs and share of results of joint ventures
3. For the purpose of this presentation, tax impact 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



Q1 2024 vs Q4 2023

Net profit up 14% mainly driven by higher Headline ADT and higher net investment income



1. Represents gross revenue and other income before deducting transaction-related expenses (Q4 2023: \$79m; Q1 2024: \$85m)
2. Excludes transaction-related expenses, depreciation and 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

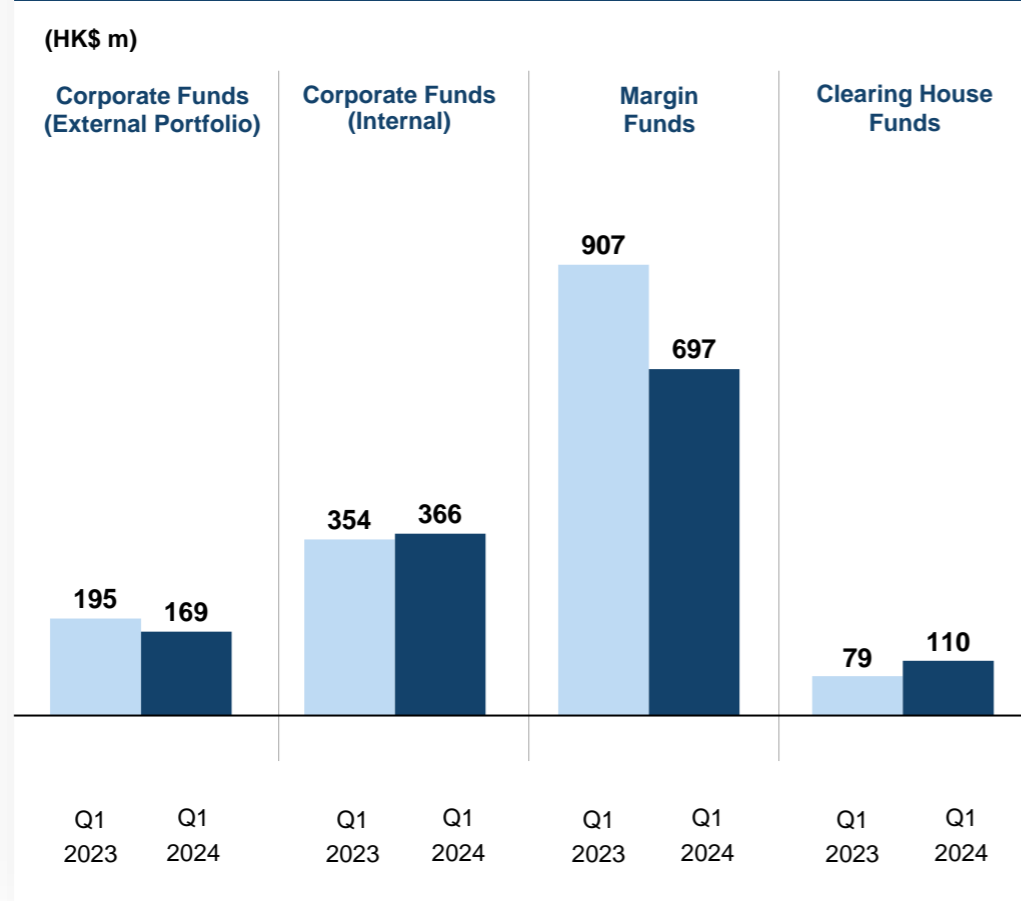


Net investment income (NII) – Q1 2024 vs Q1 2023

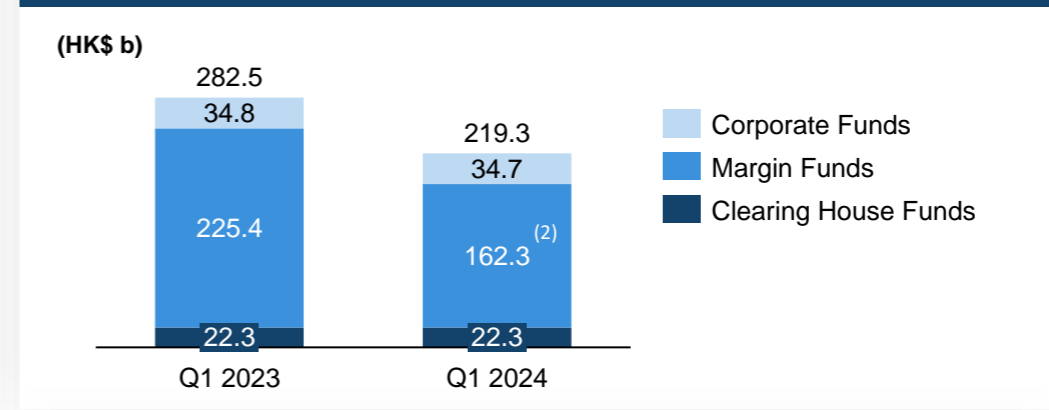
NII affected by lower Margin Fund size and External Portfolio gains

Q1 2024: HK\$1,342m (Q1 2023: HK\$1,535m)

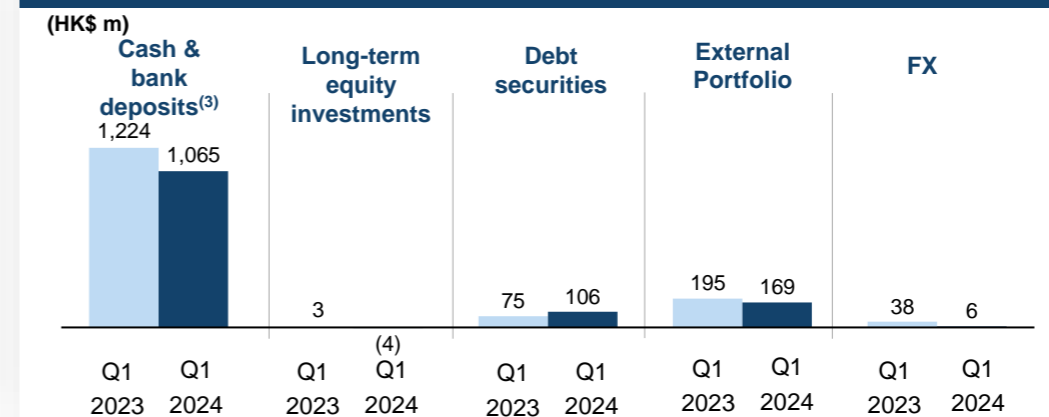
Net investment income by funds



Average fund size



Net investment income by category of investments



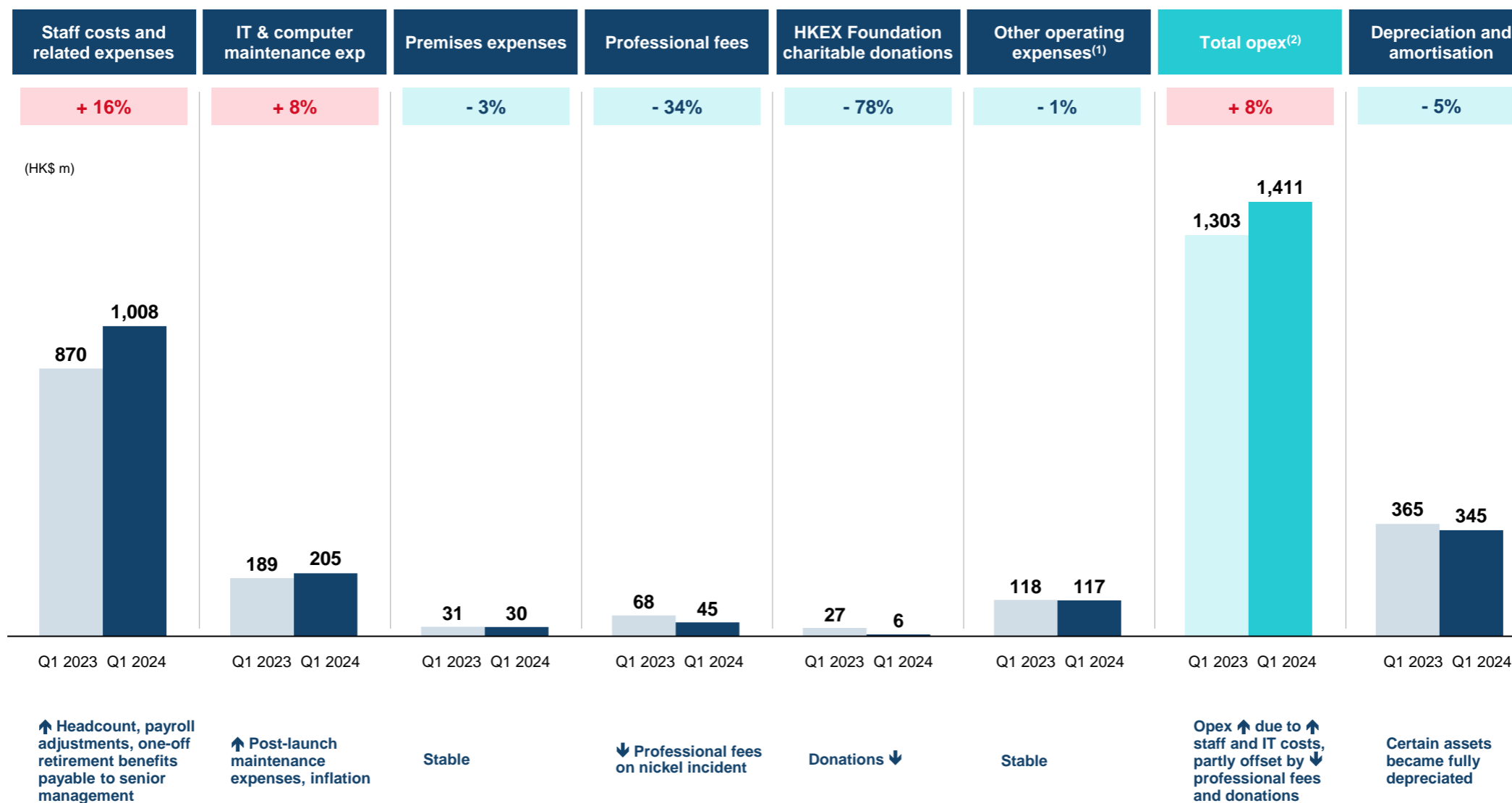
Q1 2024 External Portfolio gains fell 13% YoY
Margin Funds NII down 23% YoY in Q1 2024 mainly due to lower average Margin Fund size



1. 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 20% at 31 Dec 2023), a certain proportion is invested in long-term investment grade debt securities (approximately 8% at 31 Dec 2023) and the remaining funds are invested in time deposits with maturity of up to 12 months (weighted original maturity of 10 months as at 31 Dec 2023).
 2. Q1 2024 Margin Funds dropped due to the decrease in LME Clear (\$40.5b) and HKCC (Margin Funds under HK Clearing Houses: \$22.6b) Margin Funds, reflecting lower margin requirements from lower contract prices
 3. Includes foreign exchange swaps

Operating expenses and depreciation & amortisation – Q1 2024 vs Q1 2023

Prudent investment in talent, infrastructure and operational excellence



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



03 | Strategic Focus

Strategic focus

Build on our China strength

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

- Connect programmes enhancement and expansion
- Integrating China strategy across all divisions
- Connect China and rest of world

Enhance market vibrancy

– *Create network effect*

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

Build future-ready technology & operations

– *Invest in and operate modernised technological systems*

- Unlock operational efficiencies and new business opportunities
- Develop new Orion Derivatives Platform
- Address changing clients' expectations

Explore new adjacent businesses

– *Build new businesses*

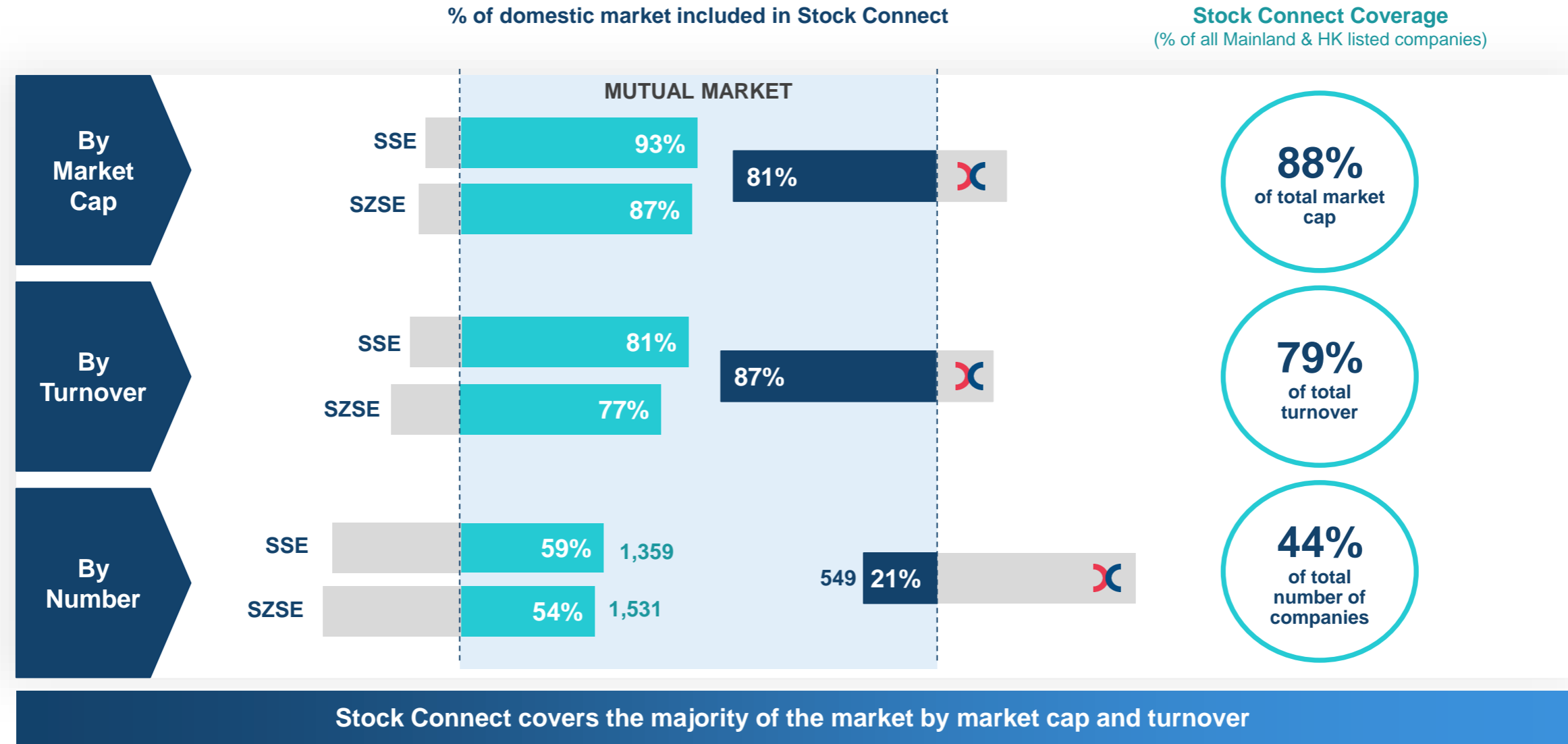
- Create adjacencies beyond the core
- Taking measured risks to build new businesses
- Leverage on data





**04 | China
Connectivity**

The penetration level of equity market through Stock Connect



Source: Wind, HKEX

1. Data as at 31 Mar 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 ("HSMI") and Hang Seng Composite SmallCap Index ("HSSI") which with a market capitalization of at least HK\$5b



Index futures on China underlying

ADV ('000 contracts)

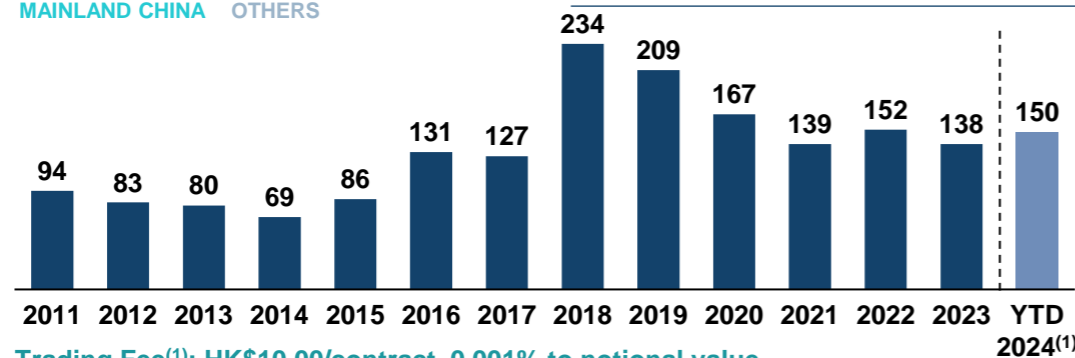
Hang Seng Index Futures (82)⁽⁴⁾

WEIGHTING COMPOSITION



MAINLAND CHINA OTHERS

Notional Value ⁽¹⁾ (US\$ k)	104
Notional Trading Value ⁽¹⁾ (US\$ b)	16.0

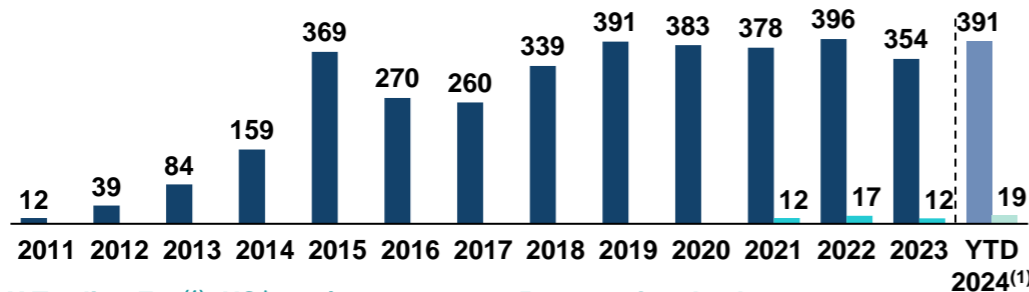


Trading Fee⁽¹⁾: HK\$10.00/contract, 0.001% to notional value

MSCI China A50 Index Futures vs FTSE (SGX)⁽²⁾ (50)⁽⁴⁾

HKEX
SGX

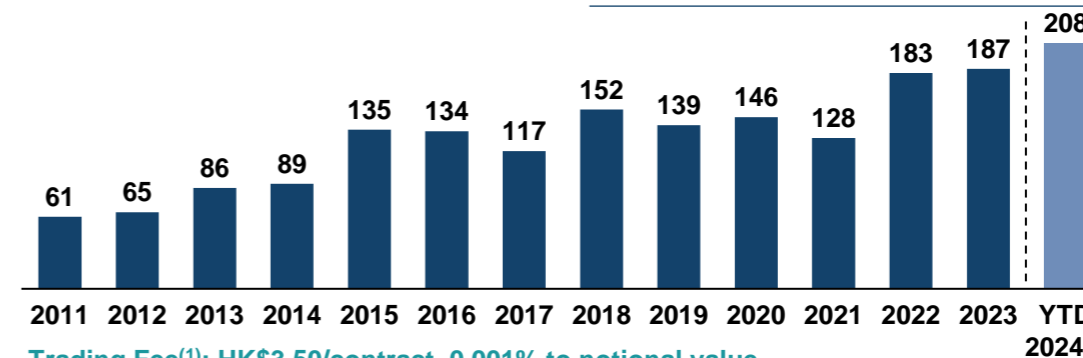
	HKEX	SGX
Notional Value ⁽¹⁾ (US\$ k)	45	12
Notional Trading Value ⁽¹⁾ (US\$ b)	0.9	4.8



SGX Trading Fee⁽¹⁾: US\$1.10/contract, 0.0095% to notional value
 HKEX Trading Fee⁽¹⁾: US\$1.00/contract, 0.0022% to notional value

HSCEI Futures (50)⁽⁴⁾

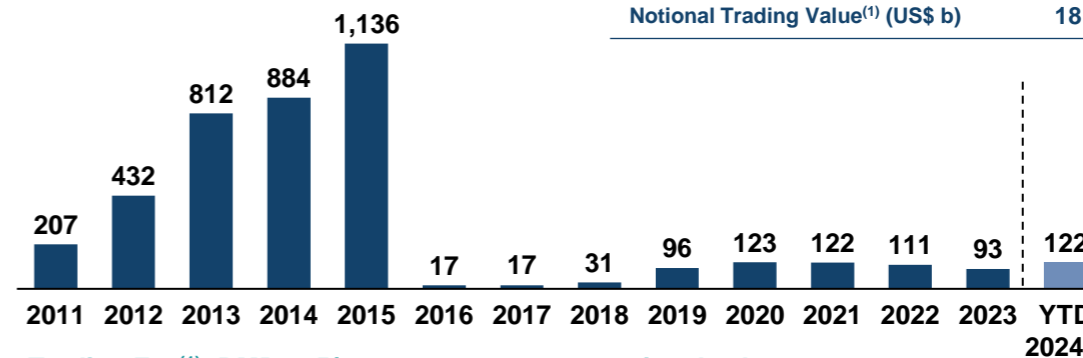
Notional Value ⁽¹⁾ (US\$ k)	36
Notional Trading Value ⁽¹⁾ (US\$ b)	7.4



Trading Fee⁽¹⁾: HK\$3.50/contract, 0.001% to notional value

CSI 300 Index Futures (CFFEX)⁽³⁾ (300)⁽⁴⁾

Notional Value ⁽¹⁾ (US\$ k)	142
Notional Trading Value ⁽¹⁾ (US\$ b)	18



Trading Fee⁽¹⁾: RMB23.5/contract, 0.0023% to notional value

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

1. YTD data as at 31 Mar 2024
2. Considering the differences in contract size, MSCI China A50 Index Futures achieved c. 16% market share in notional trading value as at Mar 2024. 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

RMB133b

Northbound ADT⁽¹⁾

HK\$31b

Southbound ADT⁽¹⁾

RMB2.1t

Northbound CCASS holdings

HK\$2.4t

Southbound holdings

72% Northbound holdings as % of total foreign ownership⁽³⁾

Bond Connect

RMB45b

Northbound ADT

823

Registered investors

RMB4.0t

Northbound holdings⁽²⁾

55% Turnover as % of total foreign turnover in cash bond⁽⁴⁾

Chinese Partners

Partners



Joint Venture



Source: HKEX; 31 Mar 2024 data 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, 31 Dec 2023
4. Source: CCDC



05 | Appendix



Financial highlights – Income Statement

(HK\$ m, unless stated otherwise)	Q1 2024	% of Revenue & Other Income	Q1 2023	% of Revenue & Other Income	YoY Change
Results					
Revenue and other income	5,201	100%	5,558	100%	(6%)
Less: Transaction-related expenses	(85)	(2%)	(46)	(1%)	85%
Revenue and other income less transaction-related expenses	5,116	98%	5,512	99%	(7%)
Operating expenses	(1,411)	(27%)	(1,303)	(23%)	8%
EBITDA	3,705	71%	4,209	76%	(12%)
Depreciation and amortisation	(345)	(7%)	(365)	(7%)	(5%)
Operating profit	3,360	65%	3,844	69%	(13%)
Finance costs and share of results of joint ventures	(4)	(0%)	(15)	(0%)	(73%)
Profit before taxation	3,356	65%	3,829	69%	(12%)
Taxation	(355)	(7%)	(393)	(7%)	(10%)
Profit attributable to non-controlling interests	(31)	(1%)	(28)	(1%)	11%
Profit attributable to HKEX shareholders	2,970	57%	3,408	61%	(13%)
Capex	278		240		16%
Basic earnings per share (HK\$)	2.35		2.69		(13%)
Headline ADT on the Stock Exchange (HK\$ b)	99.4		127.8		(22%)



1. % may not add up due to rounding

Performance by operating segment

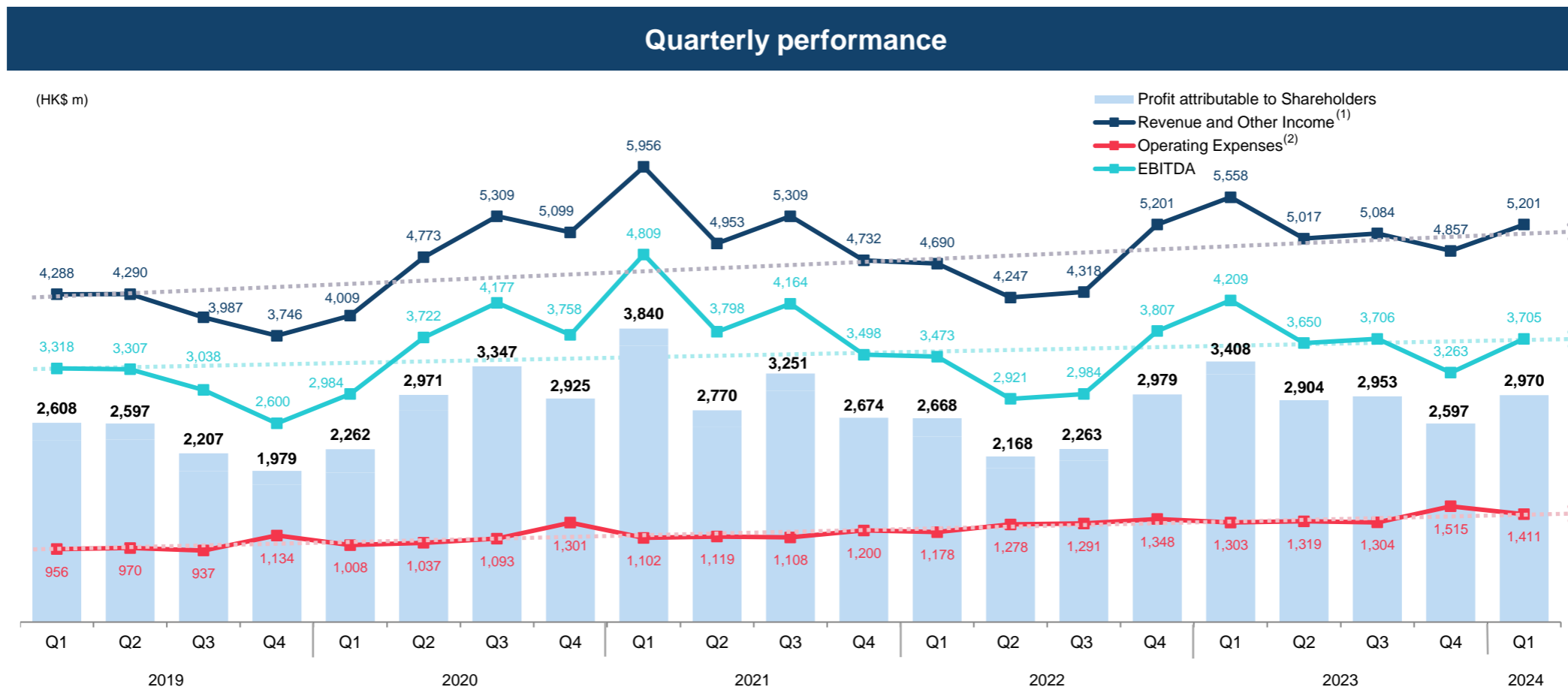
HK\$ m	Cash	Derivatives	Commodities	Data and Connectivity	Corporate Items	Group Q1 2024	Group Q1 2023
Revenue and other income	1,881	1,572	673	523	552	5,201	5,558
<i>% of Group Total</i>	<i>36%</i>	<i>30%</i>	<i>13%</i>	<i>10%</i>	<i>11%</i>	<i>100%</i>	<i>100%</i>
Less: Transaction-related expenses	(2)	(83)	-	-	-	(85)	(46)
Revenue and other income less transaction-related expenses	1,879	1,489	673	523	552	5,116	5,512
Operating expenses	(297)	(213)	(310)	(103)	(488)	(1,411)	(1,303)
EBITDA	1,582	1,276	363	420	64	3,705	4,209
<i>% of Group Total</i>	<i>43%</i>	<i>34%</i>	<i>10%</i>	<i>11%</i>	<i>2%</i>	<i>100%</i>	<i>100%</i>
<i>EBITDA margin⁽¹⁾</i>	<i>84%</i>	<i>86%</i>	<i>54%</i>	<i>80%</i>	<i>N/A</i>	<i>72%</i>	<i>76%</i>
Depreciation and amortisation						(345)	(365)
Finance costs						(30)	(35)
Share of results of joint ventures						26	20
Profit before taxation						3,356	3,829



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

Q1 2024 results in line with long-term historical upward trendline



1. Represents gross revenue and other income before deducting transaction-related expenses
2. Exclude transaction-related expenses, depreciation and 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)

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)
- Launch of FINI to shorten time between pricing of IPO and trading of shares (2023)
- Consultation on Severe Weather Trading aiming to conclude (mid-2024)

Improve
Capital Efficiency

- Launched Value-at-Risk Platform in cash market (2022)
- Increased 5-tier position limit regime for single stock options & futures to increase flexibility (2023)
- Flexibility in Clearing Participants (CP) setup in HK and Stock Connect markets (2023)
- Listing rule amendments to permit treasury shares for greater flexibility in share buy-backs (mid-2024)

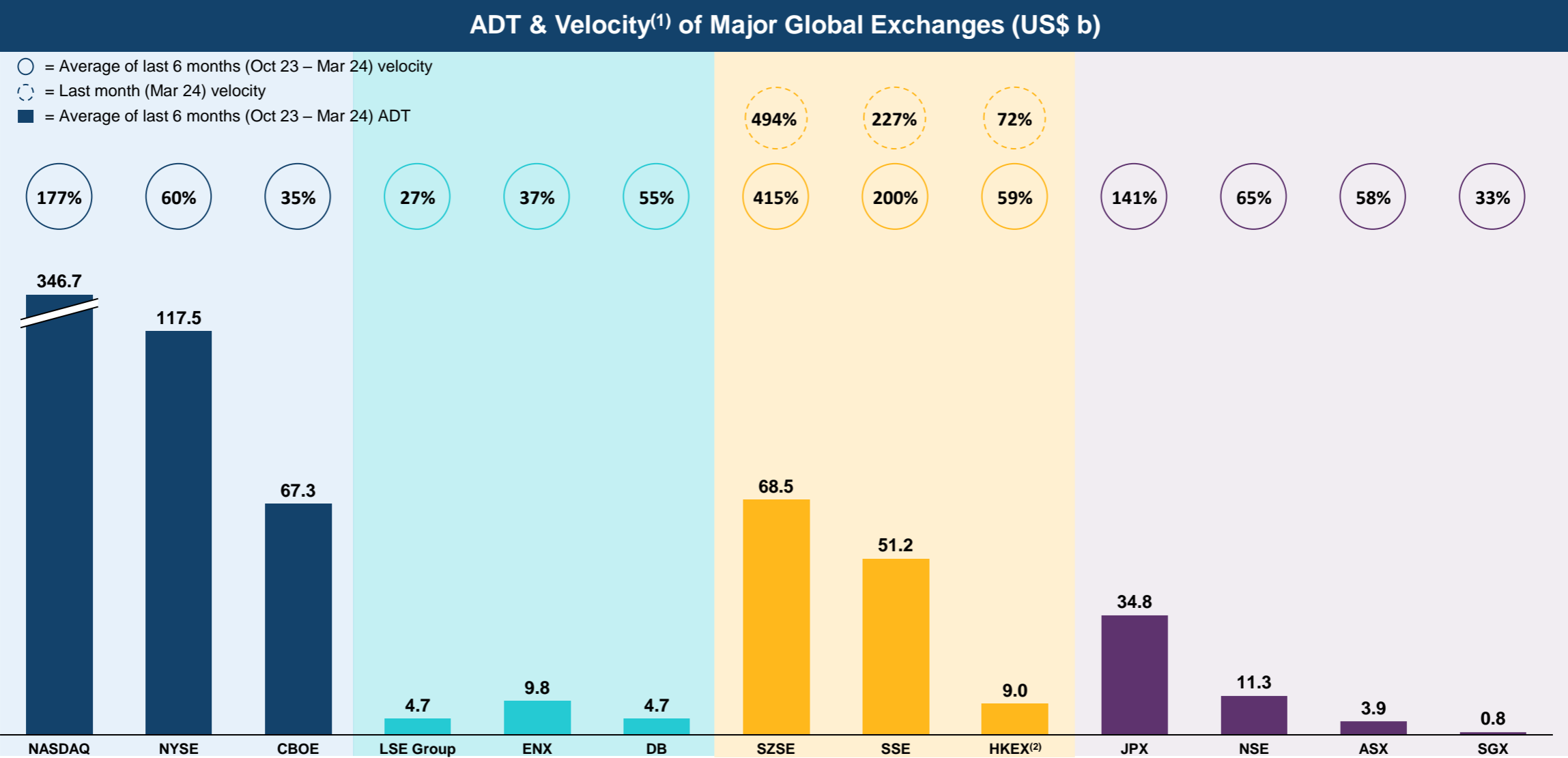
Enhance Risk
Management & Market Integrity

- Revamp Pre-Opening Session and Volatility Control Mechanism (Cash & Derivatives) (1st phase 2020)
- 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

We continuously introduce enhancements to ensure competitiveness and efficiency of our markets



Comparison of trading activity across global exchanges



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

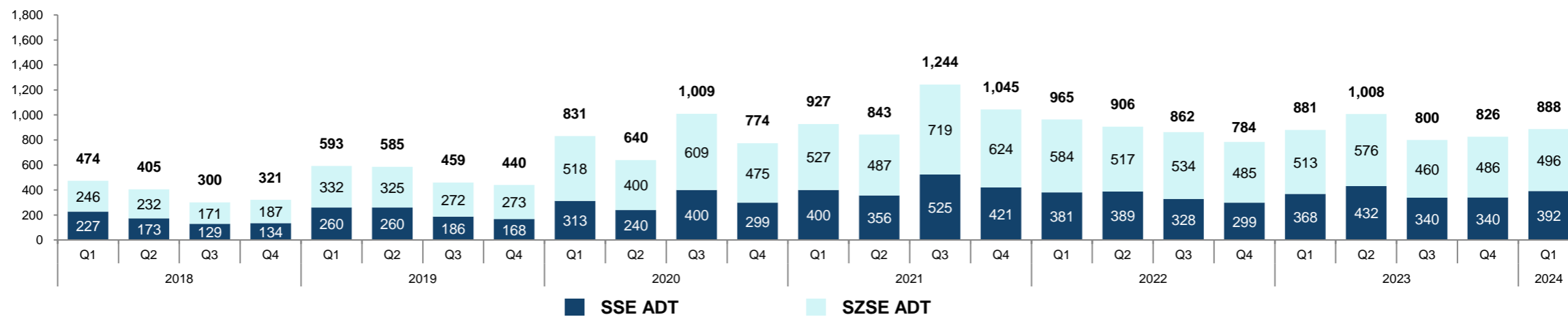
- ADT and turnover velocity takes into account both on-exchange and block trading. For Nasdaq, NYSE and CBOE, trades executed on their trading platforms include those listed on other US exchanges, hence their turnover velocity covers the whole US market
- HKEX ADT includes equities only, excluding ETPs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



Market activities in Mainland and Hong Kong markets

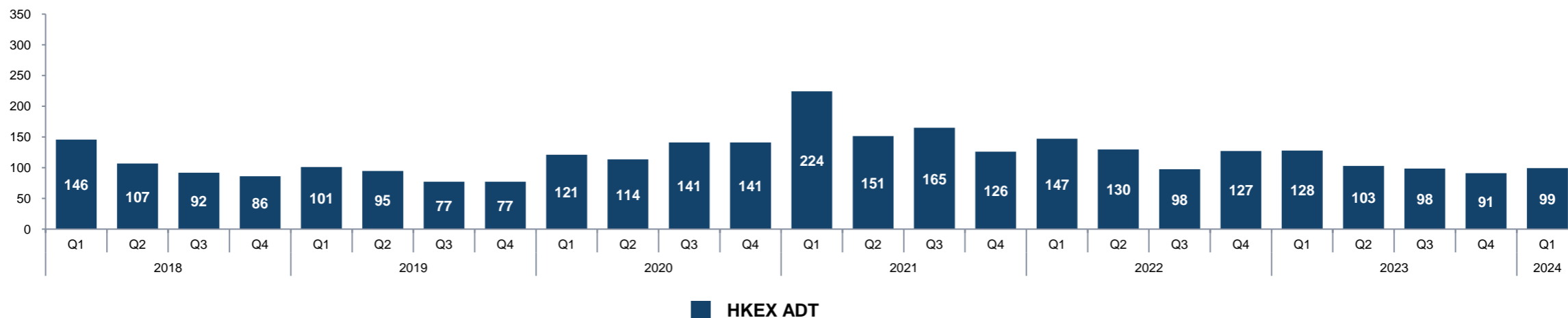
Average Daily Turnover in Value – Mainland Market (RMB b)

ADT RMB bn



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

ADT HKD bn

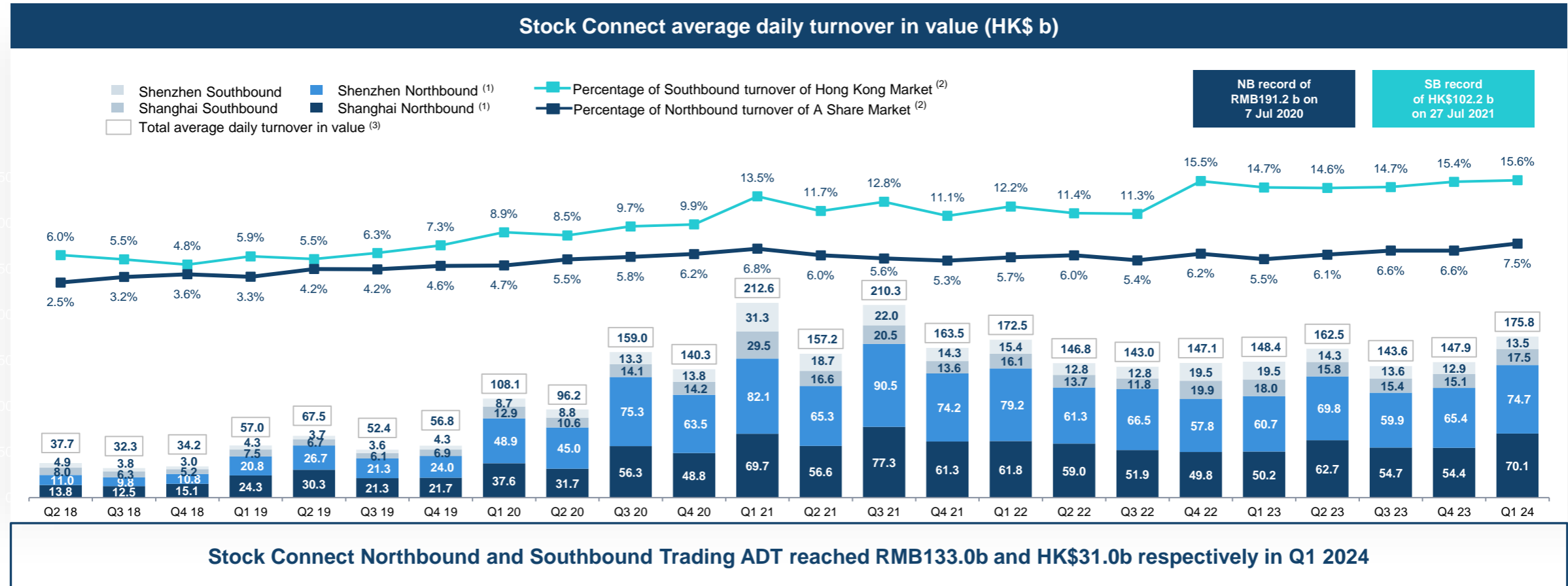


Source: HKEX, SSE, SZSE

1. May not add up due to rounding

Stock Connect – trading trends

Stock Connect generated revenue of HK\$585m in Q1 2024 (up 4% YoY)



Stock Connect revenue contributed 11% of the Group's total revenue and other income in Q1 2024 (Q1 2023: 10%)

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. % may not add up due to rounding
3. Includes buy and sell trades

