

# HKEX Investor Presentation

**Investor Relations**

August 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		
	1H 2023	1H 2024
REVENUE:	HK\$10.6b	HK\$10.6b
EBITDA:	HK\$7.9b	HK\$7.7b
PAT:	HK\$6.3b	HK\$6.1b
EPS:	HK\$4.99	HK\$4.84

## Strategic Focus

### Build on our China strength

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

### Explore new adjacent businesses

– Build new businesses



### Enhance market vibrancy

– Create network effect

### Build future-ready technology & operations

– Invest in and operate modernised technological systems



# 1H 2024 Key Highlights

## Resilient financial performance

Revenue and other income

**Q2 2024: HK\$5.4b (+8% YoY, +4% QoQ)**

1H 2024: HK\$10.6b comparable to 1H 2023

## Continuing strategic progress

### Build on our China strength

- Introduced new product features and services to **Swap Connect** (May 2024)
- Relaxation of **ETF eligibility criteria under Stock Connect** took effect (Jul 2024)

### Enhance market vibrancy

- Introduced **Self-Match Prevention** service in Cash Market (Mar 2024)
- Revised **Listing Rules relating to Treasury Shares** took effect (Jun 2024)
- Published consultation on **Reduction of Minimum Spreads** in HK securities market (Jun 2024)
- Published conclusion on **Severe Weather Trading** consultation (Jun 2024), implementation in Sep 2024

### Build future-ready technology & operations

- Announced in-house development of **Orion Derivatives Platform** (Apr 2024)

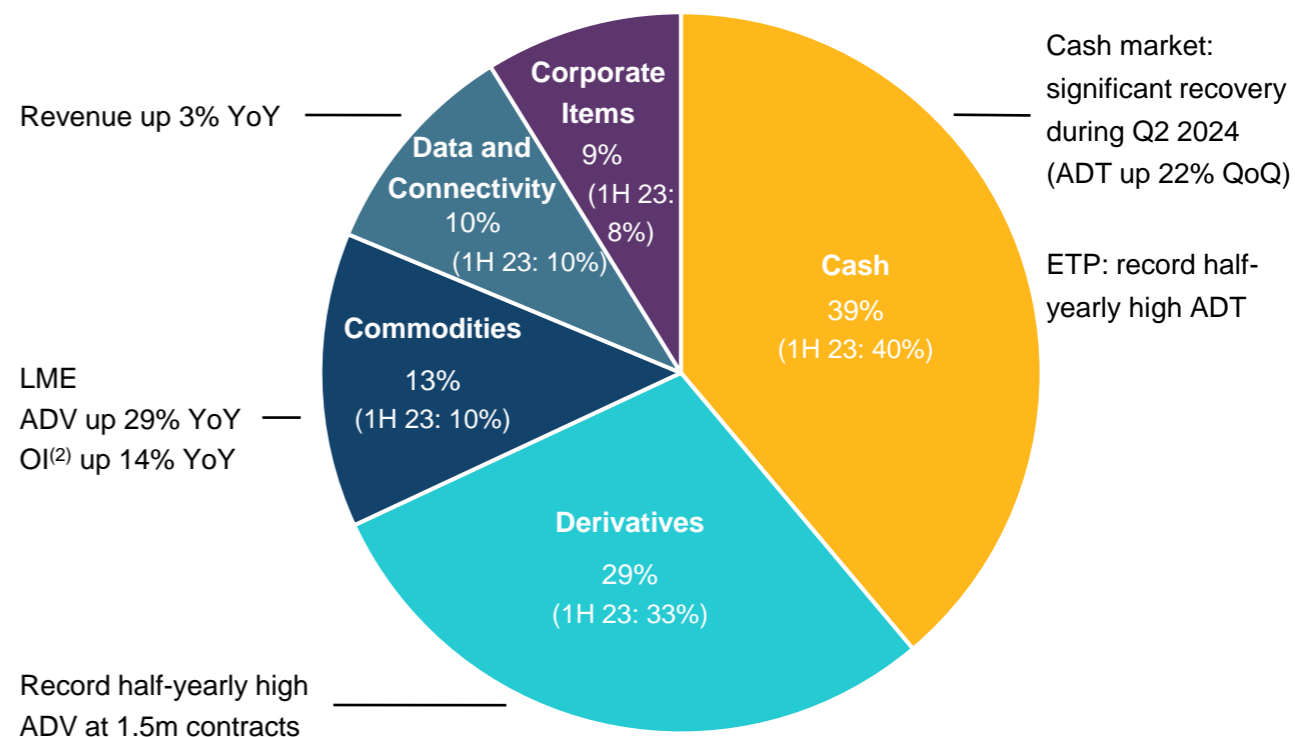
Profit attributable to shareholders

**Q2 2024: HK\$3.2b (+9% YoY, +6% QoQ)**

1H 2024: HK\$6.1b (-3% YoY)

## Diversification delivering results

1H 2024 Revenue breakdown<sup>(1)</sup>



1. % may not add up due to rounding

2. Open Interest

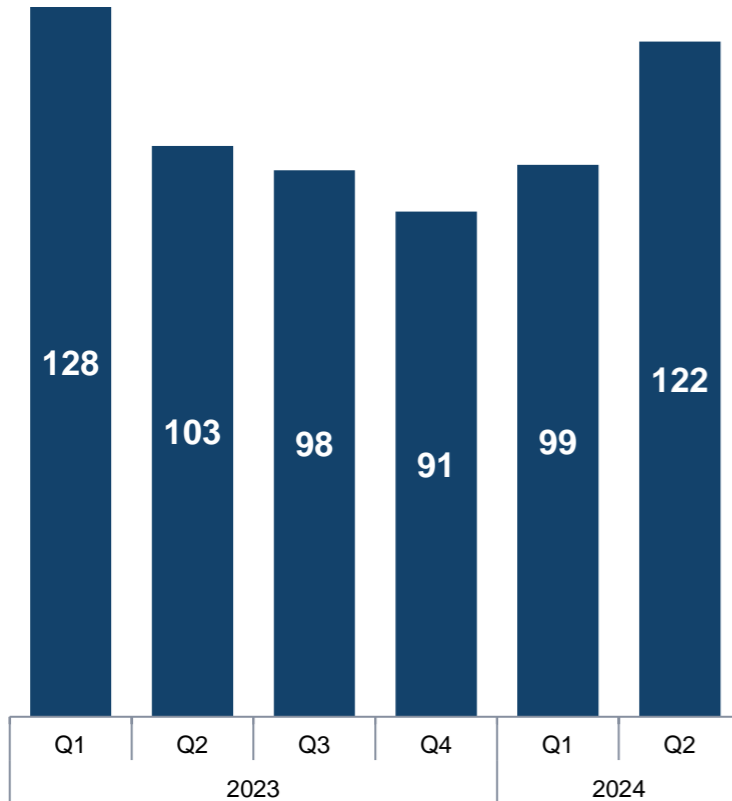


# Strong, resilient performance in 1H 2024

★ : record half-yearly high in 1H 2024

## Cash Market demonstrated resiliency

Average Daily Turnover Value (HK\$ b)



Source: HKEX

## Strategic diversification helps mitigate cash market volatility

### ★ Derivatives

**Record high** ADV 1.5m Contracts (up 12% YoY)

### FX

USD/CNH Futures ADV 79,173 Contracts (nearly 6 times vs 1H 2023)

### ★ OTC Clear

**Record high** Clearing volume US\$483.9b (up 188% YoY)

### LME

ADV 694,000 Lots (up 29% YoY)

## Connect programmes continue to perform well

### ★ Stock Connect

Revenue HK\$1,199m (up 4% YoY), contributed 11% of Group total revenue

**Record high** NB ADT RMB130.2b (up 19% YoY)

### ★ ETF Connect

**Record high** NB ADT RMB1.1b  
SB ADT HK\$1.5b

### ★ Bond Connect

**Record high** NB ADT at RMB44.5b (up 14% YoY)

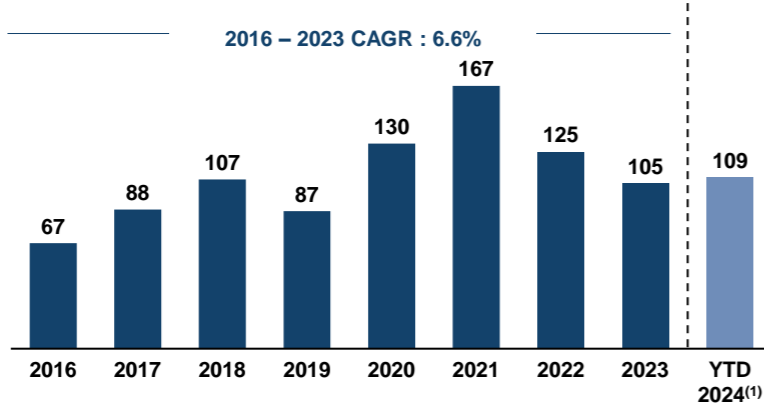




# Core business well-positioned for organic and structural growth

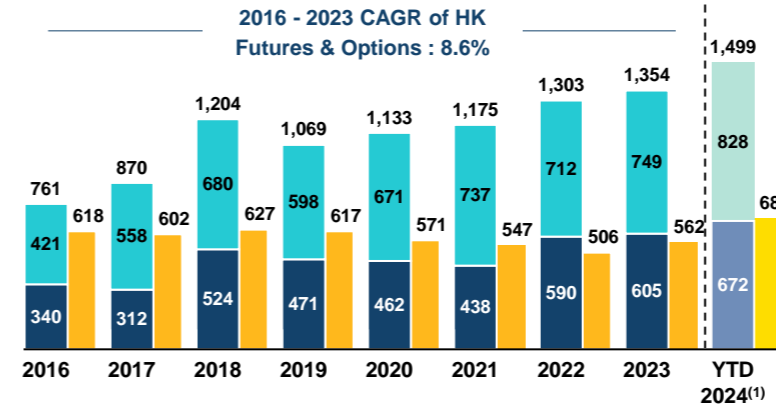
## A | Broad Product Ecosystem Attracting Diverse Mainland and International Investor Base

Securities ADT (HK\$ b)



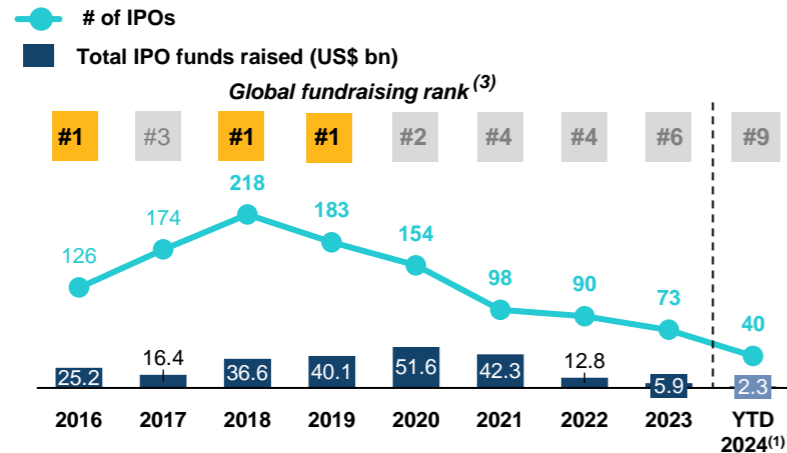
- Southbound Connect
- Jumbo IPOs
- Global Investors

Derivatives ADV ('000 contracts)



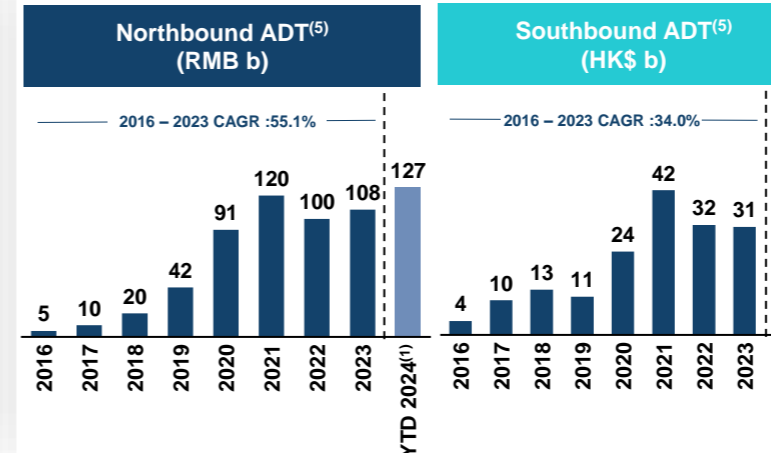
- Algo / Quant Investors
- New product launches
- After-hours trading
- Derivatives holiday trading

## 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<sup>(4)</sup>



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

## D | Focus on Revenue Growth and Cost Discipline

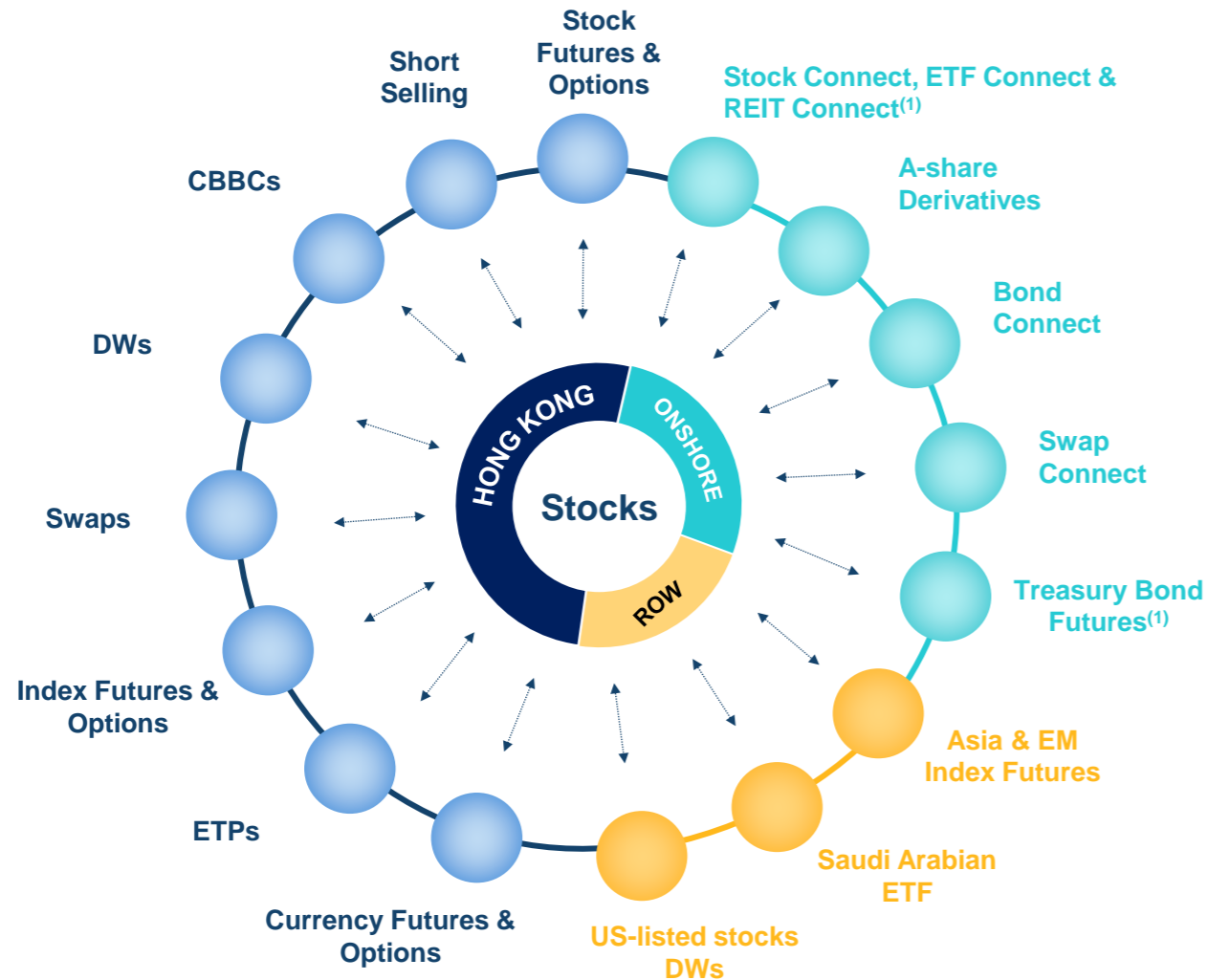
Source: HKEX, Dealogic. Figures may not add up due to rounding

1. Data as at 31 Jul 2024
2. Chargeable ADV of metals contracts traded on the LME
3. Ranking excludes SPAC listings
4. Shanghai-HK and Shenzhen-HK Stock Connect was launched in Nov 2014 and Dec 2016 respectively
5. 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 ADV)

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

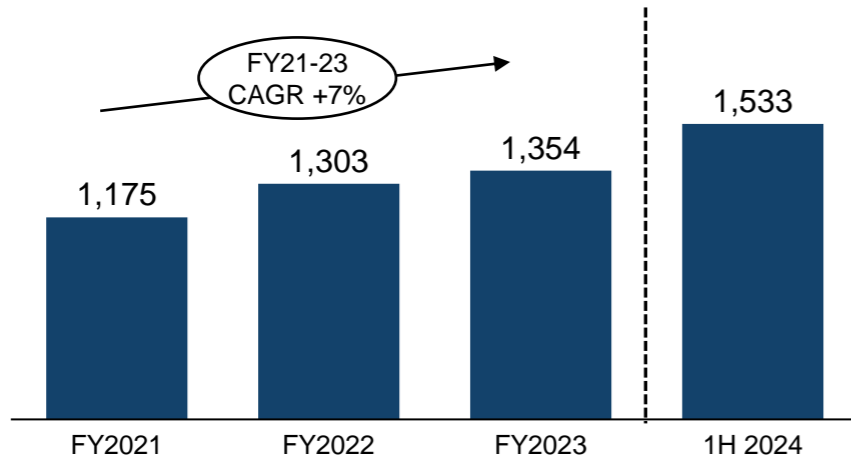


1. To be launched

# A | Strong momentum in derivatives and LME ADV sustained in 1H 2024

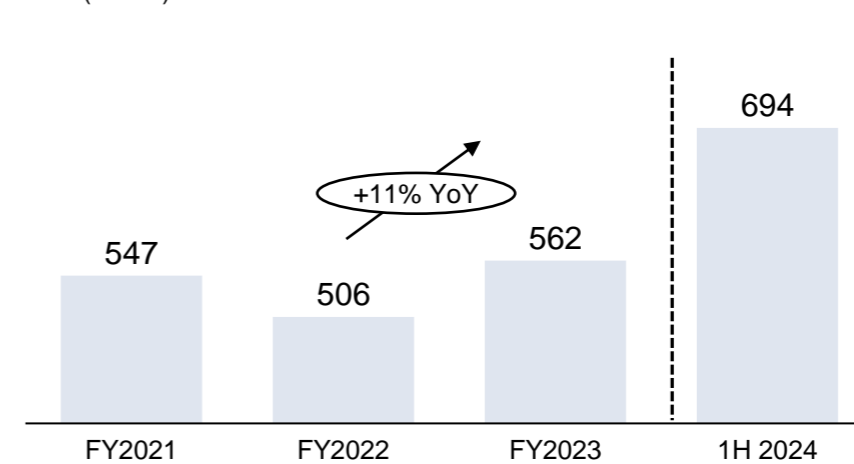
## Record number of derivatives contracts traded

ADV (in '000)



## Strong recovery in LME volumes

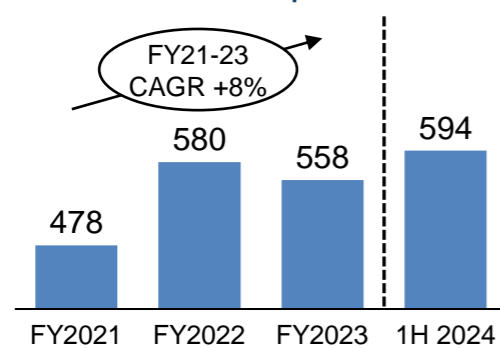
ADV (in '000)



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

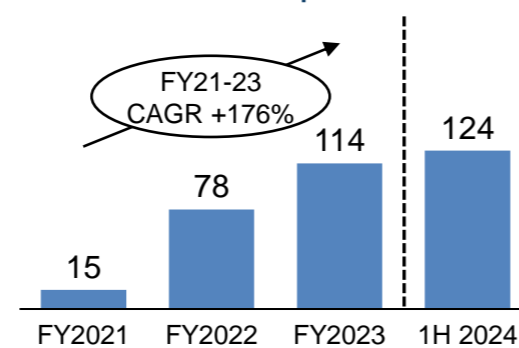
ADV (in '000)

### HSI & HSCEI products<sup>(1)</sup>



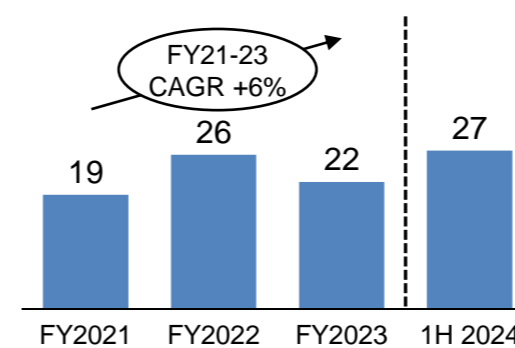
ADV (in '000)

### HS TECH Index products<sup>(2)</sup>



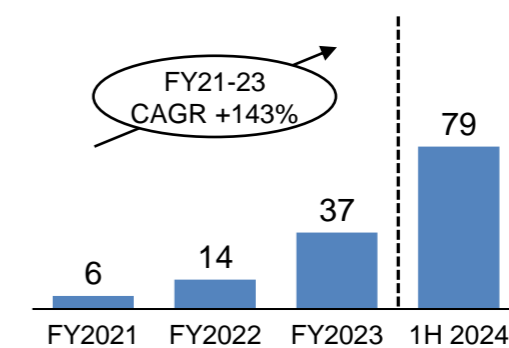
ADV (in '000)

### MSCI suite<sup>(3)</sup>



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
3. Include all MSCI products



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

Equity market capitalization

HKEX derivatives offerings

Hong Kong

~US\$4tn



HSI and HSCEI product suite

Mainland China

~US\$10tn



MSCI China A 50 Connect Index Futures

Asia (ex. China)

~US\$22tn



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 further supports growing investor demand in HK and Mainland

## Increased product diversity and enhanced market structure has led to strong growth in HK ETP<sup>(1)</sup> market

### New products since 2022

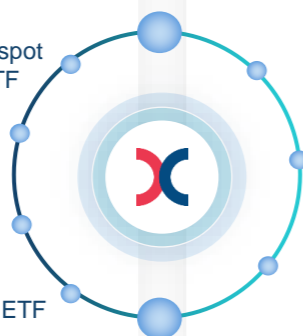
Total ETPs as at YTD 2024: 190

Asia 1st crypto futures and spot ETFs & Saudi Arabian ETF

Metaverse-themed ETF

Carbon futures ETF

Covered call ETF



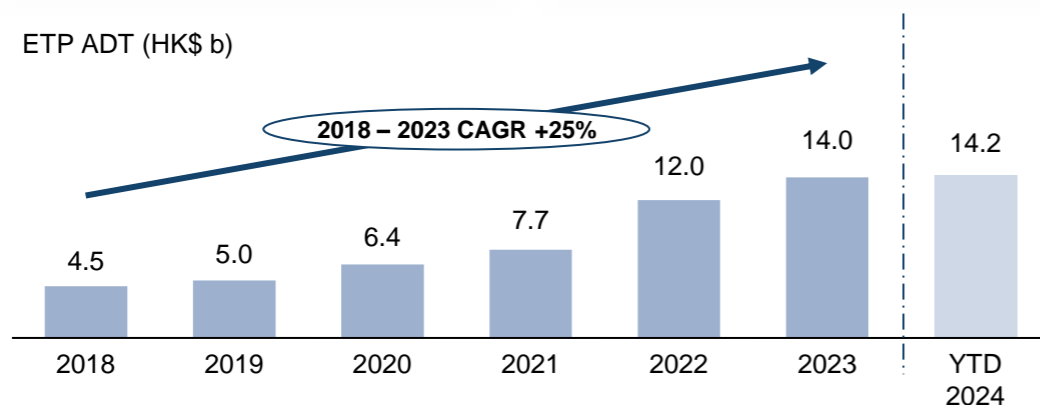
### Recent market structure enhancements

New market making programme and spread table (Jun 2020)

New tiered structure for trading fee exemptions for market makers (May 2021)

Inclusion of ETPs in Stock Connect (Jul 2022) & relaxation of ETP eligibility criteria (Jul 2024)

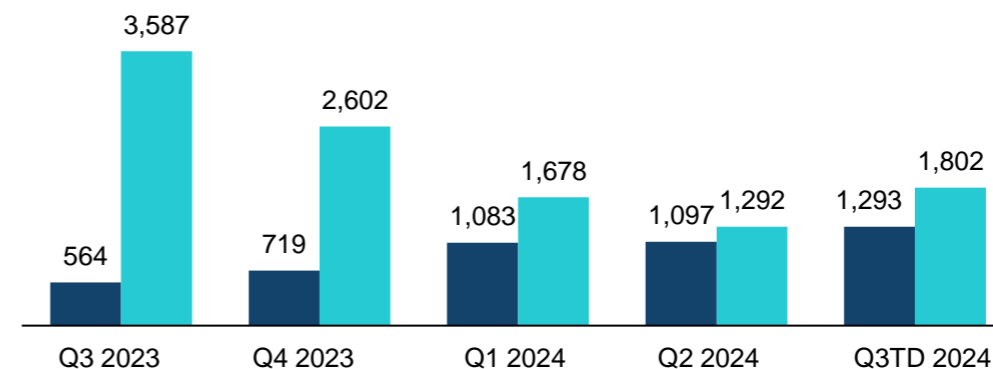
ETP ADT (HK\$ b)



## Strong ETF momentum in Northbound ETF Connect

Northbound ETF ADT (RMB m)<sup>(2)</sup>

Southbound ETF ADT (HK\$ m)<sup>(2)</sup>



	Southbound	Northbound
No. of eligible ETF	16	225
Total no. of ETF in local market	169	975
Eligible ETF ADT as % of local market's ETF ADT	97%	34%

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



Source: HKEX, SSE, SZSE, ETFGI, Bloomberg data as at 31 Jul 2024

- ETP includes ETF and leverage and inverse products
- Buy + Sell ADT

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

## Fundraising Summary (YTD 2024<sup>(1)</sup>)

**HK\$17.9b**

IPO Funds Raised  
(#9 globally)<sup>(4)</sup>

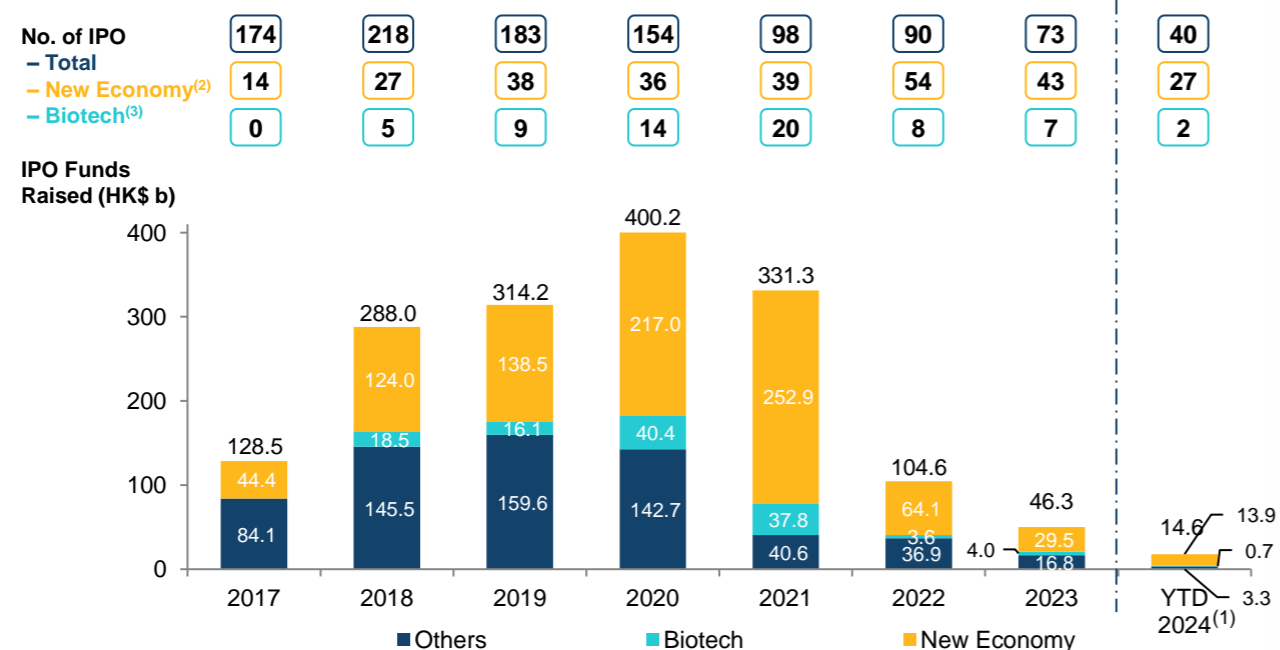
-13% YoY

**29** New Economy & Biotech  
Companies Listed...

...raising  
**HK\$14.6b**

+27% YoY

## IPO Funds Raised by Segments



- **New economy and biotech** companies a driving force of IPOs since 2018
- **Completed listing reforms**
  - Enhanced listing regime for overseas issuers (Q2 2018)
  - Specialist tech companies (Mar 2023)
  - Introduction of listing regimes for SPACs (Jan 2022)
  - GEM Board reform (Jan 2024)
- **Ongoing enhancements**
  - Launch of FINI (Nov 2023), a digitalised IPO settlement platform shortening IPO settlement from T+5 to T+2

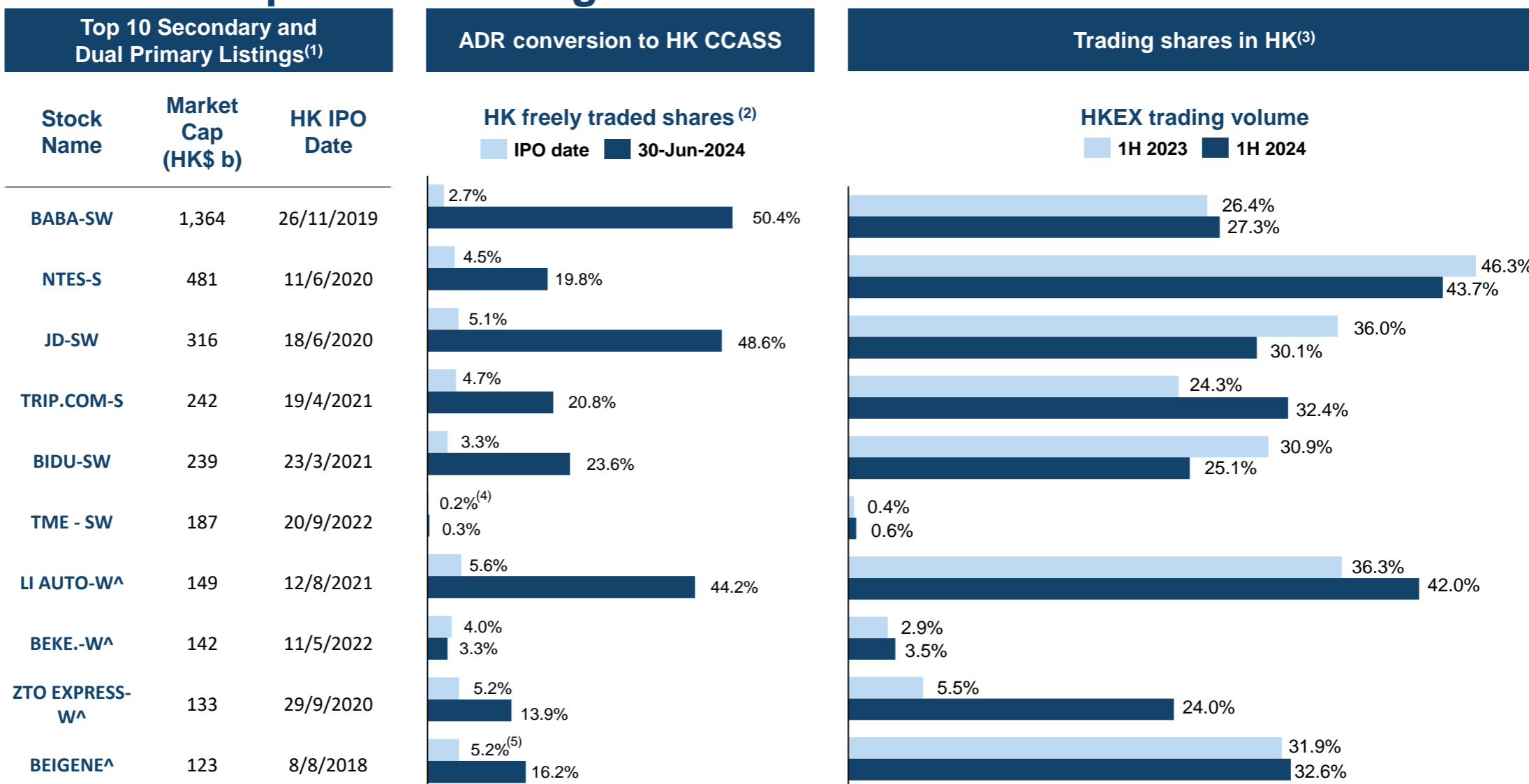
Source: HKEX. Figures may not add up due to rounding

1. Data as at 31 Jul 2024
2. Include Non-18A Biotech companies
3. Only include Chapter 18A Biotech companies
4. Ranking excludes SPAC listings





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



Source: HKEX, FactSet, Bloomberg, as at 30 Jun 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

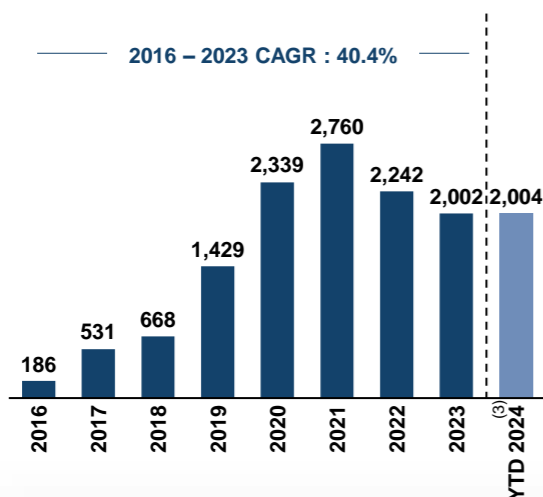


# C | Transformational growth from China's opening

## Stock Connect<sup>(1)</sup>

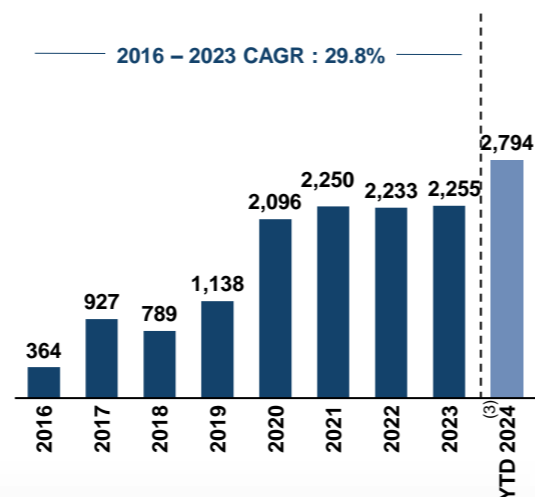
### Northbound (RMB b)

#### Portfolio Value



### Southbound (HK\$ b)

#### Portfolio Value



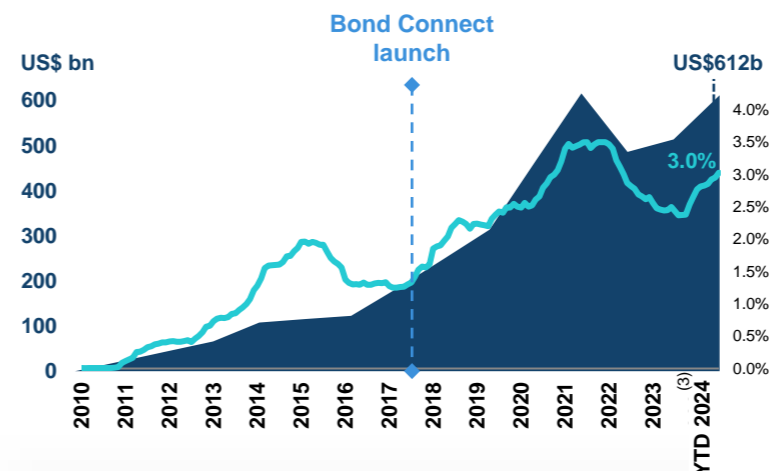
- Continuing portfolio diversification by Mainland and international investors
- Inclusion of A shares into major global benchmarks
- Inclusion of HK-listed foreign companies in Stock Connect
- Continuous expansion in eligible products and investors

## Bond Connect

### Total Foreign Participation in CIBM<sup>(2)</sup>

#### Foreign Holdings in Chinese Bonds (shaded area)

#### Foreign Ownership (%)



Investors Onboarded  
**825**

YTD 2024<sup>(3)</sup> ADT  
**RMB44.7b**

- 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

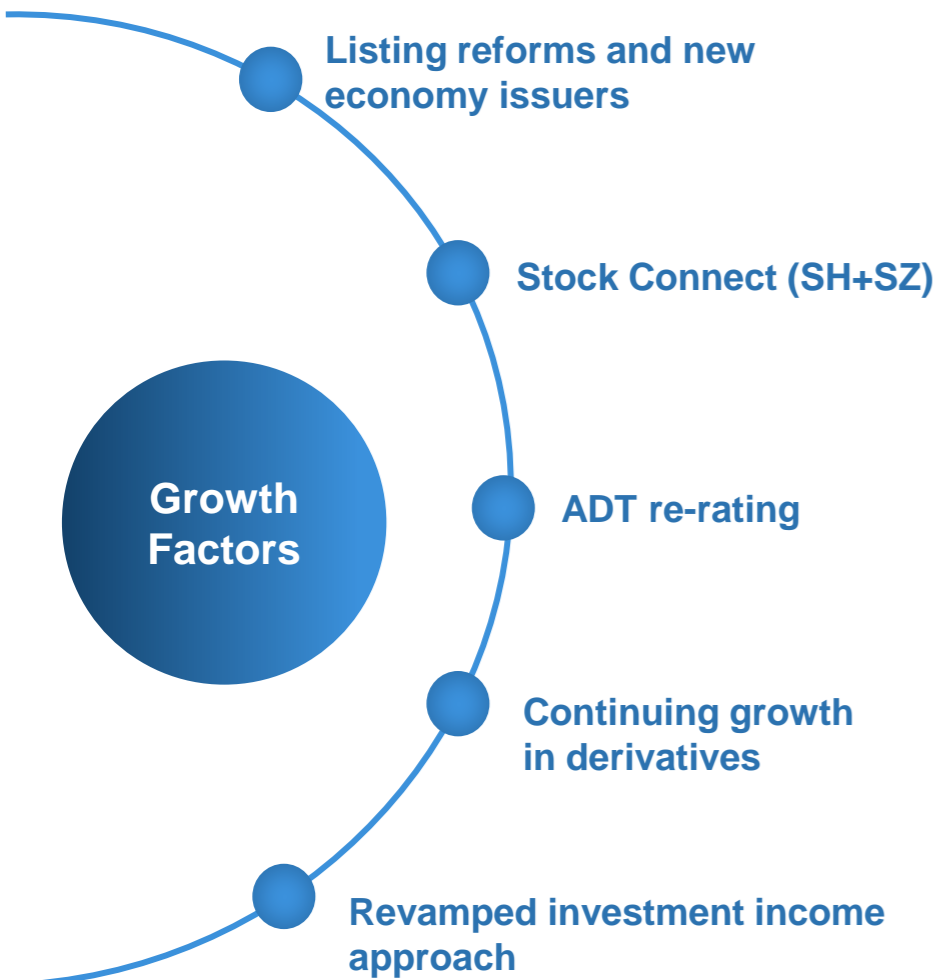
**Benefiting from the increased capital flow into and out of Mainland China, in particular inbound flows driven by international index inclusions**

Source: HKEX, Bond Connect, ChinaBond, SCH

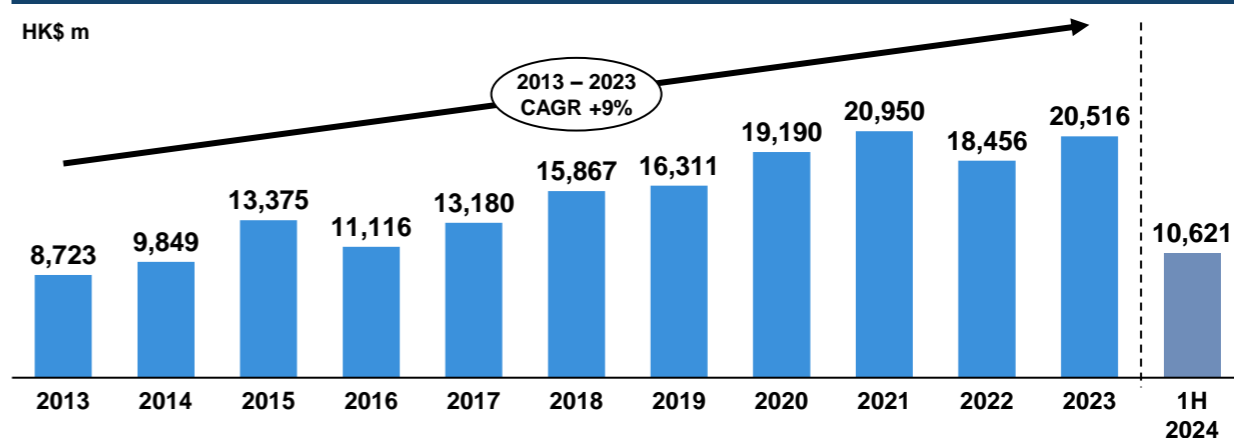
1. Shanghai-HK and Shenzhen-HK Stock Connect was launched in Nov 2014 and Dec 2016 respectively
2. Foreign participation in CIBM was first allowed in 2010 when the PBOC rolled out a Pilot Scheme to allow foreign financial institutions to invest in CIBM
3. Data as at 31 Jul 2024



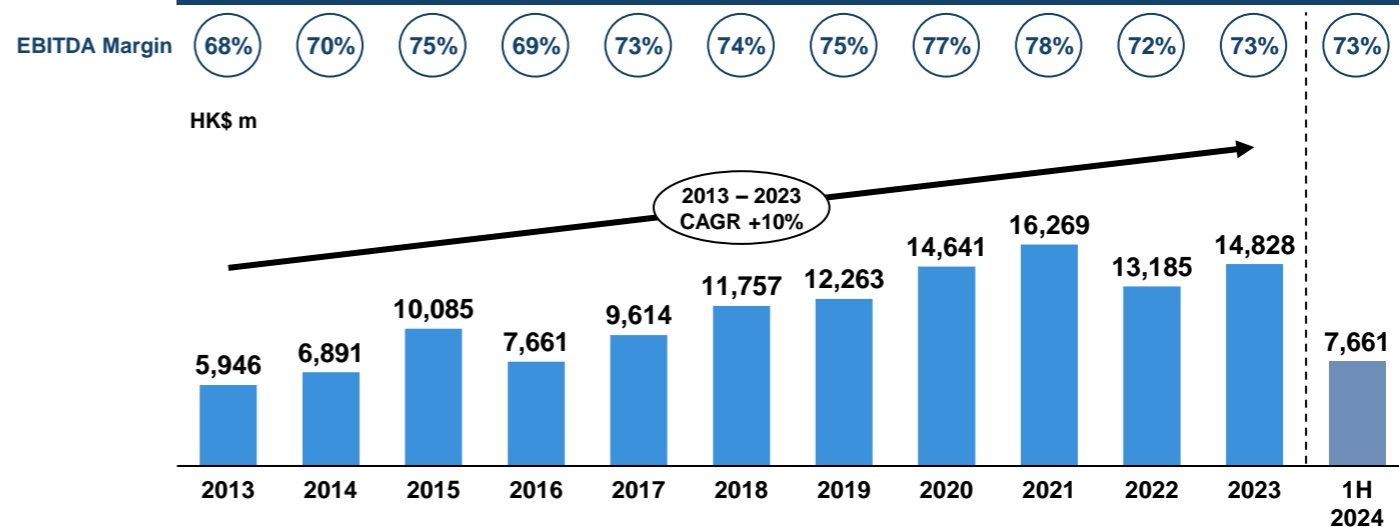
# D | Focus on revenue growth and cost discipline (1/2)



Revenue growth supported by business initiatives



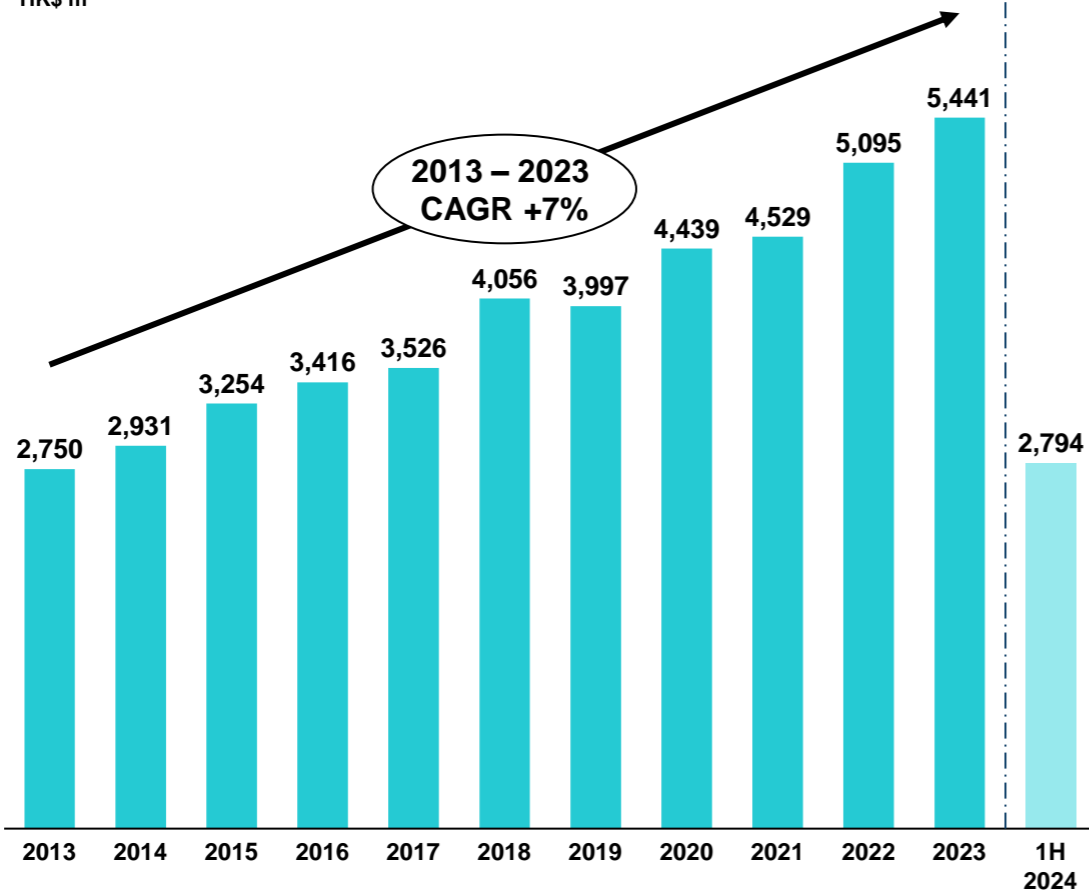
EBITDA grew at similar pace as a result



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

Prudent growth of operating expenses...

HK\$ m

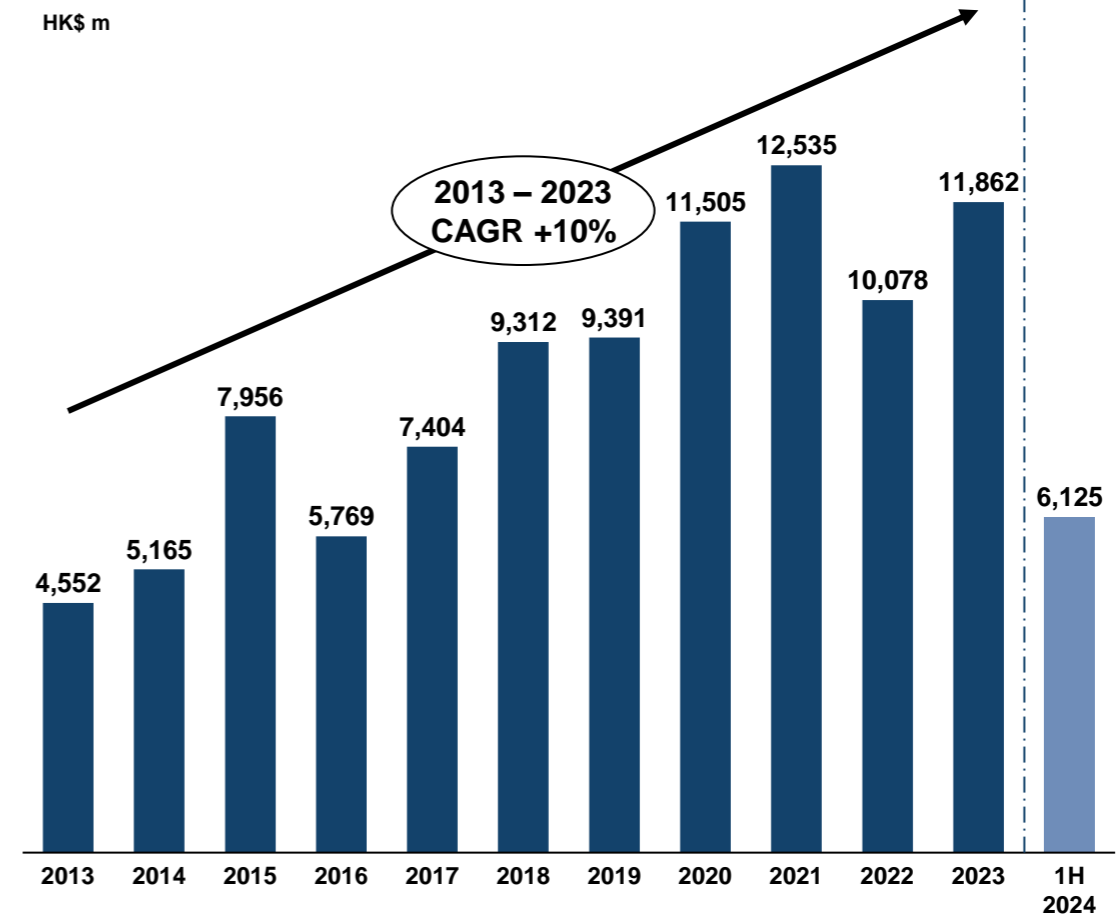


... leading to faster growth in Profit Attributable to Shareholders

Net Profit Margin



HK\$ m



# 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 690+ sustainability disclosures



## Employer

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







## 02 | Group Financial Update



# Record second quarter highs in revenue and profit, 1H 2024 revenue comparable to prior year period

## Core business revenue<sup>(2)</sup>

Q2 2024: HK\$5.0b (↑7% YoY)  
1H 2024: HK\$9.7b (0% YoY)

## Revenue and other income<sup>(3)</sup>

Q2 2024: HK\$5.4b (↑8% YoY)  
1H 2024: HK\$10.6b (0% YoY)

## EBITDA

Q2 2024: HK\$4.0b (↑8% YoY)  
1H 2024: HK\$7.7b (↓3% YoY)

## PAT

Q2 2024: HK\$3.2b (↑9% YoY)  
1H 2024: HK\$6.1b (↓3% YoY)

## EPS

Q2 2024: HK\$2.49 (↑9% YoY)  
1H 2024: HK\$4.84 (↓3% YoY)

## DPS

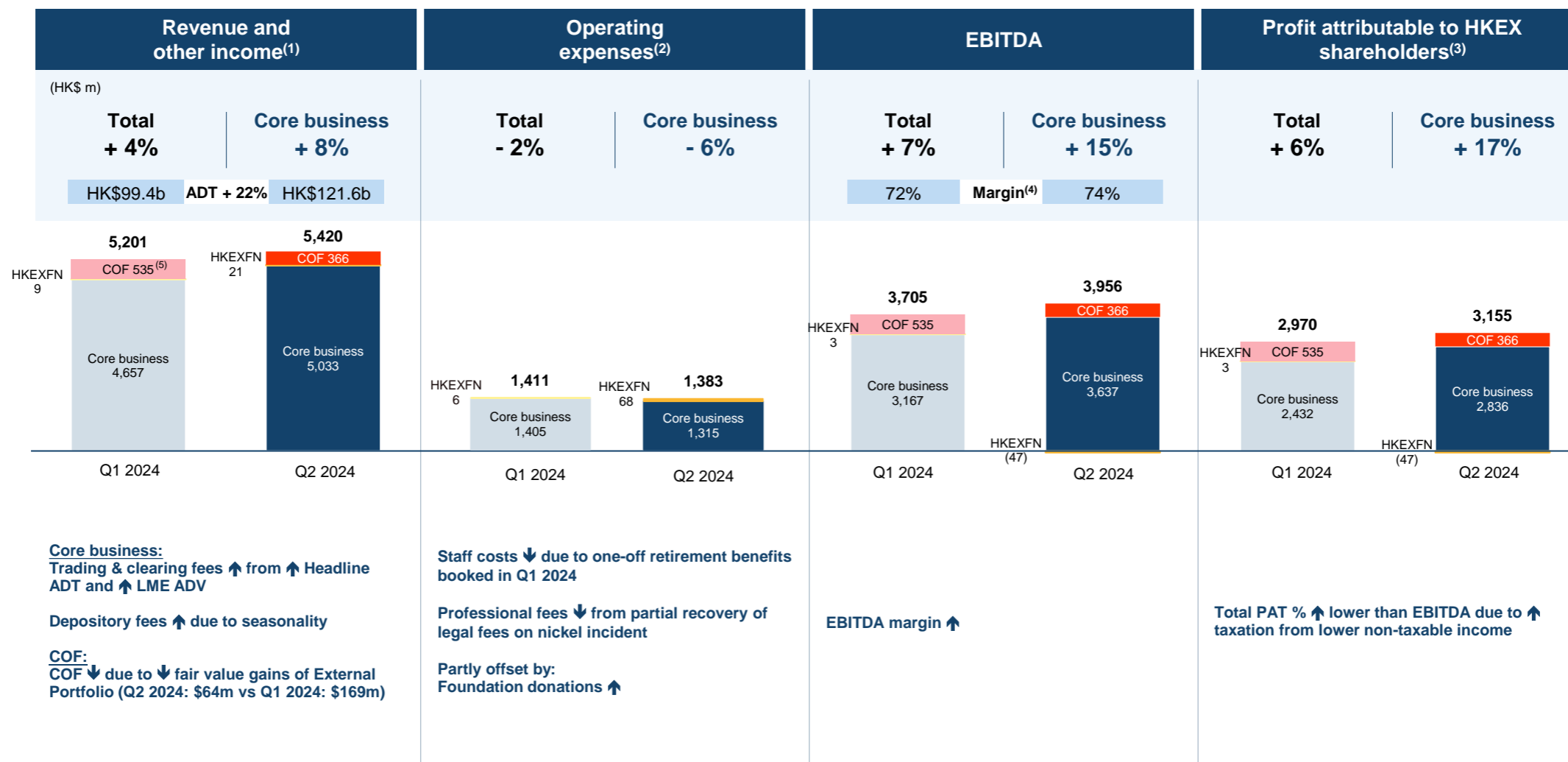
1H 2024: HK\$4.36 (↓3% YoY)



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

Q2 2024 vs Q1 2024

# Profit up 6% mainly driven by higher Headline ADT and lower opex

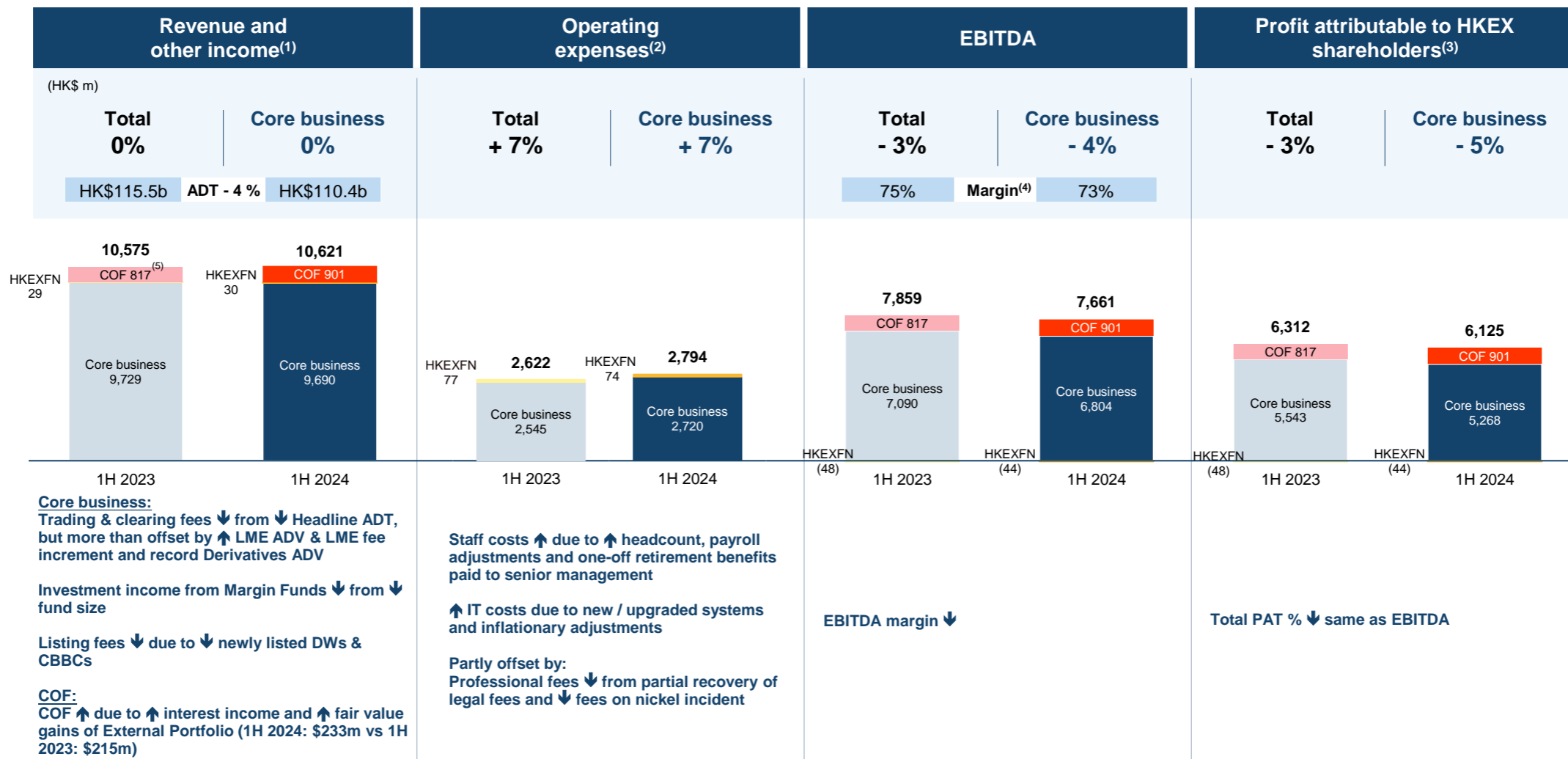


1. Represents gross revenue and other income before deducting transaction-related expenses (Q2 2024: \$81m; Q1 2024: \$85m)
2. Excludes transaction-related expenses, depreciation and amortisation, finance costs and share of results of joint ventures
3. For the purpose of this presentation, tax impact 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



1H 2024 vs 1H 2023

# Profit down 3% mainly due to lower Headline ADT, partly offset by strong performance at LME and record Derivatives volume

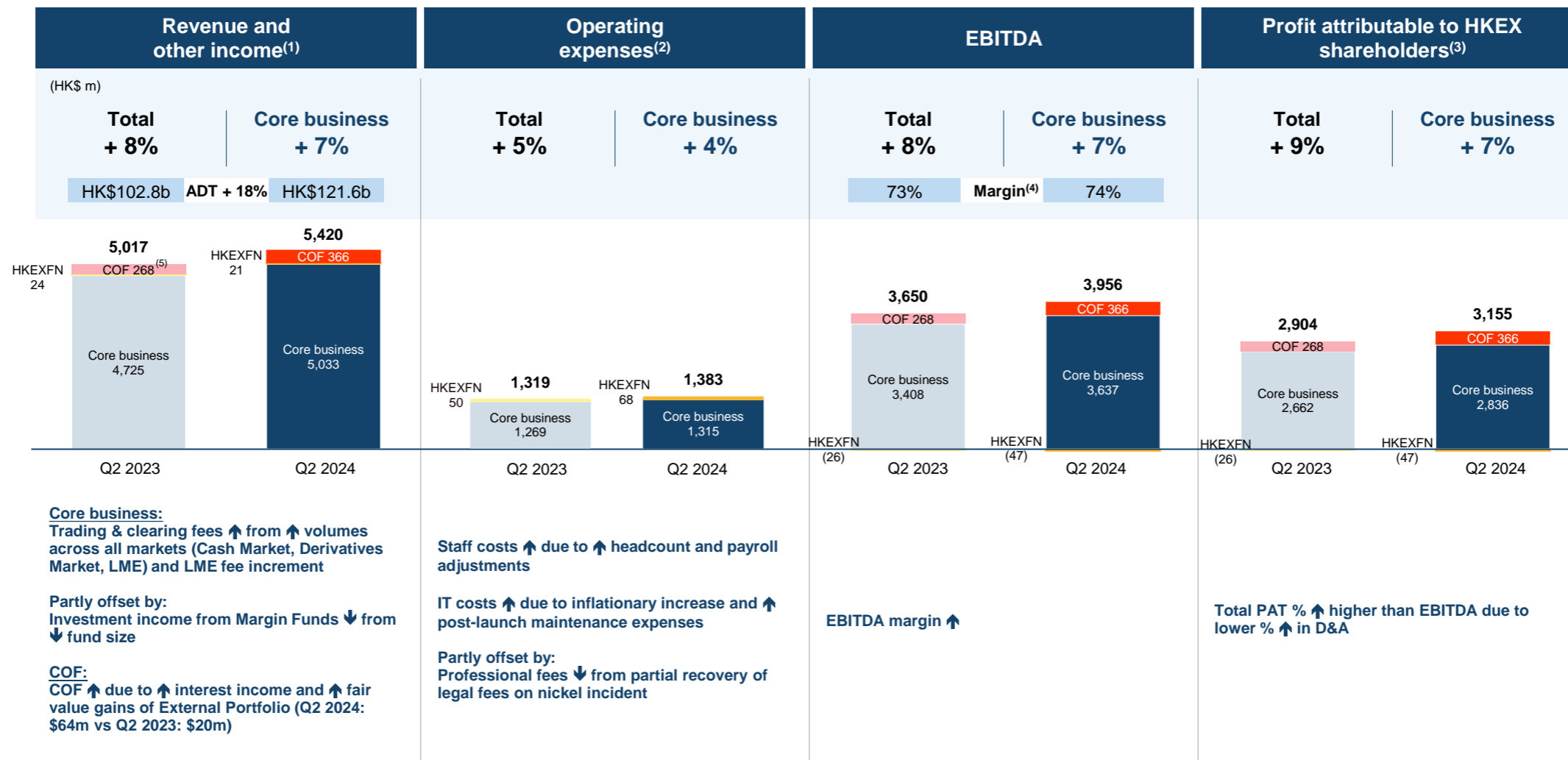


1. Represents gross revenue and other income before deducting transaction-related expenses (1H 2024: \$166m; 1H 2023: \$94m)
2. Excludes transaction-related expenses, depreciation and amortisation, finance costs and share of results of joint ventures
3. For the purpose of this presentation, tax impact 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



Q2 2024 vs Q2 2023

# Profit up 9% mainly driven by higher volumes across the Cash, Derivatives and Commodities markets



1. Represents gross revenue and other income before deducting transaction-related expenses (Q2 2024: \$81m; Q2 2023: \$48m)
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



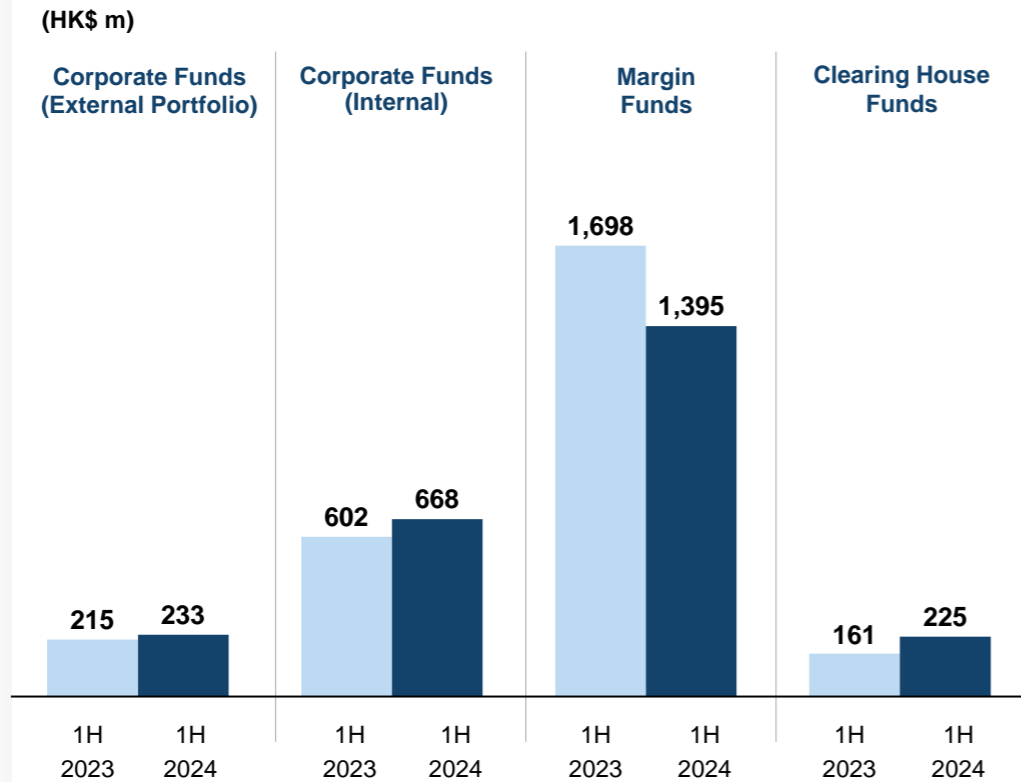


## Net investment income (NII) – 1H 2024 vs 1H 2023

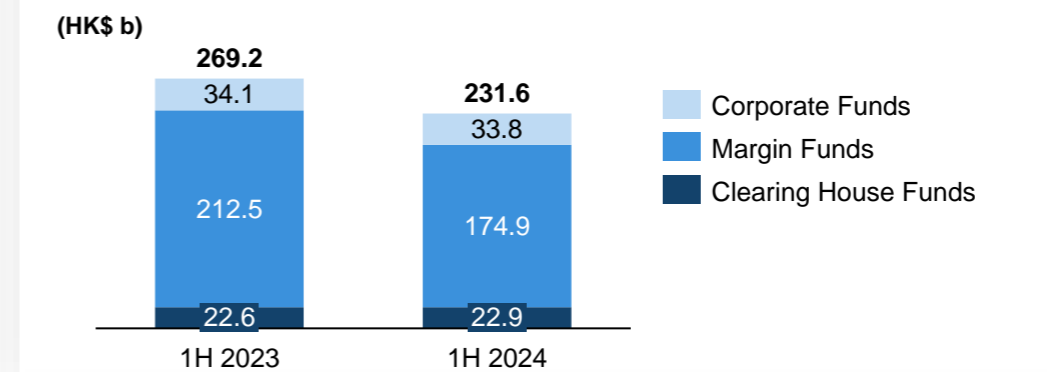
# NII impacted mainly by lower Margin Fund size

1H 2024: HK\$2,521m (1H 2023: HK\$2,676m)

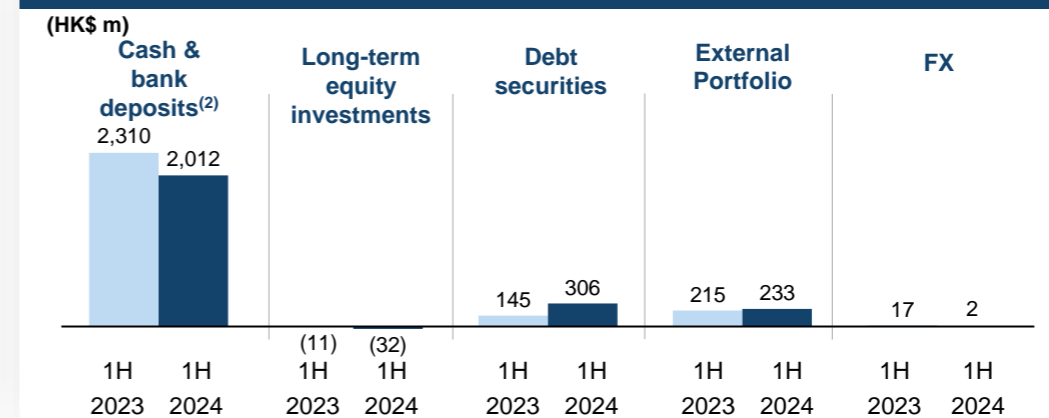
### Net investment income by funds



### Average fund size



### Net investment income by category of investments



**1H 2024 External Portfolio gains up 8% YoY**  
**Margin Funds NII down 18% YoY in 1H 2024 mainly due to lower average Margin Fund size**

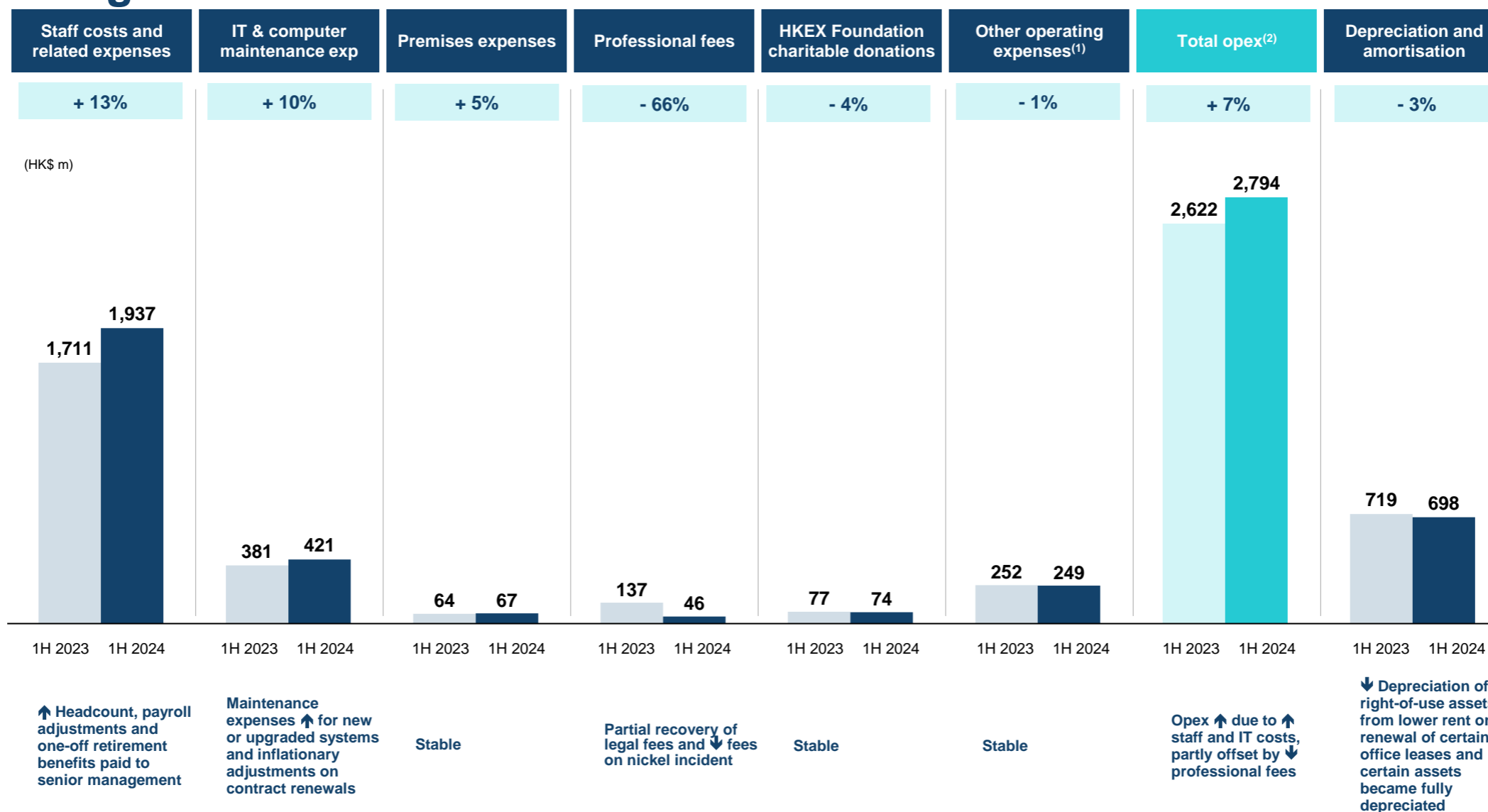
1. Margin Funds and Clearing House Funds of LME Clear are mainly invested in overnight reverse repurchase investments, where high quality assets are held against such investments as collateral. In Hong Kong, Clearing House Funds are predominantly kept overnight or invested in Exchange Fund Bills issued 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 34% as at 30 Jun 2024), a certain proportion is invested in long-term investment grade debt securities (approximately 24% as at 30 Jun 2024) and the remaining funds are invested in time deposits with maturity of up to 12 months (weighted original maturity of 10 months as at 30 Jun 2024)

2. Includes foreign exchange swaps



## Operating expenses and depreciation & amortisation – 1H 2024 vs 1H 2023

# Opex up 7% reflecting prudent control, also helped by partial recovery of legal fees from LME Nickel incident



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



# Strong strategic progress in 1H 2024

## Build on our China strength

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

- REITs inclusion in Stock Connect announced (Apr)
- Swap Connect enhancements implemented (May)
- ETF Connect eligibility relaxation took effect (Jul)

## Explore new adjacent businesses

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

- Enterprise data package well received by the market
- Data & Connectivity continued to grow (~10% of Group revenue)



## Enhance market vibrancy

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

- Treasury shares listing rules amendments took effect (Jun)
- Minimum spreads reduction consultation (Jun)
- Severe Weather Trading implementation (Sep)

## Build future-ready technology & operations

- Unlock operational efficiencies and new business opportunities
- Address changing clients' expectations

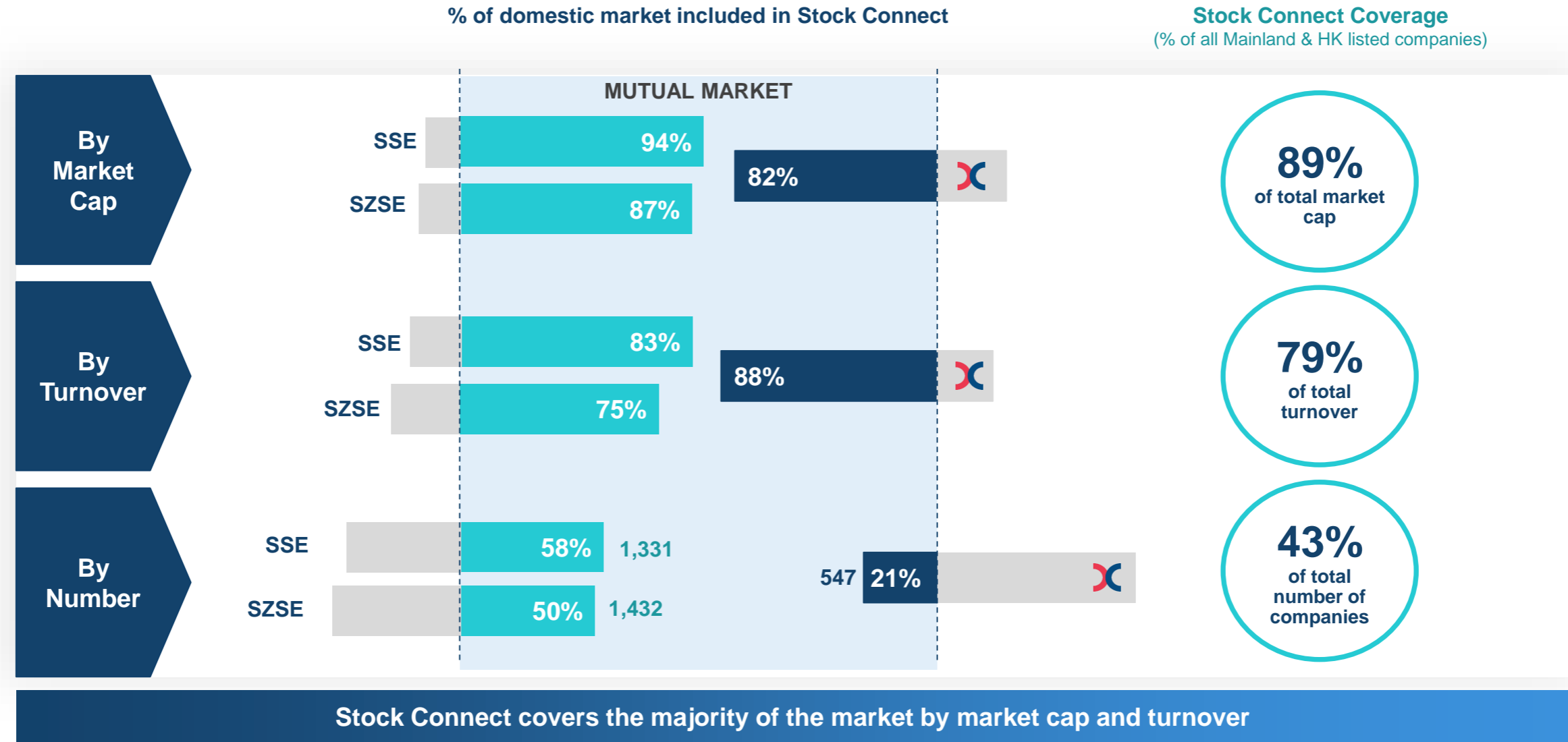
- In-house development of Orion Derivatives Platform announced (Apr)

# 04 | China Connectivity





# The penetration level of equity market through Stock Connect



Source: Wind, HKEX

1. Data as at 30 Jun 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)

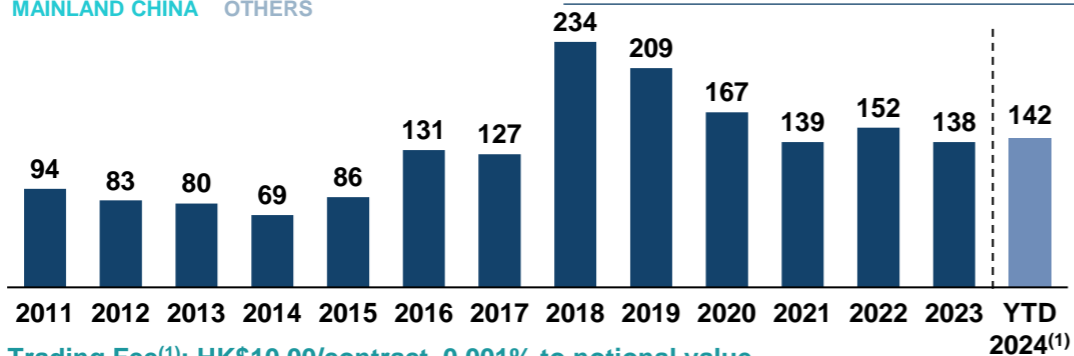
## Hang Seng Index Futures (82)<sup>(4)</sup>

WEIGHTING COMPOSITION



MAINLAND CHINA OTHERS

Notional Value <sup>(1)</sup> (US\$ k)	110
Notional Trading Value <sup>(1)</sup> (US\$ b)	16.4

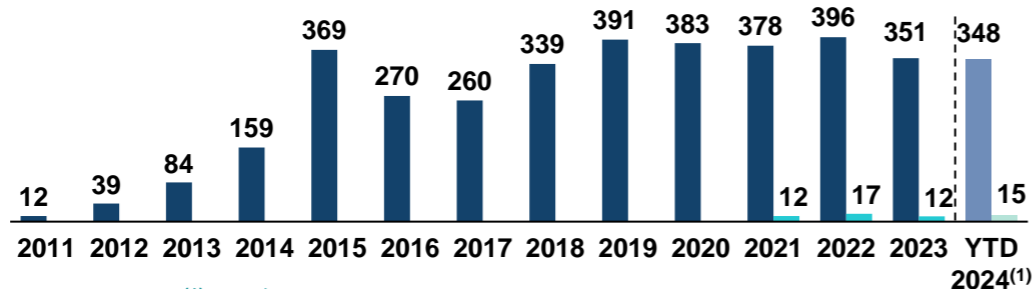


Trading Fee<sup>(1)</sup>: HK\$10.00/contract, 0.001% to notional value

## MSCI China A50 Index Futures vs FTSE (SGX)<sup>(2)</sup> (50)<sup>(4)</sup>

HKEX  
SGX

	HKEX	SGX
Notional Value <sup>(1)</sup> (US\$ k)	47	12
Notional Trading Value <sup>(1)</sup> (US\$ b)	0.8	4.5

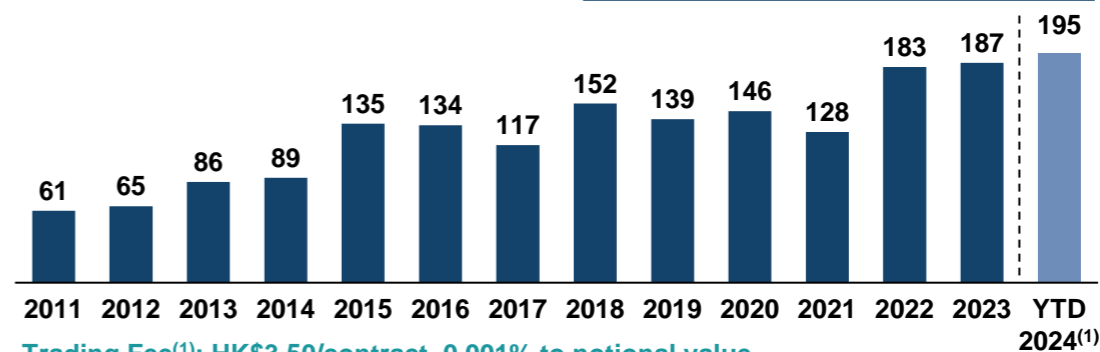


SGX Trading Fee<sup>(1)</sup>: US\$1.10/contract, 0.0095% to notional value

HKEX Trading Fee<sup>(1)</sup>: US\$1.00/contract, 0.0022% to notional value

## HSCEI Futures (50)<sup>(4)</sup>

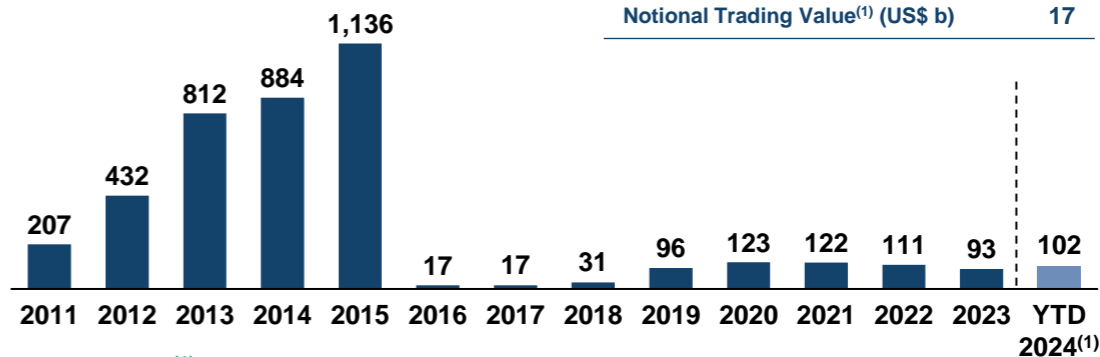
Notional Value <sup>(1)</sup> (US\$ k)	38
Notional Trading Value <sup>(1)</sup> (US\$ b)	7.5



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

## CSI 300 Index Futures (CFFEX)<sup>(3)</sup> (300)<sup>(4)</sup>

Notional Value <sup>(1)</sup> (US\$ k)	145
Notional Trading Value <sup>(1)</sup> (US\$ b)	17



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

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

1. YTD data as at 31 Jul 2024
2. Considering the differences in contract size, MSCI China A50 Index Futures achieved c. 15% market share in notional trading value as at Jul 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

**RMB127b**

Northbound ADT<sup>(1)</sup>

**HK\$37b**

Southbound ADT<sup>(1)</sup>

**RMB2.0t**

Northbound CCASS holdings

**HK\$2.8t**

Southbound holdings

**76%** Northbound holdings as % of total foreign ownership<sup>(3)</sup>

## Bond Connect

**RMB45b**

Northbound ADT

**825**

Registered investors

**RMB4.5t**

Northbound holdings<sup>(2)</sup>

**55%** Turnover as % of total foreign turnover in cash bond<sup>(4)</sup>

## Chinese Partners

Partners



Joint Venture



Source: HKEX; Stock Connect and Bond Connect data as at 31 Jul 2024 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, Jun 2024 single month data
4. Source: CCDC, Jul 2024 single month data





# 05 | Appendix



# Financial highlights – Income Statement

(HK\$ m, unless stated otherwise)	1H 2024	1H 2023	YoY Change
<b>Results</b>			
Revenue and other income	10,621	10,575	0%
Less: Transaction-related expenses	(166)	(94)	77%
<b>Revenue and other income less transaction-related expenses</b>	<b>10,455</b>	<b>10,481</b>	<b>0%</b>
Operating expenses	(2,794)	(2,622)	7%
<b>EBITDA</b>	<b>7,661</b>	<b>7,859</b>	<b>(3%)</b>
Depreciation and amortisation	(698)	(719)	(3%)
<b>Operating profit</b>	<b>6,963</b>	<b>7,140</b>	<b>(2%)</b>
Finance costs and share of results of joint ventures	(11)	(31)	(65%)
<b>Profit before taxation</b>	<b>6,952</b>	<b>7,109</b>	<b>(2%)</b>
Taxation	(766)	(741)	3%
Profit attributable to non-controlling interests	(61)	(56)	9%
<b>Profit attributable to HKEX shareholders</b>	<b>6,125</b>	<b>6,312</b>	<b>(3%)</b>
<b>Capex</b>	<b>612</b>	<b>501</b>	<b>22%</b>
<b>Basic earnings per share (HK\$)</b>	<b>4.84</b>	<b>4.99</b>	<b>(3%)</b>
<b>Headline ADT on the Stock Exchange (HK\$ b)</b>	<b>110.4</b>	<b>115.5</b>	<b>(4%)</b>



1. % may not add up due to rounding



# Performance by operating segment

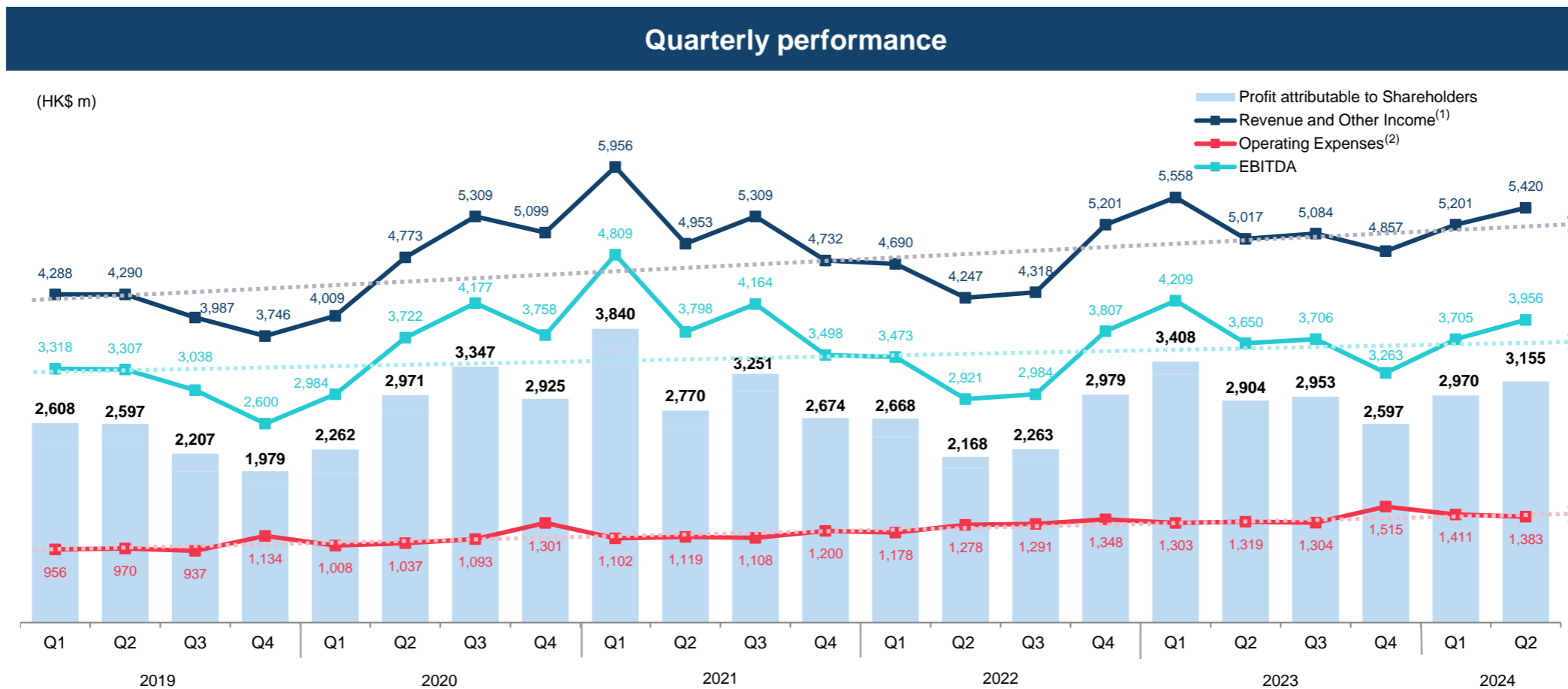
HK\$ m	Cash	Derivatives	Commodities	Data and Connectivity	Corporate Items	Group 1H 2024	Group 1H 2023
<b>Revenue and other income</b>	<b>4,129</b>	<b>3,099</b>	<b>1,405</b>	<b>1,048</b>	<b>940</b>	<b>10,621</b>	<b>10,575</b>
<i>% of Group Total</i>	<i>39%</i>	<i>29%</i>	<i>13%</i>	<i>10%</i>	<i>9%</i>	<i>100%</i>	<i>100%</i>
Less: Transaction-related expenses	(4)	(162)	-	-	-	(166)	(94)
<b>Revenue and other income less transaction-related expenses</b>	<b>4,125</b>	<b>2,937</b>	<b>1,405</b>	<b>1,048</b>	<b>940</b>	<b>10,455</b>	<b>10,481</b>
<b>Operating expenses</b>	<b>(620)</b>	<b>(443)</b>	<b>(589)</b>	<b>(208)</b>	<b>(934)</b>	<b>(2,794)</b>	<b>(2,622)</b>
<b>EBITDA</b>	<b>3,505</b>	<b>2,494</b>	<b>816</b>	<b>840</b>	<b>6</b>	<b>7,661</b>	<b>7,859</b>
<i>% of Group Total</i>	<i>46%</i>	<i>33%</i>	<i>11%</i>	<i>11%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>
<i>EBITDA margin<sup>(1)</sup></i>	<i>85%</i>	<i>85%</i>	<i>58%</i>	<i>80%</i>	<i>1%</i>	<i>73%</i>	<i>75%</i>
Depreciation and amortisation						(698)	(719)
Finance costs						(59)	(70)
Share of results of joint ventures						48	39
<b>Profit before taxation</b>						<b>6,952</b>	<b>7,109</b>

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

# 1H 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)
- Temporary 3-year easing of Specialist Tech listing and De-SPAC transaction thresholds (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)
- Published consultation on Reduction of Minimum Spreads in HK securities market (2024)
- Published conclusion on Severe Weather Trading consultation (2024), implementation in Sep 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 (2024)

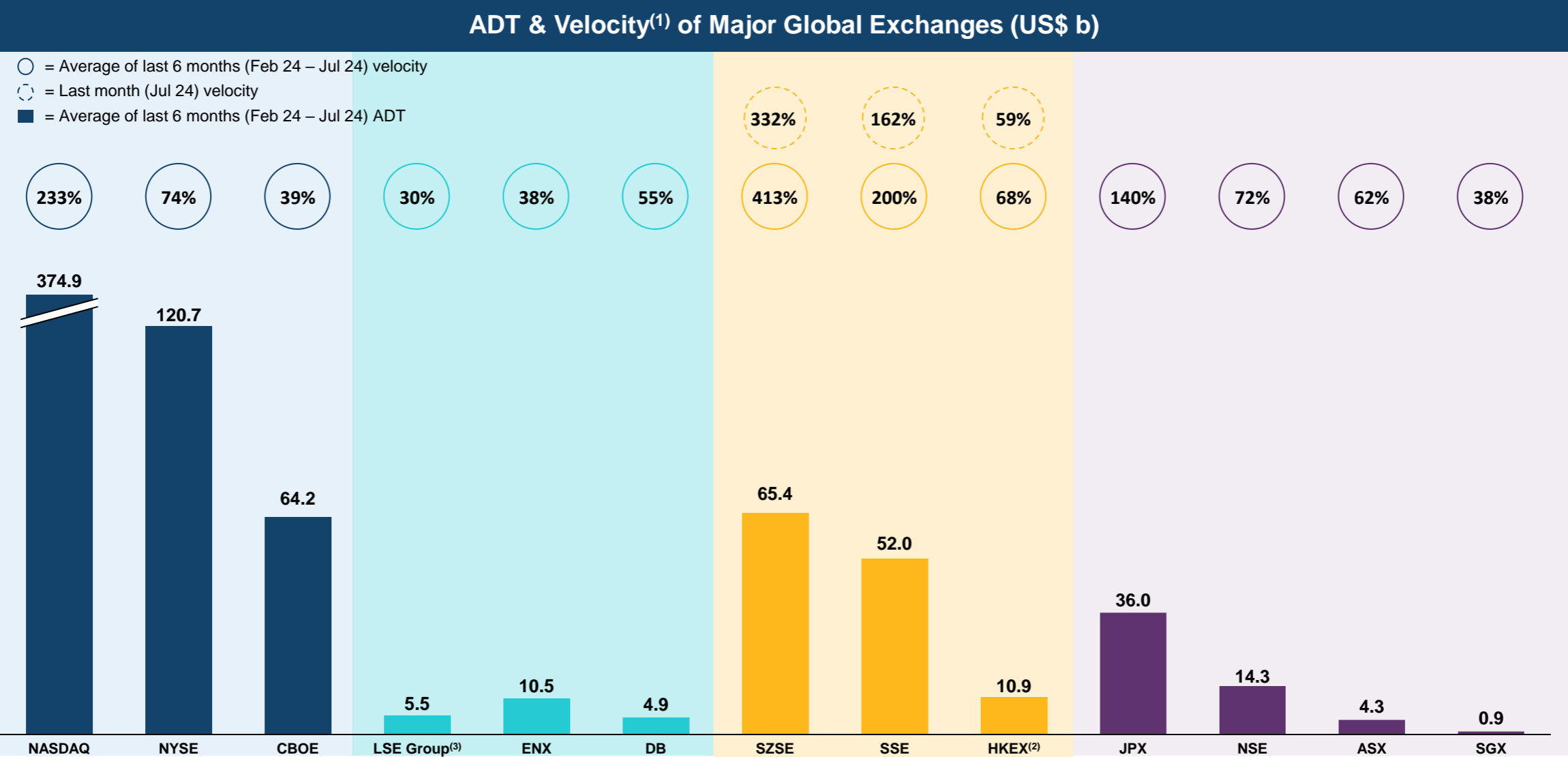
Enhance Risk  
Management & Market Integrity

- 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
- Started to develop Orion Derivatives Platform to enhance trading, clearing and risk management (2024)

Continuously introducing enhancements to ensure competitiveness and efficiency of our markets



# Comparison of trading activity across global exchanges



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

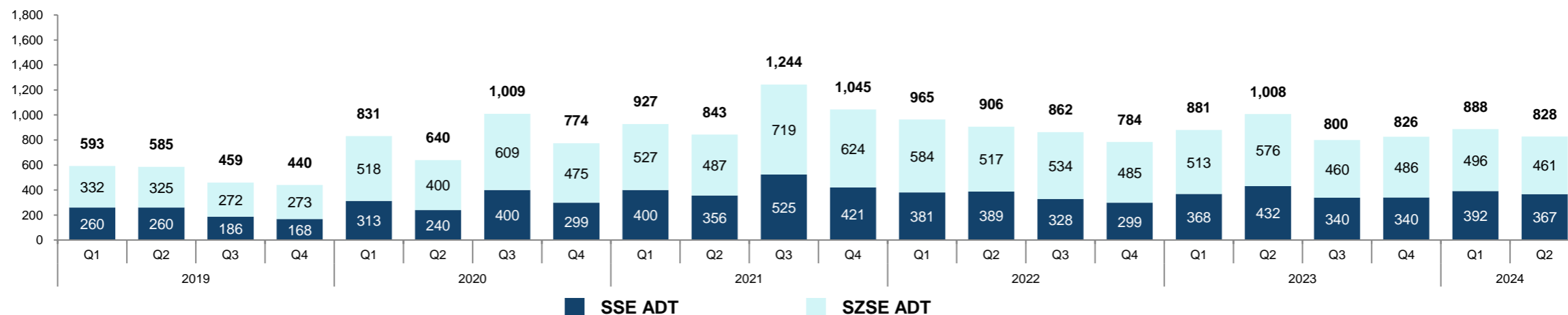
1. ADT and turnover velocity takes into account both on-exchange and block trading. For Nasdaq, NYSE and CBOE, trades executed on their trading platforms include those listed on other US exchanges, hence their turnover velocity covers the whole US market
2. HKEX ADT includes equities only, excluding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



# Market activities in Mainland and Hong Kong markets

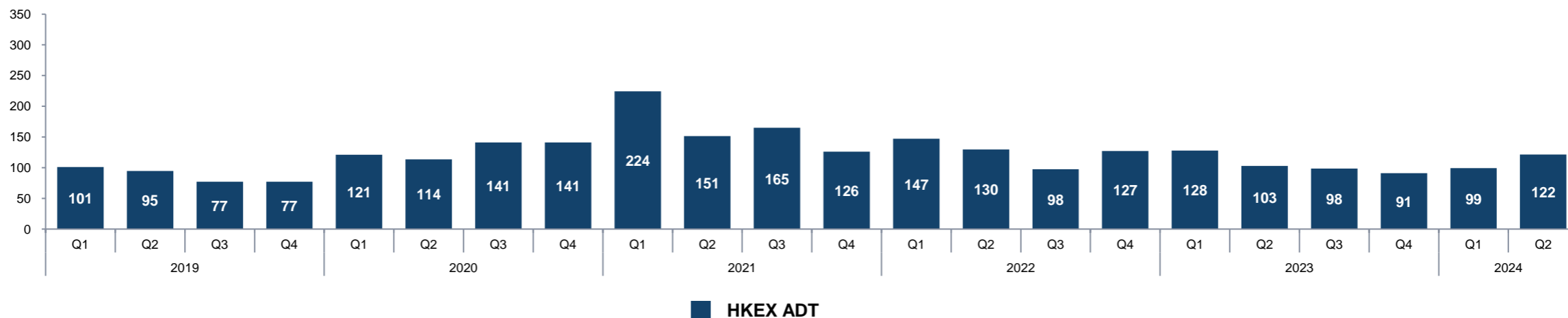
## Average Daily Turnover in Value – Mainland Market (RMB b)

ADT RMB bn



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

ADT HKD bn



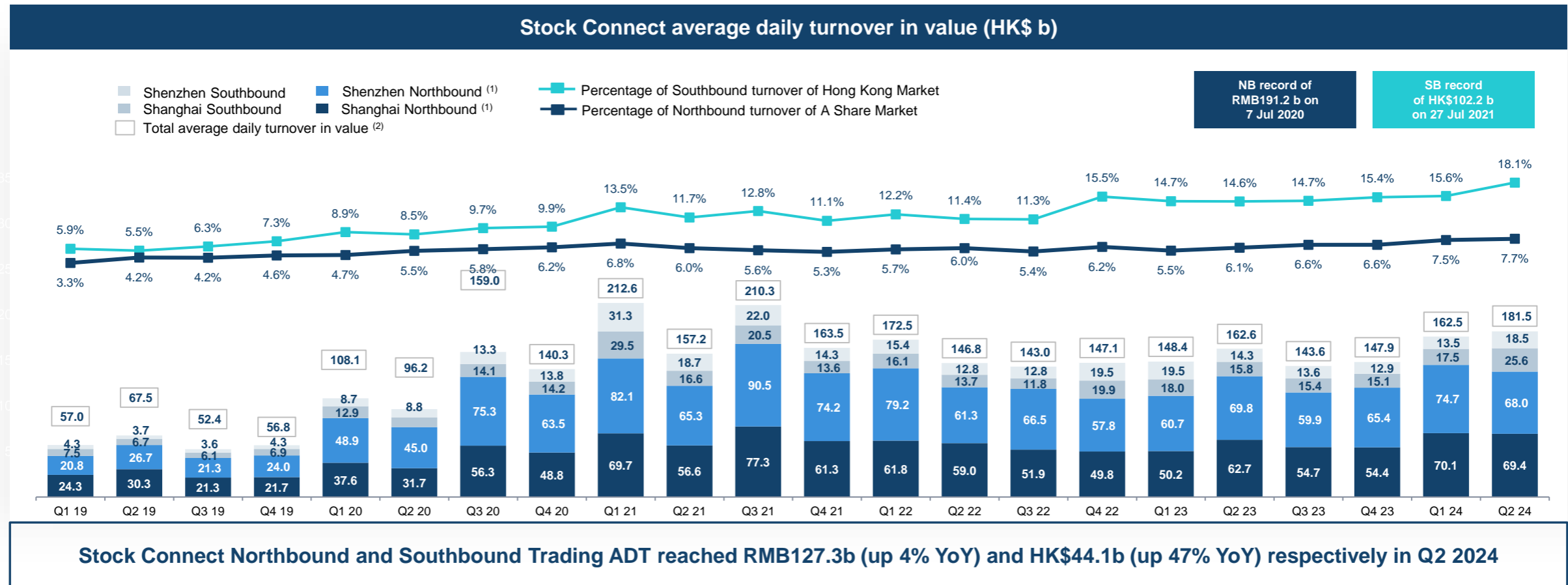
Source: HKEX, SSE, SZSE

1. May not add up due to rounding



# Stock Connect – trading trends

Stock Connect generated revenue of HK\$1,199m in 1H 2024 (up 4% YoY)



**Stock Connect revenue contributed 11% of the Group's total revenue and other income in 1H 2024 (1H 2023: 11%)**

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. Includes buy and sell trades. May not add up due to rounding

