



Annual Report 2024

Stock codes: 388 (HKD counter)
and 80388 (RMB counter)



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Financial figures in this Annual Report are expressed in HKD unless otherwise stated





Overview





Strategic and Financial Highlights

HKEX achieved significant strategic progress in 2024, with the implementation of key initiatives to enhance its market microstructure and listing franchise, announcements of multi-year platform development programmes to support the next generation of investors, expansion of our diverse product ecosystem, launch of new adjacent businesses, as well as expanded international engagement with investors and issuers. These ongoing efforts have reinforced Hong Kong's position as a leading international financial centre and, along with the more favourable investor sentiment from the third quarter that propelled trading volumes, as well as prudent cost management, helped HKEX report its highest-ever annual revenue and profit.

Looking to 2025, ongoing geopolitical and macroeconomic developments will likely continue impacting global markets. However, there are also encouraging signs of economic revitalisation, with stimulative policies in Mainland China and interest rate cuts in other major markets providing renewed vibrancy to Hong Kong's fundraising and secondary markets.

As a core infrastructure in Hong Kong's capital markets, and as we celebrate the 25th anniversary of our listing this year, we remain fully committed to investing in future-ready capabilities, enhancing the attractiveness and competitiveness of our markets, and ensuring their long-term vibrancy, resilience, and sustainability. We look forward to continue working with our stakeholders to lead the market and create the conditions for even greater success in the years to come.

Bonnie Y Chan

Chief Executive Officer

Strategic and Operational Highlights



Corporate

1 Mar

New Chief Executive Officer, Ms Bonnie Y Chan, appointed

3 May

New Chairman, Mr Carlson Tong, appointed

30 Oct

Plan to open office in Riyadh in 2025 announced

18 Nov

10th anniversary of Stock Connect

Regulation

19 Apr

Consultation conclusions on Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework published, with Listing Rules amendments effective from 1 January 2025

11 Jun

Revised Listing Rules relating to Treasury Shares took effect

19 Dec

Consultation conclusions on Review of Corporate Governance Code and Related Listing Rules published, with new requirements effective from 1 July 2025

19 Dec

Consultation paper on Proposals to Optimise IPO Price Discovery and Open Market Requirements published

Products and Services

29 Feb

First batch of Covered Call ETFs listed

29 Mar

All currency futures and options contracts included in Derivatives Holiday Trading

30 Apr

Asia's first Spot Virtual Asset ETFs listed

13 Jun

First listing under Chapter 18C Specialist Technology Companies listing chapter

22 Jul

Eligibility criteria for ETFs under Stock Connect further relaxed

23 Jul

First inverse bitcoin exchange traded product listed

2 Sep

Weekly Hang Seng TECH Index Options launched

2 Sep

OTC Clear started accepting new trades for clearing under Swap Connect on Special Working Days

4 Nov

Weekly Stock Options launched

15 Nov

HKEX Virtual Asset Index Series launched

21 Nov

Hang Seng HKEX Stock Connect China Enterprises Index launched in collaboration with Hang Seng Indexes Company Limited

13 Dec

Fund Repository on the Integrated Fund Platform launched

18 Dec

HKEX Data Marketplace, a new web-based data platform, launched

Market Operations

1 Jan

The LME and LME Clear implemented average trading and clearing fee increment of 13 per cent

22 Jan

The LME implemented New Closing Price methodology in phases

23 Mar

Self-Match Prevention service in Cash Market introduced

18 Apr

In-house development of the Orion Derivatives Platform announced



20 May

New product features and services to Swap Connect introduced

27 Jun

The LME announced its intention to explore Hong Kong as a Delivery Point, which was subsequently approved in January 2025

29 Jul

The LME approved Jeddah in Saudi Arabia as a Delivery Point for copper and zinc

31 Jul

Enhancements to Self-Match Prevention service in Derivatives Market introduced

4 Sep

The LME published the White Paper on Enhancing Liquidity, outlining a package of measures designed to boost transparency and increase price competition

23 Sep

Severe Weather Trading arrangements implemented in the Securities and Derivatives Markets

7 Oct

The UK Court of Appeal dismissed the appeal by the claimant against the LME and LME Clear in relation to the events in the nickel market in 2022. Subsequently in January 2025, the Supreme Court refused

permission for the appellants to appeal further, effectively bringing an end to the judicial review proceedings

18 Oct

Enhanced Application Timeframe for the new listing application process jointly announced with the SFC

12 Dec

Announcement of a multi-year post-trade services enhancement programme for the Securities Market with new post-trade features and services progressively added to the Orion Cash Platform

16 Dec

OTC Clear announced the acceptance of China Government Bonds and Policy Bank Bonds held through Bond Connect as collateral for Northbound Swap Connect effective from 13 January 2025

17 Dec

Consultation conclusions on Proposed Reduction of Minimum Spreads in the Hong Kong Securities Market published, with the phase 1 of minimum spreads reduction implemented around mid-2025

18 Dec

LME Clear implemented changes to its default fund, initial margin and added a new margin type

Sustainability

3 Jul

2024 HKEX Impact Funding Scheme launched

1 Aug

Gold Standard's Verified Emission Reductions introduced on Core Climate

6 Aug

Established a new Executive Corporate Responsibility Committee

23 Sep

2024 HKEX Charity Partnership Programme launched

30 Sep

The LME announced its proposal to mandate emissions reporting for LME-listed aluminium brands, in line with the EU CBAM methodology, effective from 15 June 2025

1 Oct

HKEX Sustainability function launched

18 Dec

Provided carbon credits settlement services for Cathay Pacific Airways on Core Climate

31 Dec

Achieved carbon neutrality in HKEX's operations and submitted emissions reduction targets to Science Based Targets initiative

Financial Highlights

Annual Results

HKEX reported the Group's best ever revenue and other income and profit in 2024.

Revenue and Other Income

+9%

2024 revenue and other income was \$22,374 million, 9 per cent higher than 2023:

- Core business revenue was up 9 per cent against 2023, attributable to increases in trading and clearing fees from higher volumes across the Cash, Derivatives and Commodities Markets, as well as the LME fee increment. This was partly offset by lower net investment income from Margin Funds.
- Net investment income from Corporate Funds was \$1,748 million, up 18 per cent compared with 2023, mainly due to lower losses on valuation of the Group's unlisted equity investments (2024: \$62 million; 2023: \$253 million).

Operating Expenses

+6%

Operating expenses were 6 per cent higher than 2023, attributable to higher staff costs and IT costs, partly offset by lower professional fees incurred for, and the partial recovery of legal fees relating to, the events in the nickel market in 2022.

EBITDA¹

+10%

EBITDA¹ of \$16,281 million was 10 per cent higher than 2023, with EBITDA margin¹ at 74 per cent, 1 percentage point higher than 2023.

Profit Attributable to Shareholders

+10%

Profit attributable to shareholders was \$13,050 million, 10 per cent higher than 2023.

¹ For the purposes of this Annual Report, EBITDA is defined as earnings before interest expenses and other finance costs, taxation, depreciation and amortisation. It excludes the Group's share of results of the joint ventures. EBITDA margin is calculated based on EBITDA divided by revenue and other income less transaction-related expenses. EBITDA and EBITDA margin are non-HKFRS measures used by management for monitoring business performance and may not be comparable to similar measures presented by other companies.

Key Financials

	2024 \$m	2023 \$m	Change
Revenue and other income			
Core business revenue	20,559	18,941	9%
Donation income of HKEX Foundation	67	88	(24%)
Net investment income of Corporate Funds	1,748	1,487	18%
	22,374	20,516	9%
Operating expenses	5,761	5,441	6%
EBITDA (non-HKFRS measure)	16,281	14,828	10%
Profit attributable to shareholders	13,050	11,862	10%
Capital expenditure	1,517	1,381	10%
Basic earnings per share	\$10.32	\$9.37	10%
First interim dividend per share	\$4.36	\$4.50	(3%)
Second interim dividend per share	\$4.90	\$3.91	25%
	\$9.26	\$8.41	10%
Dividend payout ratio	90%	90%	–

Key Market Statistics

	2024	2023	Change
ADT of equity products traded on the Stock Exchange ¹ (\$bn)	120.0	93.2	29%
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	11.8	11.8	0%
ADT traded on the Stock Exchange ^{1,2} (Headline ADT) (\$bn)	131.8	105.0	26%
ADT of Northbound Trading of Stock Connect ¹ (RMBbn)	150.1 ⁴	108.3	39%
ADT of Southbound Trading of Stock Connect ¹ (\$bn)	48.2 ⁴	31.1	55%
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	830 ⁴	742	12%
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	720 ⁴	612	18%
Chargeable ADV ³ of metals contracts traded on the LME ('000 lots)	664	562	18%
ADT of Northbound Bond Connect (RMBbn)	41.6 ⁴	40.0	4%

1 Includes buy and sell trades under Stock Connect

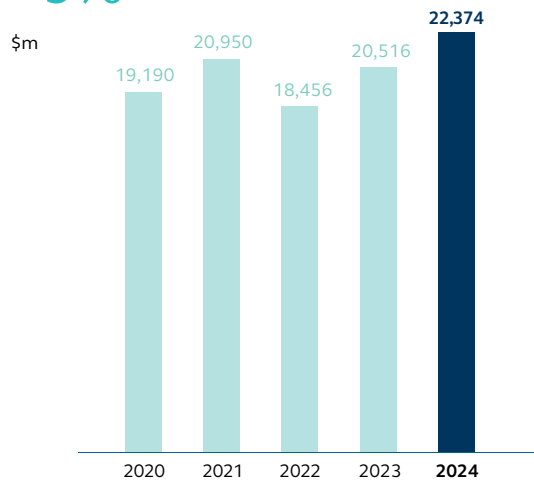
2 ADT of Southbound Trading is included within Headline ADT.

3 Chargeable ADV excludes administrative trades (Admin Trades).

4 New record high in 2024

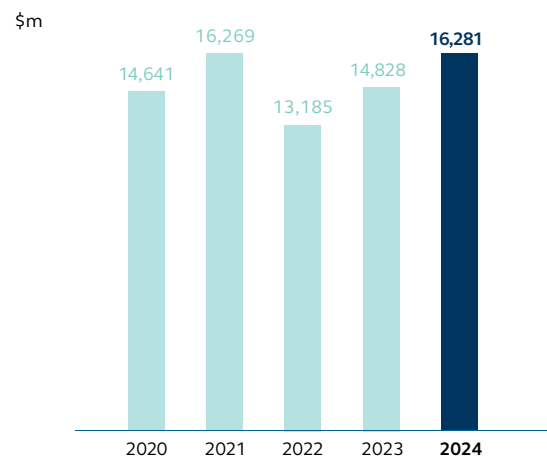
Revenue and Other Income

\$22,374 million
+9%



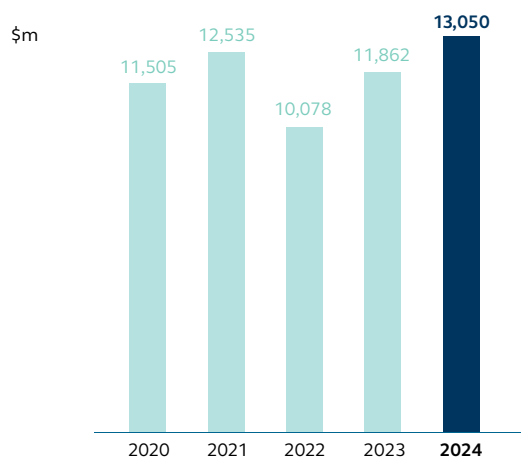
EBITDA

\$16,281 million
+10%



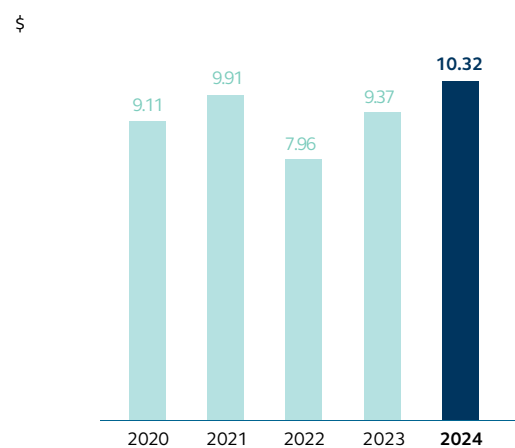
Profit Attributable to Shareholders

\$13,050 million
+10%



Basic Earnings Per Share

\$10.32
+10%



Financial Highlights

Comparison of Q4 2024 with Q4 2023 Results

Revenue and Other income

+31%

Q4 2024 revenue and other income reached a record quarterly high of \$6,381 million, 31 per cent higher than Q4 2023:

- Core business revenue was up 33 per cent against Q4 2023, attributable to higher trading and clearing fees across the Cash, Derivatives and Commodities Markets.
- Net investment income from Corporate Funds was \$340 million, up 10 per cent compared with Q4 2023, attributable to lower losses on valuation of the Group's unlisted equity investments (Q4 2024: \$38 million; Q4 2023: \$242 million), partly offset by lower fair value gains on the External Portfolio (Q4 2024: \$58 million; Q4 2023: \$211 million).

Operating Expenses

+6%

Operating expenses were up 6 per cent, attributable to higher staff costs and IT costs.

EBITDA

+44%

EBITDA margin was 75 per cent, 7 percentage points higher than Q4 2023.

Profit Attributable to Shareholders

+46%

Profit attributable to shareholders reached a record fourth quarter high of \$3,780 million, 46 per cent higher than Q4 2023.

Key Financials

	Q4 2024 \$m	Q4 2023 \$m	Change
Revenue and other income			
Core business revenue	6,017	4,516	33%
Donation income of HKEX Foundation	24	31	(23%)
Net investment income of Corporate Funds	340	310	10%
	6,381	4,857	31%
Operating expenses	1,602	1,515	6%
EBITDA (non-HKFRS measure)	4,694	3,263	44%
Profit attributable to shareholders	3,780	2,597	46%
Capital expenditure	490	551	(11%)
Basic earnings per share	\$2.99	\$2.05	46%

Key Market Statistics

	Q4 2024	Q4 2023	Change
ADT of equity products traded on the Stock Exchange ¹ (\$bn)	171.5	80.4	113%
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	15.4	10.6	45%
ADT traded on the Stock Exchange ^{1,2} (Headline ADT) (\$bn)	186.9	91.0	105%
ADT of Northbound Trading of Stock Connect ¹ (RMBbn)	231.0 ⁴	108.4	113%
ADT of Southbound Trading of Stock Connect ¹ (\$bn)	78.1 ⁴	28.0	179%
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	870 ⁴	750	16%
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	784	593	32%
Chargeable ADV ³ of metals contracts traded on the LME ('000 lots)	628	623	1%
ADT of Northbound Bond Connect (RMBbn)	34.6	38.7	(11%)

1 Includes buy and sell trades under Stock Connect

2 ADT of Southbound Trading is included within Headline ADT.

3 Chargeable ADV excludes administrative trades (Admin Trades).

4 New record quarterly high

Financial Highlights

Comparison of Q4 2024 with Q3 2024 Results

Revenue and Other income

+19%

Q4 2024 revenue and other income of \$6,381 million was 19 per cent higher than Q3 2024:

- Core business revenue was up 24 per cent against Q3 2024, reflecting higher trading and clearing fees from higher volumes in the Cash and Derivatives Markets, and higher net investment income from Margin Funds from higher fund size.
- Net investment income from Corporate Funds was \$340 million (Q3 2024: \$507 million), primarily due to lower net fair value gains of the External Portfolio (Q4 2024: \$58 million; Q3 2024: \$156 million), and losses on valuation of the Group's unlisted equity investments (Q4 2024: losses of \$38 million; Q3 2024: gains of \$8 million).

Operating Expenses

+17%

Operating expenses were up 17 per cent, attributable to higher staff costs, and seasonal increases in other operating expenses.

EBITDA

+20%

EBITDA margin was 75 per cent, 1 percentage point higher than Q3 2024.

Profit Attributable to Shareholders

+20%

Profit attributable to shareholders of \$3,780 million was 20 per cent higher than Q3 2024.

Key Financials

	Q4 2024 \$m	Q3 2024 \$m	Change
Revenue and other income			
Core business revenue	6,017	4,852	24%
Donation income of HKEX Foundation	24	13	85%
Net investment income of Corporate Funds	340	507	(33%)
	6,381	5,372	19%
Operating expenses	1,602	1,365	17%
EBITDA (non-HKFRS measure)	4,694	3,926	20%
Profit attributable to shareholders	3,780	3,145	20%
Capital expenditure	490	415	18%
Basic earnings per share	\$2.99	\$2.49	20%

Key Market Statistics

	Q4 2024	Q3 2024	Change
ADT of equity products traded on the Stock Exchange ¹ (\$bn)	171.5	107.2	60%
ADT of DWs, CBBs and warrants traded on the Stock Exchange (\$bn)	15.4	11.6	33%
ADT traded on the Stock Exchange ^{1,2} (Headline ADT) (\$bn)	186.9	118.8	57%
ADT of Northbound Trading of Stock Connect ¹ (RMBbn)	231.0 ⁴	110.3	109%
ADT of Southbound Trading of Stock Connect ¹ (\$bn)	78.1 ⁴	39.6	97%
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	870 ⁴	778	12%
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	784	705	11%
Chargeable ADV ³ of metals contracts traded on the LME ('000 lots)	628	642	(2%)
ADT of Northbound Bond Connect (RMBbn)	34.6	43.4	(20%)

1 Includes buy and sell trades under Stock Connect

2 ADT of Southbound Trading is included within Headline ADT.

3 Chargeable ADV excludes administrative trades (Admin Trades).

4 New record quarterly high

Chairman's Statement



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2024 marked another robust year for HKEX, reflecting the continued strength and resilience of our business under new leadership and the fruition of our strategic initiatives. Our strategy has positioned us firmly to continue our leadership role in shaping the development of the region's capital markets.

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2024 marked another robust year for HKEX, with record trading activity in our markets. Our solid financial results reflected the continued strength and resilience of our business under new leadership and the fruition of our strategic initiatives, ensuring our global competitiveness and relevance. We are confident that our strategy – focused on driving greater connectivity, innovation and sustainability across our markets – has positioned us firmly to execute on our next phase of sustained growth and to continue our leadership role in shaping the development of the region's capital markets.

Our Performance

Whilst market volatility continued, a more positive global economic outlook and improved market sentiment provided a favourable backdrop for trading activity in all our markets in 2024.

New trading records were set across our Cash, Derivatives, ETP and Northbound and Southbound Stock Connect markets. In particular, the Cash Market broke its record daily ADT three times in late September and early October 2024, following the announcement of economic stimulus measures in Mainland China. Northbound Bond Connect trading continued to achieve new highs in trading volume as well as the number of investors.

In 2024, Hong Kong continued to be one of the world's most active IPO fundraising hubs with 71 new listings raising a total of \$88.0 billion, ranking 4th globally. IPO activity noticeably stepped up momentum in the second half of the year as a result of China monetary and fiscal measures announced during the period. Metals trading volumes on the LME continued to register robust growth, reflecting heightened market demand for base metals and stronger investor confidence in the LME.

Total Group revenue and other income, for the year ended 31 December 2024, reached a record high of \$22.4 billion, up 9 per cent from 2023, resulting in a record profit attributable to shareholders of \$13.1 billion, up 10 per cent from 2023.

Dividend

The Board declared a second interim dividend payment of \$4.90 per share, wholly in cash, which, together with the first interim dividend of \$4.36 per share paid in September 2024, results in a full-year dividend of \$9.26 per share.

Strategic Update

In 2024, we continued to make good progress in delivering on our strategic imperatives of building on our China Strength, strengthening our global and regional connectivity, enhancing the competitiveness and vibrancy of our markets, and advancing our technological capabilities. Of particular note, we further broadened investment choices with the expansion of the scope of eligible ETFs under our Connect programmes and the diversity of our product offerings and services, and expanded our international reach and strategic partnerships. We also announced plans to launch multi-year infrastructure enhancement programmes, as well as to expand the LME's global metals warehousing network into Hong Kong.

These key initiatives reflect our resolute focus on futureproofing our business and markets, deepening our value proposition as a gateway between China and the world, and enhancing Hong Kong's role as Asia's premier international financial centre.

Market Quality and Sustainability

As a leading global exchange group, we continue to play a unique and pivotal role in promoting market efficiency and quality, and shaping the long-term sustainable development of capital markets in the region and beyond. We are fully committed to maintaining well-regulated, efficient and transparent markets to support the evolving needs of global investors, and to better align with international standards.

In support of the resilience and competitiveness of Hong Kong as a world-class financial centre, we successfully implemented a major market enhancement to allow Hong Kong's securities and derivatives markets to remain open during severe weather conditions. We also launched a multi-year modernisation programme for our cash market platform, developing the capabilities for faster and more efficient post-trade and settlement cycle and services. As well, we will publish a white paper in the first half of 2025 to lead the market discussion on a suitable stock settlement cycle for Hong Kong's markets.

On the regulatory front, we have continued our efforts to enhance the quality and attractiveness of Hong Kong's listing framework and to ensure it remains fit for purpose. We undertook various initiatives, including the introduction of a new treasury share regime for issuers; the phased implementation of enhanced climate-related disclosures to align with ISSB Climate Standards; the enhancement of issuers' boardroom diversity and effectiveness, including measures to eliminate single gender boards, and the further strengthening of risk management and internal controls of issuers; the further expansion of the paperless listing regime; and proposals to optimise the price discovery process and open market requirements. HKEX also announced, together with the SFC, the introduction of an enhanced timeframe for the new listing application process, and temporary modifications to certain listing requirements for SPAC companies and De-SPAC transactions.

The LME embarked on the next phase of its modernisation journey with the publication of a white paper in September 2024 that outlined proposed measures to modernise the LME's market structure and enhance transparency and price competition for the benefit of all market users. To date, the LME has engaged extensively with market participants and established working groups to gather feedback. The implementation of these measures is planned to commence in the second half of 2025, subject to a market consultation that will be launched in the first quarter of 2025 and regulatory approvals.

Following a market consultation in May 2024, the LME has decided to mandate emissions reporting for LME-listed aluminium brands, in line with the EU CBAM (Carbon Border Adjustment Mechanism) methodology, by 15 June 2025. The LME will continue engaging with market participants to ensure that the newly-implemented CBAM emissions reporting and its other sustainability related initiatives, such as responsible sourcing and LMEpassport, are continuing to assist the evolving needs of the industry and contribute to a more sustainable future.

Specific details of the Group's performance, achievements and market initiatives in 2024 are set out in the Chief Executive Officer's Review and Business Review sections of this Annual Report.

Corporate Responsibility

At HKEX, strong corporate governance and ESG stewardship are deeply rooted in our business and our strategy. As a market operator, regulator and a listed company, we embrace our privilege and responsibility to be agents of change and to lead by example in promoting and championing sustainability and best-in-class governance practices in all we do to support the long-term and sustainable development of our business, markets and the wider communities.

In 2024, we conducted internal evaluations of the performance of the boards of HKEX and its subsidiaries, OTC Clear, the LME and LME Clear. The evaluations concluded that all four boards operate effectively and identified areas for enhancement that are now being implemented.

As a responsible corporate leader, we continued to advance our sustainability journey, with notable progress and important milestones achieved in 2024. We reached our carbon neutrality goal by 2024 as planned, and submitted our science-based greenhouse gas emission reduction targets to the Science Based Targets initiative (SBTi) for validation. We also rolled out enhancements to adopt a holistic corporate responsibility framework for strengthening the integration of ESG considerations into our business and operations, anchoring our purpose as an organisation: "Supporting the prosperity of all".

Through HKEX Foundation and HKEX's ongoing charity partnership programmes, we committed donations of \$86 million in 2024 to support a wide range of projects progressing financial literacy, diversity and inclusion, poverty relief and environmental sustainability. Underscoring our commitment to driving positive and impactful change in our community, we initiated a review of HKEX's philanthropy strategy, covering the long-term strategic direction and operation of the HKEX Foundation and beyond.

In support of responsible supply chains, LME continued its funding partnership with the charity The Impact Facility, supporting its multi-year project to address child labour in African mining communities and further embed responsible mining practices into the global ecosystem.

In 2024, we continued investing in our employees and adopting responsible business practices in our operations. Alongside ongoing talent development programmes, we rolled out various diversity and wellness focused initiatives, supporting a thriving, inclusive and engaging workplace. To ensure operational excellence, we continued to uphold a culture of integrity, responsibility and transparency for business ethics and risk management through policy enhancements and regular training and education.

Further details can be found in our 2024 Sustainability Report, which is available on the HKEX Group website together with this Annual Report.

Outlook

Looking ahead to 2025, the macroeconomic environment will remain vulnerable to uncertainties in the monetary and trade policies of major markets and ongoing geopolitical developments, which together with climate change and rapid technological innovation, will continue to pose challenges and opportunities for HKEX Group and business communities.

As a purpose-driven organisation and a leading international exchange group, we are fully committed to promoting the long-term prosperity and sustainability of our markets and communities in partnership with our customers, regulators and other stakeholders. With a clear vision and focused strategy, we are well placed to play an important role in connecting investors, corporates and markets around the world, reinforcing our competitiveness, relevance and leadership at the heart of the global financial community.

Acknowledgements

As I present my first HKEX Annual Report as Chairman, I am very conscious of the vital support and contribution of our stakeholders, within and outside of our organisation. I would also like to acknowledge the leadership and contribution of my predecessor Mrs Laura M Cha during her tenure and for her wise counsel as the Board Senior Advisor during this past year.

On behalf of the Board, I would like to express gratitude to members of our International Advisory Council and Mainland China Advisory Group for their insight and guidance during the year. I would also like to thank Mr Peter Yan, who stepped down in October 2024 and Mr Apurv Bagri and Ms Nisa Leung, who will retire after the conclusion of the 2025 AGM, for their wise counsel and valuable contributions to HKEX during their tenure of service. I also thank my fellow Board members for their support and commitment during 2024.

Finally, I would like to thank our Shareholders and other valued stakeholders for their unwavering support and confidence, and our management team and all staff under the leadership of Ms Bonnie Y Chan, our chief executive officer, for their hard work and dedication in making 2024 another year of success and achievements for HKEX Group.

Carlson TONG

Chairman

Hong Kong, 27 February 2025

Chief Executive Officer's Review



“

HKEX achieved significant progress and delivery in 2024, a year that featured the launch of multi-year infrastructure enhancement programmes, the largest IPO in Hong Kong since 2021, and all-time record trading turnover.

”

HKEX achieved significant progress and delivery in 2024, a year that featured greater connectivity and engagement with international markets, the launch of multi-year infrastructure enhancement programmes, and fresh trading records that underscore the market's vibrancy and resilience.

The improved macro backdrop supported renewed vibrancy and robustness of our markets, which was reflected in the largest IPO in Hong Kong since 2021 as well as an all-time record trading turnover.

During the year, we continued to build on our unique China strength, introduce initiatives to enhance the liquidity, vibrancy and competitiveness of our markets, future-proof our technology and operations, and venture into adjacent businesses. Under this strategy, we completed or announced various important initiatives that will bring long-term positive impact to our markets, including reforms, new products, strategic partnerships, and programmes to advance our future-ready capabilities.

Highlights of our initiatives during the year include the continued expansion of the Connect programme, which along with our progress in increasing connectivity with the exciting markets of the Middle East, is a great example of how we are leveraging our unique China advantage to connect the world's second-largest economy with new and emerging sources of global capital.

While our listing framework captured the return of positive sentiment in the latter half of the year, we continued to make enhancements to it throughout the year to position it even more positively for 2025 and beyond.

We also introduced microstructure enhancements, from Severe Weather Trading arrangements to planning the reduction of minimum spreads; and new product offerings such as weekly options and new classes of ETFs – to drive the competitiveness and, ultimately, liquidity, diversity, vibrancy and quality of our markets.

These and other developments during the year put us in an even stronger position to manage the volatility of the global landscape, whilst capturing exciting opportunities arising from the increasing importance of Asia, the global sustainability agenda and other global megatrends.

Market Highlights

- Cash equities market hit a record \$620.7 billion in turnover on 8 October 2024, with new daily trading records across all HKEX markets in the third and fourth quarters.
- Stock Connect ADT set new records with Northbound and Southbound ADT of RMB150.1 billion and \$48.2 billion respectively, generating revenue and other income of \$2.7 billion in 2024.
- IPO market ranked in the world's top four with \$88.0 billion raised from 71 new listings, including Hong Kong's biggest IPO since 2021.
- Average daily volume of the Derivatives Market was up 15 per cent to 1.6 million contracts.
- Average daily turnover of the ETP markets reached a record high of \$18.9 billion, an increase of 35 per cent on the previous year.
- The Connect programme saw further enhancements including the relaxation of ETF eligibility requirements under Stock Connect, and new trade types and services for Swap Connect.
- Implemented Severe Weather Trading arrangements.
- Introduced an enhanced timeframe for new listing application processes, a new treasury share regime for issuers and a consultation paper on proposals to reform the IPO price discovery process.
- Announced plans to introduce new post trade services and features on the Orion Cash Platform (OCP) and to develop the Orion Derivatives Platform (ODP).
- Announced the enhancement of climate disclosure requirements based on IFRS S2.
- Unveiled plans to open a new office in Riyadh, Saudi Arabia and added Dubai and Abu Dhabi as recognised stock exchanges.

Primary Market

While the global IPO market continued to be impacted by high interest rates and slow economic growth, Hong Kong's IPO market saw a significant recovery in the second half of the year. The increased confidence was driven by several sizeable deals, including, on 17 September 2024, the largest IPO in the city since 2021. It was given further momentum by the announcement of stimulus measures in Mainland China in the later part of the year.

HKEX welcomed 71 new listings in 2024, raising \$88.0 billion. New economy sector companies accounted for almost 82 per cent of the capital raised. HKEX new listing chapters supported evolving market needs with three listings under the specialist technology Chapter 18C, three GEM listings since its reform, and the first De-SPAC transaction.

We also continued to demonstrate our commitment to continuously enhancing the competitiveness of our listing framework in 2024, with the announcement of an enhanced new-listing process timeframe, the implementation of a new treasury share regime to provide issuers with greater flexibility in capital management through share buy-backs and resales of treasury shares, and a consultation paper on optimising the IPO price discovery process and open market requirements.

Secondary Market

It was also a strong year for Hong Kong's secondary markets in 2024. Headline ADT in the Cash Market was \$131.8 billion, which was a 26 per cent increase on the previous year. A significant improvement in market sentiment in the second half of the year led to several daily trading records, including an all-time turnover record of \$620.7 billion on 8 October 2024.

HKEX's Derivatives Markets continued to go from strength-to-strength in 2024, with average daily volumes of 1.6 million contracts, a 15 per cent increase on the previous year. New product launches included Weekly Hang Seng TECH Index Options as well as weekly options for 10 single stocks, meeting the growing demand for shorter-dated options.

The ETP markets, including ETFs and Leveraged & Inverse products, also continued to turn in strong results, with ADT reaching \$18.9 billion, up 35 per cent on the previous year. We also welcomed Hong Kong's first-ever listings of Covered Call ETFs and Asia's first Spot Virtual Asset ETFs, further enhancing product diversity and liquidity, contributing to the 36 new ETPs launched during 2024. Furthermore, we unveiled plans to digitise and automate the in-kind creation and redemption process for ETPs, a move that will increase market efficiency and support the continued growth of secondary market activity for ETPs.

Strategic Development Review

In 2024, we continued to deliver against a Group strategy that leverages our unique China advantage to enhance the liquidity of our markets, future-proof our operations, and explore adjacent business opportunities.

Building on our China Strength

As an IFC, Hong Kong is unrivalled in connecting China and the rest of the world. In 2024, we continued to build on this unique advantage by further developing the capital market channels, products and partnerships that support this connectivity.

Expanding Connect

In November 2024, HKEX celebrated the 10th anniversary of the Connect programme, which has expanded beyond its initial focus on equities to include bonds, ETFs, and interest rate swaps.

More enhancements were implemented during the year, including the relaxation of ETF eligibility requirements under Stock Connect, an updated list of eligible ETFs for Northbound and Southbound trading, and the introduction of International Monetary Market trades, backdated trades and solo compression service to Swap Connect. We also announced that OTC Clear would start accepting China Government Bonds and Policy Bank Bonds as collateral for Swap Connect from January 2025.

The upcoming inclusion of real estate investment trusts (REITs) under Stock Connect – and the introduction of RMB counters for Southbound Trading – will further solidify Hong Kong's role as a superconnector between Mainland China and global capital markets.

Expanding Partnerships

We continued to develop our relations with stakeholders in Mainland China, where, in 2024, we signed MOUs with the governments of Shanxi, Shandong and Xi'an to strengthen cooperation.

Enhancing Market Liquidity

In 2024, HKEX continued to enhance the liquidity, vibrancy, diversity and competitiveness of our markets. In addition to planning updates to our IPO market and expanding our product ecosystem, several other initiatives were launched to elevate market liquidity and quality.

Microstructure and Infrastructure Enhancements

We continued to enhance market microstructure and infrastructure in 2024 with highlights including the updates made in our Derivatives Market and ETP markets. We also finalised the implementation plan of reducing minimum spreads of eligible securities, following strong support after a market consultation. The first phase is set for implementation in mid-2025.

Additionally, we introduced Severe Weather Trading arrangements and successfully implemented the programme on 14 November 2024, when Typhoon Toraji hit Hong Kong. The ability to continue trading during tropical cyclones increases the availability and dependability of our markets to global investors, reinforcing Hong Kong's competitiveness as an IFC.

Tapping New Sources of Capital

As the global map of economic power changes, new sources of capital are emerging. Leveraging our China advantage, we continued to foster and expand the partnerships we have been developing in the Middle East. We announced plans to open an office in Riyadh, Saudi Arabia, and we added Abu Dhabi and Dubai to our list of recognised stock exchanges, opening the door to the possibility of dual listings. This followed the addition of the Saudi Exchange to our list of recognised stock exchanges in 2023.

We will continue to build on these developments to bolster capital market connectivity between East Asia and the Middle East, paving the way for dual listings, increased two-way flows and other opportunities.

Sustaining Growth

Ensuring our markets remain competitive and attract vibrancy, diversity and liquidity also means ensuring that their quality evolves in line with global investor demands and megatrends. In 2024, we continued to promote robust ESG standards to further elevate the quality of our market ecosystem.

In April, HKEX published the conclusion of a market consultation on Climate Disclosure Requirements, reflecting IFRS S2. While some economies have mandated IFRS S2 alignment through their legislatures, we are proud that Hong Kong is the first market in the world to introduce it through its exchange. More importantly, this supports the Hong Kong Government's vision of a set of local sustainability reporting standards that are aligned with IFRS Sustainability Disclosure Standards – an important step towards a common global language to understand climate transparency.

HKEX was also the first major international exchange to ban single-gender boards on its markets, the deadline for which was 31 December 2024. I am very happy to report that this historic move was overwhelmingly embraced by our listed issuer community, with almost all complying with the requirements by the deadline.

During the year, we also consulted on, and later resolved to implement, updates to our Corporate Governance Code to help issuers create more effective, independent and diverse boardrooms while strengthening risk management and internal controls. Along with the ban on single gender boards, these enhancements are part of our efforts to continuously reinforce the long-term quality and sustainability of Hong Kong's markets in an increasingly competitive and complex global landscape.

HKEX has also been supporting the sustainability agenda beyond Asia through the LME, the world centre for the pricing, hedging and trading of metals. Metals are critical to green technologies and sustainably sourced metals are critical to the success of the green transition.

In 2024, the LME put forward several proposals to enhance the transparency of and access to sustainable metals. For example, it mandated emission reporting for LME-listed aluminium, in line with the EU CBAM.

Developing our Commodities Business

The LME also had a strong year, with chargeable ADV for the year registering an 18 per cent increase from a year earlier. In July, the LME added Jeddah, Saudi Arabia, as a copper and zinc warehouse delivery point, and it continued to progress adding Hong Kong as a new warehouse location, with the approval being confirmed in January 2025.

Additionally, following the successful roll-out of an enhanced electronic closing pricing methodology, the LME published a white paper on further evolving its market structure to enhance liquidity, and announced that it will launch its new trading platform, LMEselect v10, in March 2025.

Building Future-ready Technology and Operations

In times of change, resilience is essential and HKEX is known for its robust systems and operations. But we define resilience as more than just the ability to withstand pressure. For us, it also means the ability to adapt under stress, anticipate shifts, build actionable strategies and capture opportunities while the world changes around us.

Technology is central to how we do this.

Meeting the Needs of the Next Generation of Investors

HKEX is developing future-ready capabilities that will enable real-time trade processing and round-the-clock derivatives trading, ensuring that our market infrastructure can meet the needs of the next generation of investors.

To this end, in 2024, we announced plans to introduce new post trade services and features on our integrated cash market platform, the Orion Cash Platform (OCP), as well as plans to develop the Orion Derivatives Platform (ODP), an in-house platform that will differentiate the Group's derivatives offerings.

Also, HKEX will ensure its systems are technically ready for a T+1 stock settlement cycle by the end of 2025 and facilitate discussion in 2025 on a suitable settlement cycle for Hong Kong's markets, with plans to publish a white paper in the first half.

The progressive rollout of these platforms and features will help bolster HKEX's ability to support global investors and solidify Hong Kong's standing as Asia's premier risk management centre.

Exploring Adjacent Businesses

To remain competitive as a global exchange, we are exploring business opportunities that are adjacent and complementary to our core businesses.

Index and Data Businesses

In 2024, we introduced the HKEX Virtual Asset Index Series and the Hang Seng HKEX Stock Connect China Enterprises Index marking the Group's first steps into the index business.

In addition, HKEX launched a new web-based data platform, the HKEX Data Marketplace, to distribute our historical data products and support the needs of our global investors.

Strategic Outlook

While the geopolitical uncertainty of 2024 is likely to continue in 2025, there is also hope for modest global growth with the easing of inflationary pressures and interest rates. At the same time, the potential for capital markets to play a role in facilitating technological progress, supporting the sustainability agenda and connecting new and emerging hubs of capital, presents tremendous opportunities for global exchanges such as HKEX.

We will continue to enhance our infrastructure and microstructure, product ecosystem, and technology and operations to ensure we have the resilience to weather macroeconomic volatility, the dynamism to capture fast evolving opportunities and the competitiveness to continuously enhance market liquidity and vibrancy.

Appreciation

The HKEX Group delivered strong results in 2024. Behind all of our achievements during the year is the talent and hard work of our people. Their contributions make me proud to present my first HKEX Annual Report as CEO. I thank them all for making our collective success possible.

I also want to thank the Hong Kong Government, the Securities and Futures Commission, the Hong Kong Monetary Authority, our market participants and all our stakeholders around the world for their partnership and support. As we look to 2025, a year in which HKEX will celebrate its 25th anniversary as a listed company, I am very optimistic that we will continue to work together to strengthen Hong Kong's role as a leading IFC.

Finally, I want to thank our Chairman, Mr Carlson Tong, and my other fellow Board members for their support and trust.

Bonnie Y CHAN

Director and Chief Executive Officer

Hong Kong, 27 February 2025



Organisation



Board and Committees



Carlson Tong



Bonnie Y Chan



Nicholas Allen



Apurv Bagri



Chan Kin Por



Cheah Cheng Hye



Anna Cheung



Herbert Chia



Susan Chow



Nisa Leung



Hugo Leung



Joseph Yam



Zhang Yichen

(As of 27 February 2025)

Board

INEDs

Carlson TONG * GBS, JP (Chairman)
Nicholas Charles ALLEN
Apurv BAGRI BBS
CHAN Kin Por * GBS, JP
CHEAH Cheng Hye
CHEUNG Ming Ming, Anna
CHIA Pun Kok, Herbert * JP
CHOW WOO Mo Fong, Susan *
LEUNG Nisa Bernice Wing-Yu * MH, JP
LEUNG Pak Hon, Hugo
YAM Chi Kwong, Joseph * GBM, GBS, JP
ZHANG Yichen

Executive Director

CHAN Yiting, Bonnie (Chief Executive Officer)

Group Company Secretary

Timothy TSANG

Committees

Audit Committee

Nicholas Charles ALLEN (Chairman)
CHEUNG Ming Ming, Anna
CHIA Pun Kok, Herbert
CHOW WOO Mo Fong, Susan
LEUNG Pak Hon, Hugo

Board Executive Committee

Carlson TONG ¹ (Chairman)
CHAN Yiting, Bonnie
CHEAH Cheng Hye
CHEUNG Ming Ming, Anna
LEUNG Pak Hon, Hugo

Corporate Responsibility Committee

(formerly known as Corporate Social Responsibility Committee)
Carlson TONG (Chairman)
CHAN Kin Por
CHAN Yiting, Bonnie
CHEUNG Ming Ming, Anna
CHOW WOO Mo Fong, Susan
ZHANG Yichen

Investment Committee

CHEAH Cheng Hye (Chairman)
CHAN Kin Por
CHIA Pun Kok, Herbert
LEUNG Pak Hon, Hugo
YAM Chi Kwong, Joseph
ZHANG Yichen

Listing Operation Governance Committee

CHOW WOO Mo Fong, Susan (Chairman)
Renu BHATIA ²
CHEAH Cheng Hye
Terence Francois KEYES ³
LEUNG Pak Hon, Hugo

Nomination and Governance Committee

Carlson TONG (Chairman)
Apurv BAGRI
CHEAH Cheng Hye
LEUNG Nisa Bernice Wing-Yu
ZHANG Yichen

Remuneration Committee

Carlson TONG (Chairman)
Apurv BAGRI
CHEUNG Ming Ming, Anna
CHOW WOO Mo Fong, Susan
YAM Chi Kwong, Joseph

Risk Committee

CHOW WOO Mo Fong, Susan (Chairman)
Nicholas Charles ALLEN
CHIA Pun Kok, Herbert
LEUNG Nisa Bernice Wing-Yu
LEUNG Pak Hon, Hugo
YAM Chi Kwong, Joseph

Risk Management Committee (statutory) ^Δ

Carlson TONG ¹ (Chairman)
CHOW WOO Mo Fong, Susan
HO Hon Kit, Daryl ^{**4}
KWOK Pui Fong, Miranda ^{**}
LEUNG Chung Yin, Rico ^{**5}
LEUNG Pak Hon, Hugo
SUN Yu ^{**}
XING Guiwei ^{**6}

* Government Appointed Director

** Appointed by the Financial Secretary

Δ Established under Section 65 of the SFO

¹ Chairman by virtue of being HKEX's Chairman

² Member by virtue of being chairman of the Listing Committee of the Stock Exchange

³ Member by virtue of being deputy chairman of the Listing Committee of the Stock Exchange

⁴ Member by virtue of being Executive Director (Monetary Management) of the Hong Kong Monetary Authority

⁵ Member by virtue of being Executive Director (Supervision of Markets) of the SFC

⁶ Member by virtue of being the Chairman of Hong Kong Interbank Clearing Limited

Board of Directors and Senior Management

Board of Directors



Carlson TONG GBS, JP
Chairman, INED

Aged 70
Director since 26 April 2023
Chairman since 3 May 2024
Length of service as Director: 1 year 10 months
Term of office: 26 April 2023 (appointed) to 2025 AGM

Other positions held with the Group

HKEX – chairman of Board Executive Committee, Corporate Responsibility Committee, Nomination and Governance Committee, Remuneration Committee, Risk Management Committee (statutory), and member of International Advisory Council and Mainland China Advisory Group
SEHK – member of Listing Nominating Committee
HKEX Foundation – chairman and director
HGCL – director

Other major offices

Standard Chartered Bank (Hong Kong) Limited
– independent non-executive director (2024–)
World Federation of Exchanges – director (2024–)
Hong Kong Investment Corporation Limited – non-official member of the board (2023–)
MTR Corporation Limited * – independent non-executive director (2022–)

Past offices

Cathay Pacific Airways Limited * – observer on behalf of the Government of the Hong Kong Special Administrative Region (2020-2024)
Standard Chartered PLC * – independent non-executive director (2019-2024)
Hong Kong University Grants Committee – chairman (2016-2022) and member (2011-2013)
Hong Kong International Airport Authority – non-executive director (2017-2020)
SFC – chairman (2012-2018) and non-executive director (2011-2018)
KPMG (1979-2011): Asia Pacific chairman and a member of the global board and global executive team (2009-2011), chairman of KPMG China and Hong Kong (2007-2011), and partner of KPMG Hong Kong (1989-2007)
SEHK – chairman (2006-2008) and member of Listing Committee of the Main Board and GEM (2002-2006)

Public service

National Financial Regulatory Administration – member of International Advisory Council (2024–)¹
Listing Policy Panel – member (2024–)
Task Force on Enhancing Stock Market Liquidity
– chairman (2023–)
Judicial Officers Recommendation Commission
– member (2023–)
Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR
– chairman (2017–)

Qualifications

Fellow (Hong Kong Institute of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales)
Honorary Fellow and **Honorary Doctorate** (Education University of Hong Kong)
Honorary Fellow (Lingnan University)
Fellow (Hong Kong Academy of Finance)
Honorary Doctorate (The Hong Kong University of Science and Technology)
Honorary Doctorate (The Chinese University of Hong Kong)

* Listed on the Stock Exchange

¹ Appointment took effect in October 2024



CHAN Yiting, Bonnie

(formerly named CHAN Yuen Man, Bonnie)

Executive Director, Chief Executive Officer

Aged 55

Joined in January 2020

Chief Executive Officer since 1 March 2024

Ex-officio member of the Board

Length of service as Director: about 1 year

Term of office: 1 March 2024 to 28 February 2027

Other positions held with the Group

HKEX – member of Board Executive Committee, Corporate Responsibility Committee, International Advisory Council and Mainland China Advisory Group

HKFE, SEHK, HKCC, HKSCC and SEOCH – chairman

SEHK – ex-officio member of Listing Committee of the Main Board and GEM

HKEX's certain subsidiaries – director

Past offices

HKEX – Co-Chief Operating Officer (February 2023 – February 2024), Head of Listing (January 2020 – January 2023) and Head of IPO Transactions (2007-2010)

Davis Polk & Wardwell LLP – partner (2010-2019)

Morgan Stanley (Hong Kong) – executive director of legal and compliance department (2003-2007)

Public service

Listing Policy Panel – member (2024~)

Qualifications

Bachelor of Laws (The University of Hong Kong)

Master of Laws (Harvard University, US)

Solicitor (Hong Kong)

Attorney at law (New York State, US)



Nicholas Charles ALLEN

INED

Aged 69

Director since 28 April 2021

Length of service as Director: 3 years 10 months

Term of office: 24 April 2024 (re-elected) to 2027 AGM

Other positions held with the Group

HKEX – chairman of Audit Committee and member of Risk Committee

LME – non-executive director, chairman of Audit Committee, and member of Remuneration Committee

LME Clear – non-executive director, chairman of Audit Committee, and member of Nomination Committee and Remuneration Committee

Other major offices

Mordril Properties Limited – independent non-executive director (2019~)

CLP Holdings Limited * – independent non-executive director (2009~)

Past offices

Link Asset Management Limited (as manager of Link Real Estate Investment Trust *) – chairman and independent non-executive director (2016-2024)

Lenovo Group Limited * – independent non-executive director (2009-2021)

RAK Rock LLC – independent non-executive director (2018-2021)

Stevin Rock LLC – independent non-executive director (2018-2021)

VinaLand Limited (formerly listed on Alternative Investment Market of London Stock Exchange) – independent non-executive director (2010-2016)

Hysan Development Company Limited * – independent non-executive director (2009-2016)

PricewaterhouseCoopers – partner (1998-2007)

Coopers & Lybrand (1977-1998): partner (1988-1998)

Qualifications

Bachelor of Arts (Economics/Social Studies)
(The University of Manchester, UK)

Associate (Hong Kong Institute of Certified Public Accountants)

Fellow (The Institute of Chartered Accountants in England and Wales)

* Listed on the Stock Exchange



Apurv BAGRI BBS
INED

Aged 65
Director since 28 April 2016
Length of service as Director: 8 years 10 months
Term of office: 27 April 2022 (re-elected) to 2025 AGM

Other positions held with the Group

HKEX – member of Nomination and Governance Committee, and Remuneration Committee
HGCL – chairman and director

Other major offices

International Wrought Copper Council – director (2013–)
Metdist Group of Companies, London – president and chief executive officer (1980–)

Qualifications

Bachelor of Science in Business Administration
(Bayes Business School, City, University of London, UK)
Doctor of Science (Honoris Causa) (City, University of London, UK)



CHAN Kin Por GBS, JP
INED

Aged 70
Director since 24 April 2024
Length of service as Director: 10 months
Term of office: 24 April 2024 (appointed) to 2026 AGM

Other positions held with the Group

HKEX – member of Corporate Responsibility Committee and Investment Committee
HKEX Foundation – director

Past offices

Well Link Insurance Group Holdings Ltd – chief executive officer and executive director (2019-2022) and senior advisor (February-May 2019)
Bank of East Asia, Limited * – independent non-executive director (2017-2019)
Munich Reinsurance Company – member of the Munich Re China Advisory Board (2009-2016) and chief executive officer (Hong Kong branch) (2005-2009)
Hang Seng Insurance Company Limited – director and general manager (1999-2005)
Hang Seng Life Limited – director (1995-2005)
Hang Seng Bank Limited * (1974-2005): assistant general manager and head of the insurance group (1999-2005) and various positions

Public service

Legislative Council of the HKSAR – deputy chairman of the House Committee (2024–) and member (Insurance Functional Constituency) (2008–)
Honours and Non-official Justices of Peace Selection Committee – member (2023–)
Executive Council of the HKSAR – non-official member (2022–)
Committee of the Presidium of the HKSAR of the 14th National People's Congress – member (2022–)
The Employees' Compensation Insurance Residual Scheme Bureau Limited – member of advisory committee (2006–)
Election Committee of the HKSAR – member (1998–)

Qualifications

Chartered Insurer (The Chartered Insurance Institute, UK)

* Listed on the Stock Exchange



CHEAH Cheng Hye

Darjah Gemilang Pangkuan Negeri

INED

Aged 70

Director since 26 April 2017

Length of service as Director: 7 years 10 months

Term of office: 26 April 2023 (re-elected) to 2026 AGM

Other positions held with the Group

HKEX – chairman of Investment Committee, and member of Board Executive Committee, Listing Operation Governance Committee, and Nomination and Governance Committee

SEHK – member of Listing Nominating Committee

Other major offices

Value Partners Group * – honorary chairman and non-executive director (2025~) ¹

Past offices

Value Partners Group * – co-chairman and co-chief investment officer (2019-2025) ², executive director (1993-2025) ², co-chief investment officer (2010-2019), chairman (2000-2019) and chief investment officer (1993-2010)

Morgan Grenfell Group, Hong Kong – executive director, head of research and proprietary trader (1989-1993)

The Asian Wall Street Journal, Far Eastern Economic Review, Asiaweek, Hong Kong Standard and The Star (Malaysia) – editor and financial journalist (1971-1989)

Public service

HKTDC Mainland Business Advisory Committee – member (2023~)

HKTDC Belt and Road & Greater Bay Area Committee – member (2019~)

Listing Policy Panel – member (2018~)

Qualifications

Honorary Fellow (The Hong Kong University of Science and Technology)

* The holding company of the group, namely Value Partners Group Limited, has been listed on the Stock Exchange since 2007. In October 2000, Value Partners Limited (“VPL”) and Mr Cheah (one of VPL’s dealing directors and investment adviser directors) were publicly reprimanded by the SFC for placing a number of buy orders in December 1998 which unintentionally resulted in the market price of certain stocks closing higher than they might otherwise have been, and for a number of inadequacies in VPL’s internal procedures and breaches of various regulatory requirements. For details, please refer to the SFC’s enforcement news issued on 5 October 2000.

¹ Appointment effective 2 January 2025

² Appointment ceased effective 2 January 2025



CHEUNG Ming Ming, Anna

INED

Aged 57

Director since 28 April 2021

Length of service as Director: 3 years 10 months

Term of office: 24 April 2024 (re-elected) to 2027 AGM

Other position held with the Group

HKEX – member of Audit Committee, Board Executive Committee, Corporate Responsibility Committee and Remuneration Committee

HKEX Foundation – director

Other major offices

HKBN Ltd * – independent non-executive director (2023~)

LGT Capital Partners Group Holding Ltd – director (2021~)

Past offices

Jardine Pacific Limited – chief executive (2015-2020)

FountainVest Partners – senior advisor (2013-2015)

LionRock Capital – senior advisor (2012-2013)

3i Group Plc (listed on London Stock Exchange) (2001-2012): partner (2008-2012)

Qualifications

Bachelor of Arts (Computer Science) (University of California, Berkeley, US)

Master of Business Administration (Finance) (The Wharton School, University of Pennsylvania, US)

* Listed on the Stock Exchange



CHIA Pun Kok, Herbert JP
INED

Aged 59
Director since 29 October 2024
Length of service as Director: about 4 months
Term of office: 29 October 2024 (appointed) to 2026 AGM

Other positions held with the Group

HKEX – member of Audit Committee, Investment Committee and Risk Committee

Other major offices

Alibaba Cloud Intelligence (North APAC Region)
– senior advisor (2024–)

Hong Kong Management Association – professor of practice (2023–)

Institute for China Business of The University of Hong Kong – adjunct associate professor (2022–)

Chow Tai Fook Jewellery Group Limited *
– independent non-executive director (2021–)

Past offices

Hong Kong Science and Technology Parks Corporation
– board member (2018-2024)

Sequoia Capital China – venture partner (2016-2023)

Alibaba (China) Co Ltd – vice president (2010-2016)

Public service

Common Spatial Data Advisory Committee
– non-official member (2023–)

Digital Economy Development Committee
– non-official member (2022–)

Information Technology Services Committee of the Hospital Authority – co-opted member (2021–)

Aviation Development and Three-runway System Advisory Committee – member (2021–)

Education Commission – non-official member (2021–)

Committee on Professional Development of Teachers and Principals – non-official member (2019–)

Qualifications

Executive Master of Business Administration
(Tsinghua University, PRC)

Executive Master of Business Administration (the Institut Européen d'Administration des Affaires (INSEAD))

* Listed on the Stock Exchange



WOO Mo Fong, Susan
(alias CHOW WOO Mo Fong, Susan)
INED

Aged 71
Director since 7 May 2020
Length of service as Director: about 4 years 10 months
Term of office: 27 April 2022 (re-appointed) to 2026 AGM

Other positions held with the Group

HKEX – chairman of Listing Operation Governance Committee and Risk Committee, and member of Audit Committee, Corporate Responsibility Committee, Remuneration Committee and Risk Management Committee (statutory)

SEHK – member of Listing Nominating Committee

HKEX Foundation – director

Other major offices

Hutchison Telecommunications (Australia) Limited (listed on Australian Securities Exchange) – non-executive director (2019–)

CK Hutchison Holdings Limited * – non-executive director (2017–)

Past offices

HK Electric Investments Manager Limited (trustee-manager of HK Electric Investments *) and **HK Electric Investments Limited *** – alternate director (2014-2023)

CK Infrastructure Holdings Limited * – alternate director (2006-2023)

CK Hutchison Holdings Limited * – senior advisor (2016), and executive director and group deputy managing director (2015-2016)

Hutchison Whampoa Limited (formerly listed on the Stock Exchange) – director (2015-2016), deputy group managing director (1998-2015), and executive director (1993-2015)

Woo Kwan Lee & Lo – partner (1985-1993)

Qualifications

Bachelor of Science (Business Administration)
(The University of Bath, UK)

Solicitor (Hong Kong)

* Listed on the Stock Exchange



LEUNG Nisa Bernice Wing-Yu ^{MH, JP}
INED

Aged 54
Director since 28 April 2021
Length of service as Director: 3 years 10 months
Term of office: 26 April 2023 (re-appointed) to 2025 AGM

Other positions held with the Group

HKEX – member of Nomination and Governance Committee, and Risk Committee

Other major offices

Zai Lab Limited * (also listed on NASDAQ) – non-executive director (2014~)

Past offices

Qiming Venture Partners – managing partner (2013-2024)¹ and partner (2007-2013)

CanSino Biologics Inc * (also listed on Shanghai Stock Exchange) – non-executive director (2015-2024)

Venus Medtech (Hangzhou) Inc * – non-executive director (2013-2023)

Qualifications

Bachelor of Science (Cornell University, US)

Master of Business Administration (Stanford University, US)

* Listed on the Stock Exchange

¹ Appointment ceased effective 22 December 2024



LEUNG Pak Hon, Hugo
INED

Aged 56
Director since 26 April 2017
Length of service as Director: 7 years 10 months
Term of office: 26 April 2023 (re-elected) to 2026 AGM

Other positions held with the Group

HKEX – member of Audit Committee, Board Executive Committee, Investment Committee, Listing Operation Governance Committee, Risk Committee and Risk Management Committee (statutory)

OTC Clear – chairman, independent non-executive director and chairman of Risk Management Committee

LME Clear – non-executive director

Other major offices

BNP Paribas – chief executive officer, Hong Kong (2019~)

BNP Paribas Securities (Asia) Limited – chief executive officer (2015~)

Past offices

BNP Paribas – head of global markets, Hong Kong (2015-2019), head of global equities and commodity derivatives, Greater China (2013-2015)

BNP Paribas Securities (Asia) Limited – deputy chief executive officer (2012-2015), head of equity syndicate and corporate equity (2010-2012), head of equity brokerage (2007-2010), head of Asia (ex-Greater China) product (2004-2007), product sales head for Taiwan (2003-2004) and deputy managing director (2000-2003)

Qualifications

Bachelor of Arts (Economics) (Simon Fraser University, Canada)



YAM Chi Kwong, Joseph GBM, GBS, JP
INED

Aged 76
Director since 26 April 2023
Length of service as Director: 1 year 10 months
Term of office: 26 April 2023 (appointed) to 2025 AGM

Other positions held with the Group

HKEX – member of Investment Committee, Remuneration Committee and Risk Committee

Other major offices

Sumitomo Mitsui Banking Corporation – global advisor (2018–)

Lau Chor Tak Institute of Global Economics and Finance of The Chinese University of Hong Kong – member of the management committee (2018–) and distinguished research fellow (2010–)

Past offices

Johnson Electric Holdings Limited *
– independent non-executive director (2010-2024)

UnionPay International Co Ltd
– independent non-executive director (2012-2024)

UBS AG – director (2011-2017)

China Construction Bank Corporation *
– independent non-executive director (2010-2013)

Hong Kong Monetary Authority – chief executive (1993-2009)

The Exchange Fund of Hong Kong – director of the office (1991-1993)

Hong Kong Government (1971-1991): various positions including deputy secretary for monetary affairs (1985-1991), and principal assistant secretary for monetary affairs (1982-1985)

Public service

Supervisory Managing Organisation of The Nina and Teddy Wang Charitable Trust – member (2025–)¹

Executive Council of the HKSAR – non-official member (2017–)

Qualifications

Bachelor of Social Sciences (The University of Hong Kong)

Fellow (Chartered Institute of Bankers)

Honorary Advisory President (The Hong Kong Institute of Bankers)

Fellow (Hong Kong Academy of Finance)

* Listed on the Stock Exchange

1 Appointment effective 6 January 2025



ZHANG Yichen

INED

Aged 61
 Director since 28 April 2021
 Length of service as Director: 3 years 10 months
 Term of office: 24 April 2024 (re-elected) to 2027 AGM

Other positions held with the Group

HKEX – member of Corporate Responsibility Committee, Investment Committee, Nomination and Governance Committee, and Mainland China Advisory Group

HKEX Foundation – director

Other major offices

CITIC Capital Holdings Limited – chairman (2013~) and chief executive officer (2003~)

China Vanke Co Ltd * (also listed on Shenzhen Stock Exchange) – independent non-executive director (2020~)

Past offices

AsiaInfo Technologies Limited * – non-executive director (2018-2024)¹

Harbin Pharmaceutical Group Co Ltd (listed on Shanghai Stock Exchange) – chairman and director (2021-2023)

S F Holding Co Ltd * (also listed on Shenzhen Stock Exchange) – director (2016-2022)

Genertec Universal Medical Group Company Limited * – chairman (2012-2021) and non-executive director (2015-2021)

SINA Corporation (formerly listed on NASDAQ) – independent director (2002-2021)

Frontier Services Group Limited * – non-executive director (2020-2021)

CITIC Capital Holdings Limited – deputy chief executive officer (2002-2003)

CITIC Pacific Communications Limited – president (2000-2002)

CITIC Limited * – executive director (2000-2002)

Merrill Lynch Asia Pacific – managing director (1996-2000)

Public service

The National Committee of the Chinese People's Political Consultative Conference – member (2008~)

Qualifications

Bachelor of Science (Computer Science)
 (The Massachusetts Institute of Technology, US)

- * Listed on the Stock Exchange
- 1 Appointment ceased effective 29 September 2024

HKEX Independent Non-executive Directors may also serve as the chairman, the deputy chairman, or members of hearing(s) held by the appeal committees of the regulated entities within the HKEX Group from time to time.

Group Company Secretary



Timothy Tsang

**Group Company Secretary and
Head of Secretarial Services**

Aged 52
Joined in November 2022

Past offices

HKEX – Deputy Head of Secretarial Services (2022-2023)

Pacific Century Premium Developments Limited *
– sales and marketing director (2020-2022), group general
counsel and company secretary (2018-2022)

HNA Group (International) Company Limited – deputy
general counsel (2018) and senior counsel (2017-2018)

Nixon Peabody CWL – consultant and head of consumer
brands and retail practice (2012-2017)

Philip Morris Asia Limited – director marketing
(2008-2010), marketing manager (2005-2007) and
senior counsel (2002-2005)

Lovells – associate (1997-2002) and trainee solicitor
(1996-1997)

Qualifications

Legal Practitioner (The State of New South Wales,
Australia)

Solicitor (Hong Kong)

Bachelor of Economics and **Bachelor of Laws**
(The University of Sydney, Australia)

Master of Business Administration (The University of New
South Wales and the University of Sydney, Australia)

* Listed on the Stock Exchange

Senior Management



LAU Bik Yun, Vanessa

**Chief Operating Officer and
Group Chief Financial Officer**

Aged 52
Joined in October 2015
Chief Operating Officer since 1 January 2025

Other positions held with the Group

HKFE and HKSCC – chief executive

SEHK – chief executive and chairman of Compensation
Committee

Other major offices

Swiss Re Ltd (listed on SIX Swiss Exchange) – independent
non-executive director (2023~)

Past offices

HKEX – Co-Chief Operating Officer (2024), Chief Financial
Officer, Hong Kong (2017-2020) and Deputy Chief Financial
Officer (2015-2017)

Sanford C Bernstein (Hong Kong) Limited – vice president
and senior research analyst (2011-2015)

Alcoa Inc – group chief financial officer, global rolled
products group (2007-2011)

McKinsey & Company Inc (2001-2007):
various professional positions including associate principal,
Hong Kong (2005-2007)

PricewaterhouseCoopers (UK) (1994-2000):
various professional positions including senior tax manager,
mergers and acquisitions tax group (1999-2000)

Qualifications

Bachelor of Arts (Mathematics and Computation) and
Master of Arts (Mathematics and Computation)
(University of Oxford, UK)

Associate (The Institute of Chartered Accountants in
England and Wales)



NG Kit Shuen, Katherine
Head of Listing

Aged 51
 Joined in July 2013



Richard Alan WISE
Group Chief Risk Officer

Aged 56
 Joined in November 2020

Other positions held with the Group

HKFE, HKSCC and SEHK – member of Disciplinary Committee

Past offices

HKEX – Head of Policy and Secretariat Services, Listing (May 2014- January 2023), Chief Operating Officer, Listing (2020-2021), and Head of Policy, Listing (2013-2014)

Hong Kong Securities and Investment Institute – director (2014-2022), and chairman (2018-2021)

Financial Services and the Treasury Bureau of the Government of the HKSAR – political assistant to the Secretary for Financial Services and the Treasury (2008-2012)

Merrill Lynch – director, legal (2005-2008)

Linklaters – solicitor (1996-2005)

Public service

Standing Committee on Company Law Reform – ex-officio member (2023~)

World Wide Fund for Nature Hong Kong – director (2018~)

Our Hong Kong Foundation – advisor (2016~)

Qualifications

Bachelor of Arts (Law) and Master of Arts (Law) (University of Cambridge, UK)

Solicitor (Hong Kong, and England and Wales)

Senior Fellow (Hong Kong Securities and Investment Institute)

Other positions held with the Group

HKFE, HKSCC and SEHK – chairman of Disciplinary Committee

LME – chairman of Board Risk Committee and member of Audit Committee

LME Clear – member of Board Risk Committee

Past offices

Credit Suisse AG – chief risk officer, Asia Pacific (2016-2020)

JP Morgan Chase – global head of market risk management (2012-2016)

JP Morgan Securities LLC – chief risk officer (2012-2016)

JP Morgan (1995-2012):
 global head of equity risk management (2007-2012), regional head of market risk management, Asia Pacific (2004-2007), head of risk management (1999-2004), and fixed income proprietary trader (1995-1999)

Qualifications

Bachelor of Arts (Mathematics) (University of Cambridge, UK)

Vanessa Lau and Richard Wise also act as directors in certain subsidiaries of HKEX.

Management Committee



Bonnie Y Chan
HKEX Chief Executive Officer



Matthew Chamberlain
Group Head of Commodities &
LME Chief Executive



Sharon Cheng
Group Chief People Officer



Paul Chow
Group General Counsel &
Group Chief Sustainability Officer



John Hsu
Group Chief Technology Officer



Vanessa Lau
Chief Operating Officer &
Group Chief Financial Officer



Richard Leung
Group Chief Information Officer



Katherine Ng
Head of Listing



Glenda So
Head of Platform & Market Structure Development &
Interim Head of Markets



Richard Wise
Group Chief Risk Officer



Zhou Jiannan
Head of Mainland Business





Management Discussion and Analysis

Business Review

Overview

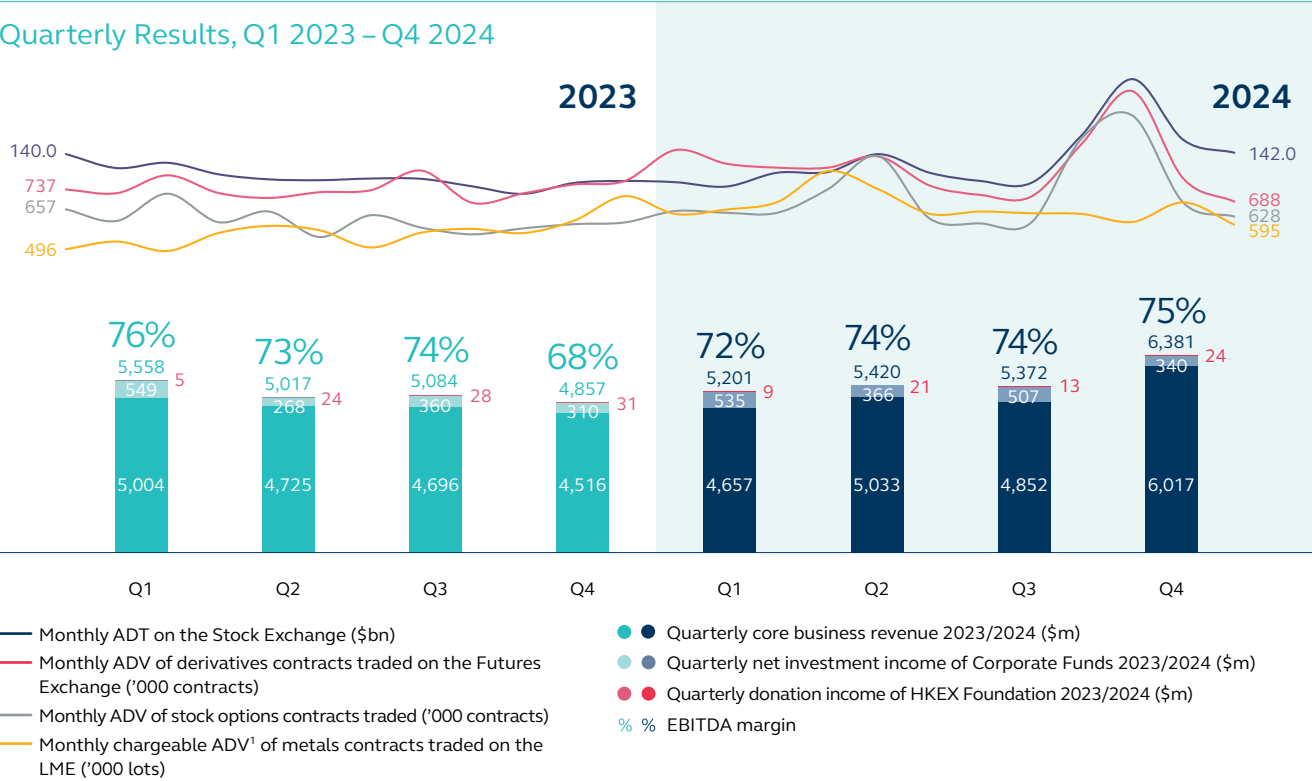


Fig. 1 – Market activity and Group’s revenue and other income

HKEX had a strong year in 2024, with new trading records that underscored the market’s vibrancy and resilience. Revenue and other income, and profit both reached record highs. Throughout the year, HKEX launched a host of initiatives, further enhancing the Group’s offerings and strengthening Hong Kong’s role as a leading international financial centre.

HKEX continued to show strength and resilience during 1H 2024 against a challenging macroeconomic backdrop and a sustained high interest rate environment. Investment sentiment turned more favourable from September 2024, following the announcement of economic stimulus measures in Mainland China, as well as the monetary easing policies adopted by major central banks. Several daily and monthly trading records were set in the Cash and Derivatives Markets in the third and fourth

quarters, with Cash Market turnover hitting a record of \$620.7 billion on 8 October 2024, and the Derivatives Market volume hitting a record of 4,263,308 contracts on 27 September 2024. Driven by the increase in volume from September 2024, Cash Market Headline ADT reached \$131.8 billion for the year, up 26 per cent from 2023. Stock Connect trading volumes also saw record highs, with Northbound and Southbound ADT 39 per cent and 55 per cent higher than in 2023. The Group’s Derivatives Market and Commodities Market maintained their growth momentum in 2024, with ADV of derivatives contracts traded reaching record high, up 15 per cent from 2023, whilst the chargeable ADV of metals contracts traded increased by 18 per cent against 2023. The Hong Kong IPO market also recorded strong growth, with equity funds raised (IPOs and post-IPO) up 23 per cent against 2023.

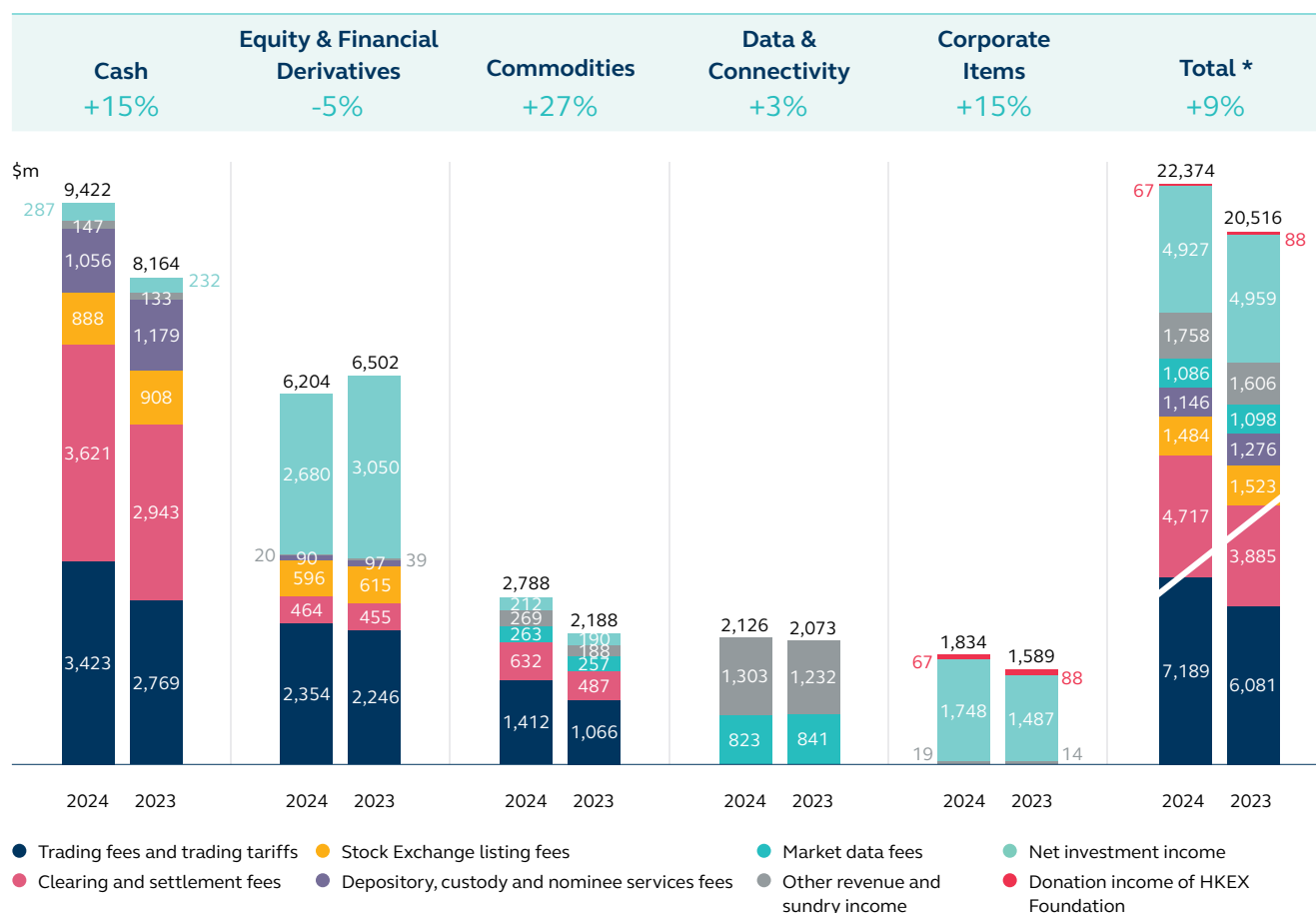
Driven by the record trading volumes, revenue and other income reached a record high of \$22.4 billion, up 9 per cent compared with 2023. The increase was attributable to higher trading and clearing fees from the increased trading volumes across the Cash, Derivatives and Commodities markets, as well as the LME fee increment effective from 1 January 2024. The increase was partly offset by lower net investment income of the Margin Funds. Operating expenses were \$5.8 billion, up 6 per cent against 2023, mainly due to higher staff costs arising from increases in headcount and payroll adjustments, as well as higher IT costs from new and upgraded systems and inflationary adjustments on contract renewals. The increase was partly offset by lower professional fees incurred for, and the partial recovery of legal fees from claimants of, the events in the nickel market in 2022. Profit attributable to shareholders reached a record high of \$13.1 billion, up 10 per cent from 2023.

Looking ahead to 2025, there are signs of macroeconomic improvement, with the stimulative policies in Mainland China and the monetary easing policies adopted by central banks providing renewed vibrancy to our IPO and secondary markets. However, uncertainties will persist, including the state of China-US relations, other ongoing geopolitical developments, as well as the pace of Mainland China's economic recovery. The Group will stay resolutely focused on strategic priorities that will deliver success for HKEX in the long term, and will continue to serve as a global superconnector. We remain steadfast in our commitment to invest in our infrastructure, enhance the attractiveness and competitiveness of our market and product offerings, ensuring the long-term vibrancy, resilience and sustainability of our markets.



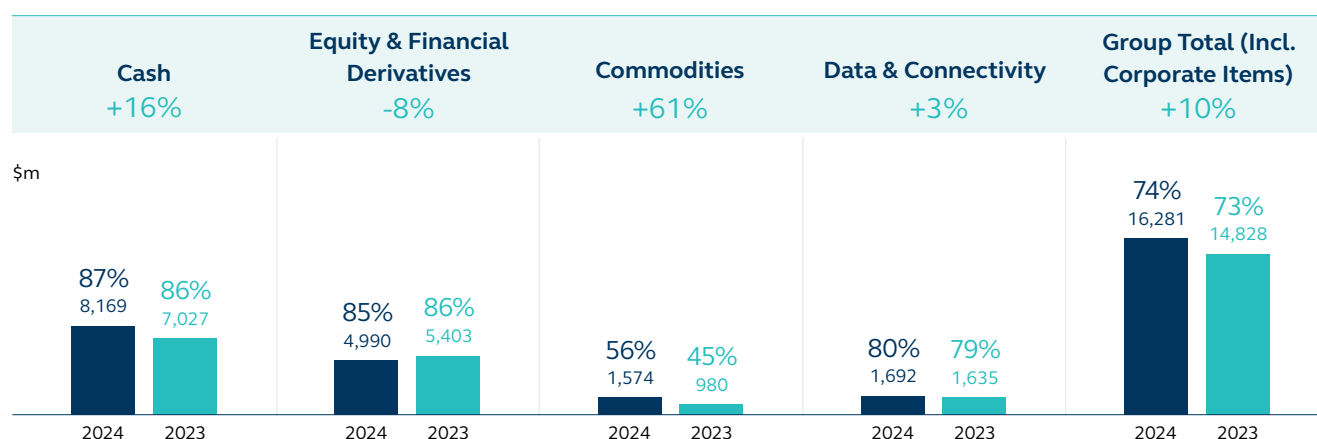
Analysis of Results and Business Update by Operating Segment

Analysis of Revenue and Other Income by Segment



* Total revenue and other income is not presented in the same scale as segmental results, but is proportionately resized.

Analysis of EBITDA and EBITDA Margin by Segment*



% EBITDA margin = EBITDA divided by revenue and other income less transaction-related expenses

* Further details of the results by segment are set out in note 4 to the Consolidated Financial Statements of this Annual Report.

Cash Segment

Key Market Indicators

	2024	2023	Change
ADT of equity products traded on the Stock Exchange ^{1,2} (\$bn)	120.0	93.2	29%
ADT of Northbound Trading – Shanghai-Hong Kong Stock Connect ² (RMBbn)	74.3 ⁴	50.4	47%
ADT of Northbound Trading – Shenzhen-Hong Kong Stock Connect ² (RMBbn)	75.8 ⁴	57.9	31%
ADT of Southbound Trading – Shanghai-Hong Kong Stock Connect ² (\$bn)	28.1 ⁴	16.1	75%
ADT of Southbound Trading – Shenzhen-Hong Kong Stock Connect ² (\$bn)	20.1	15.0	34%
ADT of Northbound Bond Connect (RMBbn)	41.6 ⁴	40.0	4%
Average daily number of trades of equity products traded on the Stock Exchange ^{1,2} ('000)	2,005 ⁴	1,611	24%
Average value per trade of equity products traded on the Stock Exchange (\$'000)	60	58	3%
Average daily value of Settlement Instructions (SIs) for Stock Exchange trades (\$bn)	272.4	238.1	14%
Average daily number of SIs for Stock Exchange trades ('000)	100	99	1%
Average value per SI for Stock Exchange trades (\$'000)	2,723	2,413	13%
Average daily value of SIs for Northbound Trading of Stock Connect (RMBbn)	25.1	25.5	(2%)
Number of newly listed companies on Main Board ³	68	73	(7%)
Number of newly listed companies on GEM	3	–	N/A
Number of trading days	246	243	1%
Portfolio values of Northbound Trading of Stock Connect at 31 Dec (RMBbn)	2,214	2,002	11%
Portfolio values of Southbound Trading of Stock Connect at 31 Dec (\$bn)	3,616	2,255	60%
Number of companies listed on Main Board at 31 Dec	2,308	2,283	1%
Number of companies listed on GEM at 31 Dec	323	326	(1%)
Total	2,631	2,609	1%
Market capitalisation of companies listed on Main Board at 31 Dec (\$bn)	35,265	30,985	14%
Market capitalisation of companies listed on GEM at 31 Dec (\$bn)	55	54	2%

1 Excludes DWs, CBBCs and warrants (which are included under the Equity and Financial Derivatives segment); and includes ADT of Southbound Trading under Stock Connect

2 Includes buy and sell trades under Stock Connect

3 No transfer from GEM during 2024 (2023: 3 transfers)

4 New record high in 2024

	2024 \$bn	2023 \$bn	Change
Total equity funds raised on Main Board			
– IPOs	87.8	46.3	90%
– Post-IPO	102.5	105.4	(3%)
Total equity funds raised on GEM			
– IPOs	0.2	–	N/A
– Post-IPO	1.7	4.3	(60%)
Total	192.2	156.0	23%

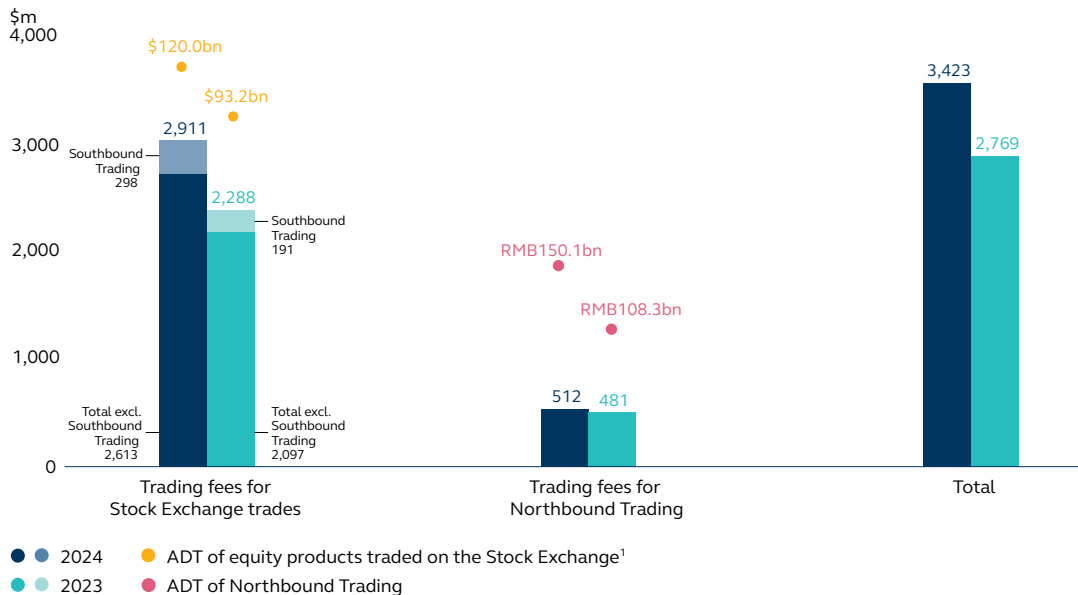
Analysis of Results

Summary

	2024 \$m	2023 \$m	Change
Trading fees ¹	3,423	2,769	24%
Clearing and settlement fees ¹	3,621	2,943	23%
Stock Exchange listing fees ¹	888	908	(2%)
Depository, custody and nominee services fees ¹	1,056	1,179	(10%)
Other revenue and sundry income	147	133	11%
	9,135	7,932	15%
Net investment income	287	232	24%
Total revenue and other income	9,422	8,164	15%
Less: transaction-related expenses	(9)	(10)	(10%)
Total revenue and other income less transaction-related expenses	9,413	8,154	15%
Operating expenses ²	(1,244)	(1,127)	10%
EBITDA	8,169	7,027	16%
EBITDA margin ³	87%	86%	1%

- 1 Excludes revenue from DWs, CBBCs and warrants (which are included under the Equity and Financial Derivatives segment)
- 2 Includes Listing Division costs apportioned to equity products listed on the Stock Exchange
- 3 EBITDA margin is calculated based on EBITDA divided by total revenue and other income less transaction-related expenses.

Trading Fees

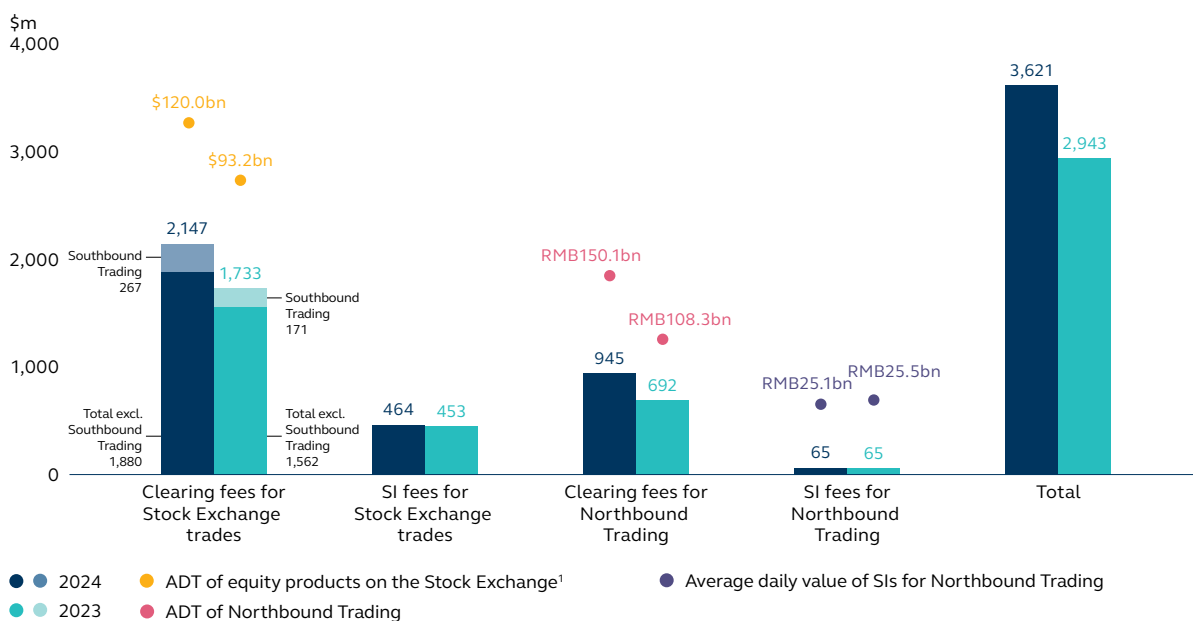


- 1 Excludes DWs, CBBCs and warrants (which are included under the Equity and Financial Derivatives segment); and includes ADT of Southbound Trading under Stock Connect

Trading fees for Stock Exchange trades for 2024 were \$2,911 million, a 27 per cent increase compared with 2023, attributable to the increase in ADT of equity products traded and the record Southbound ADT.

Northbound Stock Connect trading fees increased by \$31 million or 6 per cent. The increase was less than the 39 per cent increase in ADT, attributable to a 30 per cent reduction in A-share trading fees effective 28 August 2023, and the depreciation of the RMB.

Clearing and Settlement Fees



1 Excludes DWs, CBCs and warrants (which are included under the Equity and Financial Derivatives segment); and includes ADT of Southbound Trading under Stock Connect

Clearing fees for Stock Exchange trades (including SIs) increased by 19 per cent to \$2,611 million in 2024 (2023: \$2,186 million), primarily due to higher fees from the higher number of trades of equity products and SI transactions. Clearing fees from Northbound Stock Connect increased by 37 per cent to \$945 million (2023: \$692 million), attributable to a 39 per cent increase in ADT, partly offset by the depreciation of RMB.

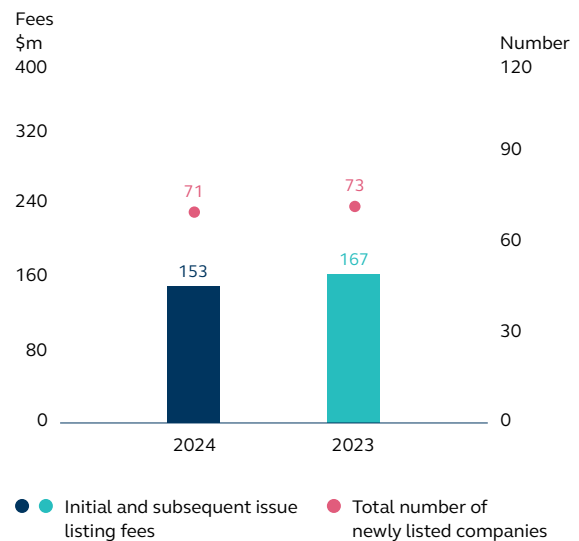
Stock Exchange Listing Fees

	2024 \$m	2023 \$m	Change
Annual listing fees	730	736	(1%)
Initial and subsequent issue listing fees	153	167	(8%)
Others	5	5	0%
Total	888	908	(2%)

Annual Listing Fees



Initial and Subsequent Issue Listing Fees



Annual listing fees were broadly at the same level as 2023.

Initial and subsequent issue listing fees fell by 8 per cent, mainly due to a decrease in number of forfeitures.

Depository, Custody and Nominee Services Fees

Depository, custody and nominee services fees do not directly vary with changes in trading volumes. The fees decreased by \$123 million, or 10 per cent, to \$1,056 million in 2024, mainly due to lower scrip fees, arising from fewer large companies having their first book close.

EBITDA

Operating expenses increased by 10 per cent mainly due to higher staff costs from increases in headcount and payroll adjustments, and increase in IT costs due to new or upgraded systems and inflationary adjustments on contract renewals. EBITDA margin increased from 86 per cent to 87 per cent, reflecting the higher percentage increase in revenue compared to the percentage increase in operating expenses.



Business Update

The Hong Kong Cash Market demonstrated its strength and resilience during 1H 2024, despite a challenging macroeconomic backdrop. The latter part of the year saw increased vibrancy, supported by the announcement of economic stimulus measures in Mainland China in September. Several new records were set in the Cash Market during September and October, with turnover reaching several daily record highs with the latest record at \$620.7 billion on 8 October 2024, and Headline ADT reaching a monthly record high of \$255.0 billion in October 2024. As a result, Headline ADT was \$131.8 billion in 2024, the second best on record (after the exceptional 2021), up 26 per cent compared with 2023.

Stock Connect

	2024	2023	Change
Northbound Trading value (RMBbn)	34,969 ²	25,121	39%
Southbound Trading value (\$bn)	11,229 ²	7,185	56%
Total revenue and other income ¹ (\$m)	2,744 ²	2,207	24%

1 \$2,087 million of which arose from trading and clearing activities (2023: \$1,600 million)

2 New record high in 2024

Trading volumes of Northbound and Southbound Trading of Stock Connect were also boosted by the measures announced in Mainland China, with Northbound and Southbound Trading reaching daily record highs on 8 October 2024 at RMB510.1 billion and \$280.3 billion respectively. Driven by the solid growth of two-way capital flows throughout 2024 and the surge in volumes since late September 2024, both Northbound and Southbound ADT reached record highs of RMB150.1 billion and \$48.2 billion in 2024 respectively. As a result, revenue and other income from Stock Connect increased by 24 per cent to \$2,744 million (2023: \$2,207 million).

There was also notable growth in the value of stocks held by investors via Stock Connect, with Northbound portfolio values increased by 11 per cent to RMB2,214 billion as at 31 December 2024 (31 December 2023: RMB2,002 billion), and Southbound portfolio values increased by 60 per cent to \$3,616 billion as at 31 December 2024 (31 December 2023: \$2,255 billion).

Key Developments of Stock Connect in 2024

- **Data dissemination:** HKEX, the Shanghai Stock Exchange and the Shenzhen Stock Exchange made adjustments to the market data dissemination for Northbound and Southbound Trading under Stock Connect, effective from 19 August 2024. The adjustments, in line with the Stock Connect “home market principle”, align market data dissemination for Southbound Trading and Northbound Trading with the relevant data disclosure practices on the Hong Kong market and Mainland China’s A-share market, respectively.
- **Enhancement on HKEX Synapse for buy-side settlement process:** In September 2024, HKEX enhanced the HKEX Synapse platform for the buy-side settlement process (Enhancement) for Northbound Trading. The Enhancement improves the overall efficiency and transparency of the settlement process by enabling straight-through processing and minimising the need for manual adjustments.

Market Structure Development

In March 2024, HKEX introduced the Self-Match Prevention (SMP) service in the securities market, a functionality for market participants to avoid unintentional self-trades. This demonstrates HKEX's continued commitment to enhancing market integrity.

In July 2024, the SFC released consultation conclusions on the proposed subsidiary legislation, code and guidelines for implementing an Uncertificated Securities Market (USM) in Hong Kong. In October 2024, HKEX published an information paper to provide an overview of the USM regime. The SFC, HKEX and the Federation of Share Registrars Limited have been actively engaging with market participants to explain the details of the new regime and the requisite steps for participation. The USM regime is expected to be implemented around the end of 2025, subject to regulatory approval.

On 23 September 2024, HKEX implemented Severe Weather Trading arrangements, which allow Hong Kong's Securities and Derivatives markets (Hong Kong market) to remain open during severe weather conditions. Under the new model, the Hong Kong market will no longer experience delays or suspensions due to typhoons or rainstorms, allowing investors to better manage their risks and respond to changing market conditions. The initiative aligns the Hong Kong market with global market practices and underscores HKEX's commitment to supporting the resilience and competitiveness of Hong Kong as a world-class international financial centre. The first trading sessions under Severe Weather Trading arrangements took place at the after-hours trading session on 13 November 2024 for the Derivatives Market, and on 14 November 2024 for the Cash Market (including Stock Connect), with all trading, settlement and clearing operations in the Hong Kong market functioning normally.

In December 2024, HKEX published the Consultation Conclusions on the proposed reduction of minimum spreads in the Hong Kong Securities Market. The proposals aim to improve market liquidity and the competitiveness of the Hong Kong market by reducing bid-ask spread and transaction costs. With the proposals receiving majority support from market participants, HKEX will implement phase 1 of minimum spreads reduction around mid-2025, while Phase 2 is tentatively scheduled for implementation around mid-2026, subject to the review of the results of Phase 1. The implementation of both phases will be subject to market readiness and regulatory approvals.

Clearing and Settlement

In May 2024, HKSCC announced the proposed enhancement of the settlement arrangement for Multi-counter Eligible Securities in CCASS by adopting a single tranche multiple counter arrangement. This enhancement aims to improve the scalability of trading for Multi-counter Eligible Securities, such as Dual Counter Securities and multi-counter ETPs, by eliminating the need for manual inter-counter transfers in CCASS. The enhancement is tentatively scheduled to come into effect by June 2025, subject to regulatory approval.

In June 2024, HKEX enhanced the Third Party Clearing arrangements in both the securities market and stock options market, allowing Non-Clearing Participants to appoint multiple General Clearing Participants for clearing and settlement services. This enhancement gives market participants more operational flexibility in managing their clearing and settlement needs, reduces overall concentration risk and increases the competitiveness of the clearing industry.

Issuer Business

Hong Kong ranked as one of the world's top four IPO venues in 2024, with activity and fundraising volumes seeing a significant uptick against 2023. In 2024, there were 71 company listings, raising \$88.0 billion, a 90 per cent increase in fundraising compared with 2023. Fundraising activities had been especially active in 2H 2024, with 41 listings raising \$74.6 billion, more than five times that of 1H 2024. In September 2024, HKEX welcomed Midea Group Co. Ltd., which raised \$35.7 billion, marking the largest IPO in Hong Kong since February 2021 and the second largest IPO globally in 2024. The subsequent listings of China Resources Beverage (Holdings) Company Limited and S.F. Holding Co., Ltd. further showcased Hong Kong as one of the preferred fundraising venues for Mainland companies. In addition, three companies were listed under Chapter 18C¹ in 2024, demonstrating the attractiveness of Hong Kong's capital markets to technology companies. The IPO pipeline remained healthy with 84 active applications as at 31 December 2024.

In August 2024, Alibaba Group Holding Limited converted to a Dual Primary Listing, and was included in Stock Connect on 10 September 2024, allowing Mainland investors to invest in the stock via Southbound Stock Connect. The trading of the stock has been active since its inclusion in Stock Connect, and this has contributed to the robust flows of Southbound Stock Connect.

In line with our vision of promoting strategic international alliances, the Abu Dhabi Securities Exchange and the Dubai Financial Market were added as HKEX's Recognised Stock Exchanges, allowing companies listed on the main market of these exchanges to apply for a secondary listing in Hong Kong.

ETP Market Development

ADT of ETPs, which include ETFs and L&I Products, reached a record high of \$18.9 billion in 2024, up 35 per cent from \$14.0 billion in 2023. In particular, trading turnover of ETPs reached a daily record high of \$92.9 billion on 8 October 2024. HKEX's ETP new product listings continued to expand, reaching a record 36 new ETP listings in 2024. These included the first batch of Covered Call ETFs, Asia's first Spot



Virtual Asset (VA) ETFs, and the first VA L&I Product. The listings of the VA ETFs and L&I Products further reinforced Hong Kong's status as a hub for the virtual asset ecosystem in Asia.

Effective 22 July 2024, the eligibility criteria for ETFs under Stock Connect were further relaxed, with the addition of six ETFs for Southbound Trading and 85 ETFs for Northbound Trading. The relaxation reflects HKEX's ongoing commitment to broaden the Connect product ecosystem for its global investors. As at 31 December 2024, there were 17 eligible Southbound ETFs and 225 eligible Northbound ETFs available through Stock Connect. In 2024, ADT of Southbound and Northbound ETFs were \$2.4 billion and RMB2.0 billion respectively, with daily record highs of \$17.5 billion on 2 December 2024 and RMB14.1 billion on 8 October 2024 respectively.

Bond Connect

Northbound Bond Connect ADT has set record highs every year since its launch in 2017, and reached RMB41.6 billion in 2024, up 4 per cent compared with 2023. In addition, trading volumes hit a daily record high of RMB82.7 billion on 26 July 2024 and the number of trading tickets reached a daily record high of 1,351 on 30 August 2024. To further lower the transaction cost for Bond Connect overseas investors and promote the connectivity scheme, Bond Connect Company Limited announced a reduction of its service fees by 60 per cent in December 2024, effective from 1 January 2025.

¹ Listing Regime for Specialist Technology Companies

Listed Bond Market Development

In 2024, 348 new debt securities were listed on the Stock Exchange, raising a total of \$872 billion. Among these were 134 new ESG-related bond listings, raising a total of \$291 billion. Total turnover value of debt securities during the year reached \$133 billion, up 22 per cent from \$109 billion in 2023.

Integrated Fund Platform

With the support from the HKSAR Government and the SFC, HKEX has been developing an Integrated Fund Platform (IFP), which aims to strengthen the fund distribution value chain and its ecosystem. In December 2024, HKEX successfully launched a Fund

Repository on the IFP. The Fund Repository provides streamlined access to essential information on over 2,000 SFC-authorised funds, supporting the long-term growth of the fund industry by enhancing information transparency and enhancing investors' knowledge and understanding of the fund universe. HKEX is developing other key functionalities of the IFP to facilitate order routing and nominee services.

Market Surveillance and Compliance

Throughout 2024, HKEX has continued to promote transparency and a strong compliance culture across its business and markets, with a number of key initiatives as set out below.

Key Initiatives on Promoting Market Surveillance and Compliance in 2024

- Conducted the 2024 Annual Attestation and Inspection Programme with a focus on three areas: (1) China Connect rules, (2) Hong Kong Investor Identification Regime (HKIDR) requirements and (3) risk management.
- Hosted several education seminars with broker associations to highlight recent updates on HKEX rules, regulations and compliance issues, as well as with Mainland exchanges to enhance the understanding of the rules governing the real-time monitoring of abnormal trading applicable to Stock Connect Northbound Trading.
- Published market communication materials including:
 - (1) an updated version of "Guidelines on Margin Procedures for the Purpose of Minimum Requirement Pursuant to HKFE Rule 617" to reflect latest requirements and market practices in the handling of client margins;
 - (2) circulars with updated Large Open Position Reporting (LOPR) procedures under the Severe Weather Trading arrangements and for the newly launched Weekly Stock Options;
 - (3) communication materials on the launch of enhanced LOPR account information submission process via Electronic Communication Platform;
 - (4) guidance on mitigating the risk of inappropriate self-trades; and
 - (5) two compliance bulletins
- Upheld the integrity of cash incentives and market maker programmes through a comprehensive governance framework including pre-admission vetting, ongoing surveillance, and review to ensure that applicants have met the necessary requirements and standards, and remain suitable and competent to participate in the relevant programme.
- Enforcement actions were taken against EPs and their clients for inappropriate trading activities identified, and suspected market misconduct behaviour cases were referred to the SFC for investigation.

Listing Regulation

In 2024, the Stock Exchange issued various proposals and conclusions on Listing Rules amendments, as set out in the following table.

Key Proposals and Conclusions in 2024

	Consultation paper ¹	Consultation conclusions ¹	Effective date of changes (if any)
• Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework	April 2023	April 2024	1 January 2025
• Proposed Amendments to Listing Rules Relating to Treasury Shares	October 2023	April 2024	11 June 2024
• Review of Corporate Governance Code and Related Listing Rules	June 2024	December 2024	1 July 2025
• Proposals to Further Expand the Paperless Listing Regime and Other Rule Amendments	August 2024	January 2025	10 February 2025 ²
• Proposals to Optimise IPO Price Discovery and Open Market Requirements	December 2024	1H 2025 (tentative)	–

¹ All the consultation papers and conclusions are available in the News Centre (Market Consultations) section of the HKEX Market website.

² Electronic instructions, real-time electronic payment of corporate action proceeds and electronic subscription monies proposals will be implemented on the date when USM is implemented; abolition of Mixed Media Offer proposal will be implemented when the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap 32L) is repealed; hybrid general meeting, e-voting and other Rule amendments were implemented on 10 February 2025.

Key Initiatives by the Stock Exchange to Promote Issuers' Self-compliance with the Listing Rules

- Published Joint Statement on Enhanced Timeframe for New Listing Application Process
- Published Joint Statement in Relation to Temporary Modifications to Requirements for Specialist Technology Companies and De-SPAC Transactions
- Published Listing Rules amendments and guides relating to Severe Weather Trading arrangements
- Published (i) Review of Issuers' Annual Reports; (ii) Guide on Preparation of Annual Report; (iii) 2024 Analysis of ESG Practice Disclosure; and (iv) Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework
- Published semi-annual Listing Regulation and Enforcement Newsletter
- New e-learning modules on (i) share repurchase and treasury shares; (ii) new climate requirements; and (iii) preparing ISSB sustainability disclosures

Details of the consultations and other main policy changes and updates arising in 2024, as well as the proposals under review in 2025 and beyond, can be found in the 2024 Listing Committee Report.

The following sections illustrate the work of the Stock Exchange in processing new listings, monitoring and enforcing compliance with the Listing Rules for the purposes of maintaining an orderly, informed, and fair market under Section 21 of the SFO.

IPO Processing

IPO Applications and Statistics

	2024	2023
• Number of listing applications processed, comprising:	250	249
– Applications brought forward from end of previous year and renewal applications ¹	79	113
– New applications accepted in the year	171	136
• Application status as at end of the year		
– Listed ²	107	89
– Approved by the Listing Committee pending listing	20	16
– Under processing	64	56
– Others (i.e., lapsed ³ , rejected ⁴ , returned ⁴ or withdrawn)	59	88
• Number of applications presented to the Listing Committee hearing ⁵	80	73
– Median of number of business days taken from the listing application date to Listing Committee hearing ⁶	139	150
• Number of guidance issued on potential new applications on matters relating to the Listing Rules	72	80
– Median of number of business days for issuing written response	10	10

- 1 Renewal applications refer to applications accepted within three months following a lapsed, rejected or withdrawn application by the same applicant. In this context, the Exchange considers such a renewal application as a continuance of its original application.
- 2 Includes 36 (2023: 16) investment vehicles listed on Main Board and no deemed new listings (2023: nil).
- 3 An application would lapse after six months have elapsed since the submission of a listing application form pursuant to Main Board Listing Rule 9.03/GEM Listing Rule 12.07. As at the end of 2024, 57 (2023: 82) applications were lapsed.
- 4 During 2024, there were nil (2023: nil) rejection and nil (2023: 1) return of listing applications. No return/rejection decision in 2024 (2023: nil) was subsequently reversed upon review.
- 5 Refers to listing applications heard by the Listing Committee for the first time and excludes listing applications of investment vehicles under Chapters 20 and 21 of the Main Board Listing Rules.
- 6 The median of number of business days taken from the listing application date to Listing Committee hearing, which include, among others, the Exchange's vetting time as well as the listing applicants' or their advisers' response time, was 139 days (2023: 150 days). In particular, the median of number of business days taken by the Exchange to issue comments from the listing application date to Listing Committee hearing was 30 business days in 2024 (2023: 45 business days).

Monitoring and Enforcing Listing Rules

Compliance and Monitoring Actions

	2024	2023
• Announcements of issuers vetted	66,074	62,578
• Circulars of issuers vetted	3,641	3,858
• Share price and trading volume monitoring actions undertaken ¹	7,050	4,755
• Complaints handled	880	845

- 1 In 2024, monitoring actions undertaken included 477 enquiries (2023: 299) on unusual share price and trading volume movements, and the actions undertaken led to 16 resumption announcements (2023: 18) on trading suspensions.

	Main Board		GEM	
Status of Long Suspended Companies	2024	2023	2024	2023
Resumption of trading of securities during the year	28	45	12	8
Cancellation of listing after expiry of prescribed remedial periods during the year	26	34	6	10
Voluntary withdrawal of listing during the year	3	–	–	–
Companies suspended for 3 months or more at year-end	58	61	8	17

Enforcement Cases and Actions

	2024	2023
Cases ^{1,2,3}	100	123
Public sanctions ⁴	25	32
Regulatory letters ⁵	9	18

- Figures represent cases handled in 2024 (including those carried over from the previous year and those ongoing at year-end).
- At the end of 2024, there were 31 ongoing investigations (2023: 38).
- Out of the enforcement cases opened in 2024, a majority of them stemmed from referrals within the Listing Division. Referrals can also be made by other regulatory bodies, law enforcement agencies and the general public.
- The number of investigation cases that resulted in a public sanction. Actions taken at a lower level in the same case, e.g., private reprimand, are not included. A breakdown of the sanctions and directions made in the disciplinary actions concluded in 2024 can be found on the HKEX Market website and the 2024 Listing Committee Report.
- The number of cases involving issuance of at least one regulatory letter (i.e., a warning or guidance letter) where, following investigation, disciplinary proceedings before the Listing Committee were not considered appropriate against any party. These letters are recorded as part of the compliance history for the relevant party.

Updates on the work in respect of listed companies' compliance and insights and observations that may assist listed companies in their own compliance, can be found in the semi-annual "Listing Regulation and Enforcement Newsletter" and other Listing Division's publications on the HKEX Market website.

Costs of the Listing Function

The costs associated with the front-line regulation of listed issuers, performed by the Listing Committee and the Listing Division, are allocated to the Cash and Equity and Financial Derivatives segments in proportion to the listing fee income of the two segments.

Equity and Financial Derivatives Segment

Key Market Indicators

	2024	2023	Change
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	11.8	11.8	0%
Average daily number of trades of DWs, CBBCs and warrants traded on the Stock Exchange ('000)	251	283	(11%)
ADV of derivatives contracts traded on the Futures Exchange ¹ ('000 contracts)	830 ³	742	12%
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	720 ³	612	18%
Number of newly listed DWs	6,836	7,967	(14%)
Number of newly listed CBBCs	24,808	22,851	9%
Total notional values of newly listed securities:			
– DWs (\$bn)	113.7	131.9	(14%)
– CBBCs (\$bn)	985.3	870.8	13%
ADV of contracts traded during After-Hours Trading (AHT) ¹ ('000 contracts)	104	92	13%
Number of trading days ²	261	259	1%

	At 31 Dec 2024	At 31 Dec 2023	Change
Open interest of futures and options ¹ ('000 contracts)	12,787	11,845	8%

- Excludes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts (which are included under the Commodities segment)
- Includes 14 holiday trading days (2023: 13)
- New record high in 2024

Analysis of Results

Summary

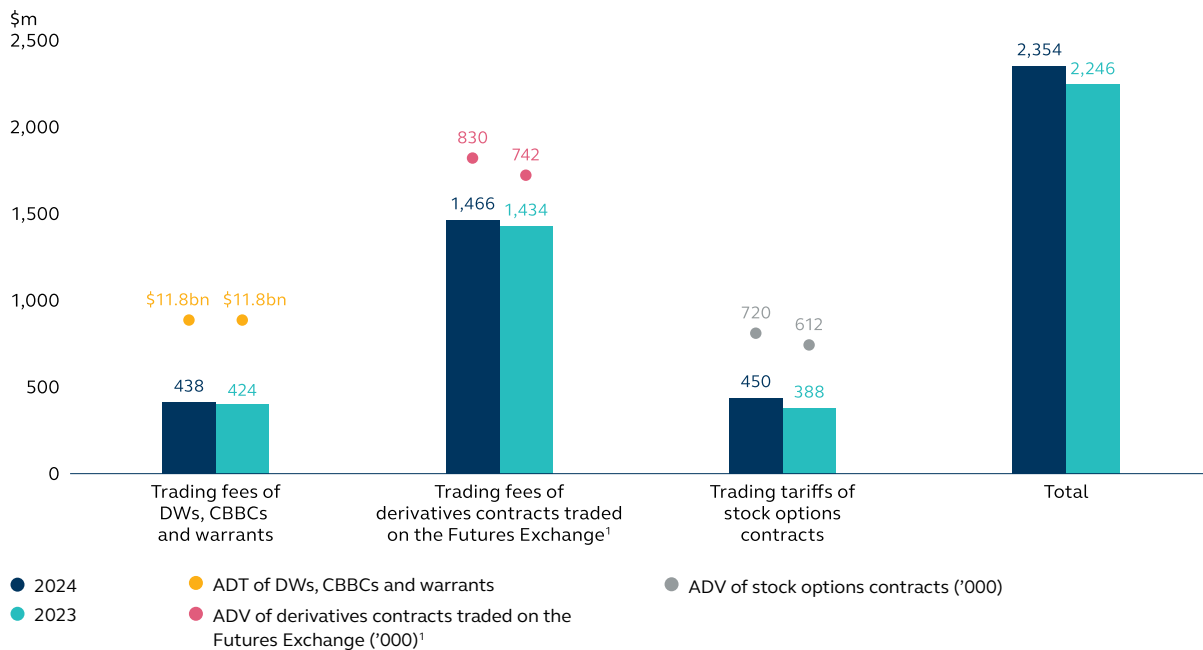
	2024 \$m	2023 \$m	Change
Trading fees and trading tariffs ¹	2,354	2,246	5%
Clearing and settlement fees ¹	464	455	2%
Stock Exchange listing fees ¹	596	615	(3%)
Depository, custody and nominee services fees ¹	90	97	(7%)
Other revenue and sundry income	20	39	(49%)
	3,524	3,452	2%
Net investment income	2,680	3,050	(12%)
Total revenue and other income	6,204	6,502	(5%)
Less: Transaction-related expenses	(323)	(237)	36%
Total revenue and other income less transaction-related expenses	5,881	6,265	(6%)
Operating expenses ²	(891)	(862)	3%
EBITDA	4,990	5,403	(8%)
EBITDA margin ³	85%	86%	(1%)

1 Excludes revenue from cash equities (which are included under the Cash segment)

2 Includes Listing Division costs apportioned to DWs, CBBCs and warrants listed on the Stock Exchange

3 EBITDA margin is calculated based on EBITDA divided by total revenue and other income less transaction-related expenses.

Trading Fees and Trading Tariffs



1 Excludes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts (which are included under the Commodities segment)

Trading fees and trading tariffs for the segment are generated from the trading of derivatives on the Stock Exchange (DWs, CBBCs, warrants, and stock options); and the trading of futures and options² on the Futures Exchange.

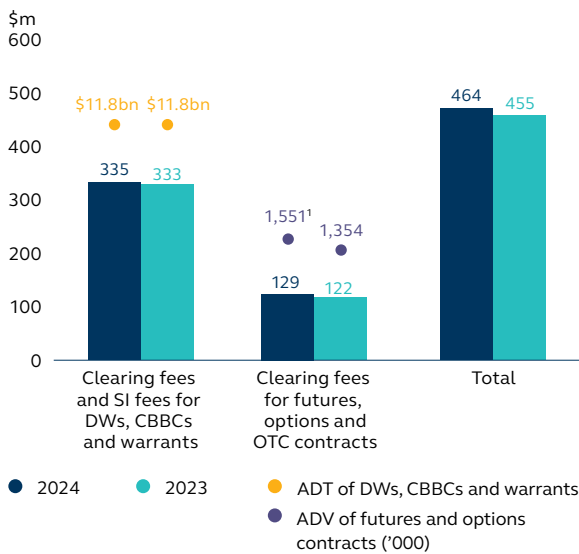
2 Excludes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts (which are included under the Commodities segment)

Trading fees of DWs, CBBCs and warrants for 2024 were \$438 million, up 3 per cent compared with 2023, attributable to a 10 per cent increase in total notional values of newly listed DWs and CBBCs.

Futures Exchange derivatives trading fees² increased by \$32 million or 2 per cent. The increase was lower than the 12 per cent increase in ADV due to a lower average fee per contract in 2024, attributable to higher discounts and rebates offered on certain contracts to attract volumes.

Trading tariffs of stock options contracts increased by \$62 million, or 16 per cent, due to the 18 per cent increase in ADV of stock options contracts traded, partly offset by a higher proportion of lower fee contracts being traded during 2024.

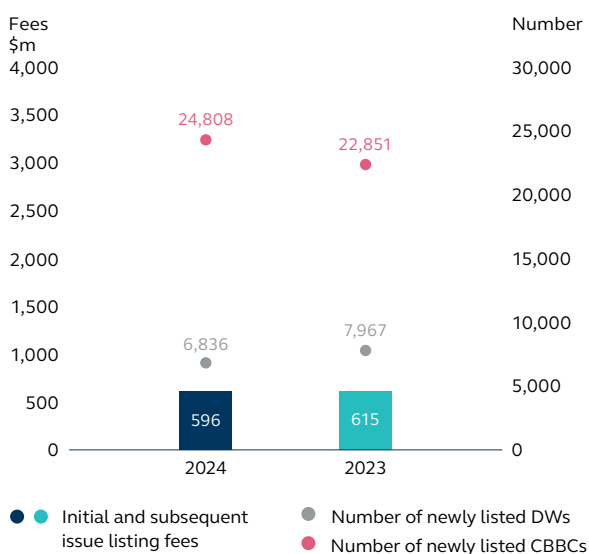
Clearing and Settlement Fees



Clearing and settlement fees increased by 2 per cent to \$464 million (2023: \$455 million), primarily due to higher number of futures and options contracts cleared.

¹ Does not equal to the sum of ADV of derivatives contracts traded on the Futures Exchange and ADV of stock options contracts traded on the Stock Exchange due to rounding

Stock Exchange Listing Fees



Stock Exchange listing fees for the segment are mainly derived from initial and subsequent issue listing fees for DWs and CBBCs. The fees decreased by \$19 million or 3 per cent, as higher fees generated from the increase in newly listed CBBCs were more than offset by the decrease in fees from lower number of newly listed DWs, which have higher fees compared to CBBCs.

Net Investment Income

Net investment income decreased by \$370 million compared with 2023, mainly attributable to an increase in interest rebates payable to CPs for certain products as incentives to attract volumes, and an increase in proportion of JPY collateral posted by CPs in 2024, which generated lower returns. Further details of the Group's net investment income are set out under the Financial Review section of this Annual Report.

EBITDA

Transaction-related expenses include license fees and other costs that directly vary with trading and clearing transactions. These expenses increased by \$86 million, or 36 per cent, as higher incentives were paid for certain contracts to attract volume.

Operating expenses increased by \$29 million mainly due to higher staff costs from increases in headcount and payroll adjustments, but were partly offset by the decrease in marketing expenses incurred on

certain derivatives products. EBITDA margin decreased from 86 per cent to 85 per cent, due to the decrease in total revenue and other income less transaction-related expenses and the increase in operating expenses.

Business Update

The Hong Kong Derivatives Market had a strong year in 2024, demonstrating its robustness and vibrancy amid improved market sentiment. Triggered by the stimulus measures announced in Mainland China in September 2024, the number of derivatives contracts traded set several daily highs, with the latest record at 4,263,308 contracts on 27 September 2024. ADV of derivatives contracts traded² (i.e., all futures and options contracts including stock options) set a new record high of 1,550,593 contracts in 2024, up 15 per cent from 2023, mainly attributable to the increase in trading volumes of stock options, RMB currency futures, Hang Seng TECH Index Futures, and HSCEI Futures Options.

A number of futures and options contracts reached record highs during 2024:

New Record Highs – Full Year Trading Volume*

	2024 Number of contracts	Pre-2024 record Number of contracts
Total Futures and Options ¹	383,667,447	331,466,044 (2023)
HSCEI Futures	46,357,877	45,925,447 (2023)
HSCEI Futures Options	10,137,967	8,451,175 (2023)
HSI Futures Options	1,101,638	864,319 (2023)
Hang Seng TECH Index Futures	29,323,924	26,944,255 (2023)
Hang Seng TECH Index Options	939,070	704,419 (2023)
Hang Seng TECH Index Futures Options	639,388	405,917 (2023)
Weekly HSI Options	3,796,529	3,185,275 (2023)
Weekly HSCEI Options	854,974	673,706 (2023)
Mini-HSCEI Options	990,619	860,477 (2022)
Mini-HSI Options	4,320,823	3,345,582 (2020)
INR Currency Futures – INR/USD Futures	369,682	259,772 (2021)
RMB Currency Futures – USD/CNH Futures	24,182,511	9,153,227 (2023)
MSCI China Net Total Return (USD) Index Futures	397,806	373,515 (2023)
MSCI India (USD) Index Futures	945,313	674,226 (2023)
MSCI Thailand Net Total Return (USD) Index Futures	111,718	37,568 (2021)
Stock Options	177,192,987	158,036,999 (2021)

* Only include futures or options with over 100,000 contracts traded in 2024

¹ Excludes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts (which are included under the Commodities segment)

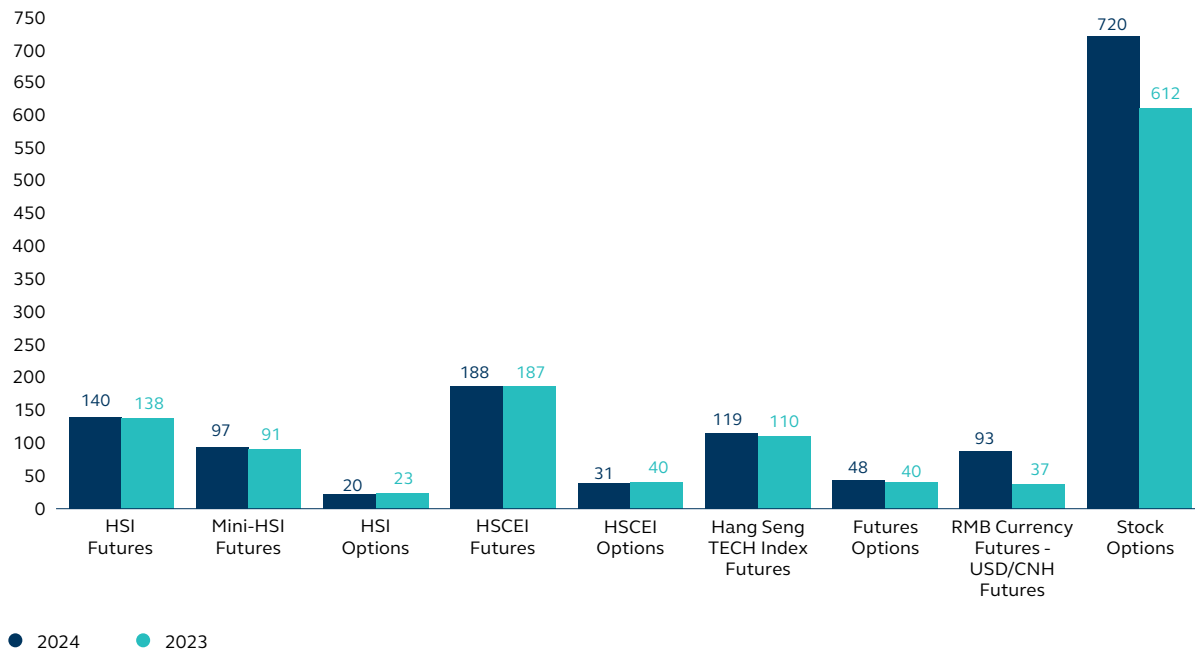
New Record Highs – Single-day Trading Volume and Open Interest*

	Single-day trading volume		Open interest	
	Date (2024)	Number of contracts	Date (2024)	Number of contracts
HSCEI Futures Options	9 Oct	137,469	14 Nov	1,230,141
Hang Seng TECH Index Futures Options	N/A	N/A	19 Jun	132,650
Hang Seng TECH Index Options	3 May	31,577	29 May	120,959
Weekly HSCEI Options	26 Apr	13,440	31 May	33,106
Weekly HSI Options	3 Oct	42,147	4 Oct	28,007
Mini-HSI Futures	9 Oct	340,150	23 Jan	35,820
Mini-HSI Options	27 Sep	41,879	29 May	88,636
RMB Currency Futures – USD/CNH Futures	12 Dec	272,575	N/A	N/A
MSCI India (USD) Index Futures	26 Aug	16,046	N/A	N/A
MSCI China Net Total Return (USD) Index Futures	13 Sep	41,606	N/A	N/A
MSCI India Net Total Return (USD) Index Futures	5 Mar	4,067	15 Mar	12,042
MSCI Indonesia Net Total Return (USD) Index Futures	N/A	N/A	17 Sep	17,022
MSCI Thailand Net Total Return (USD) Index Futures	N/A	N/A	20 Sep	37,145
Stock Futures	8 Oct	48,274	7 Oct	71,685
Stock Options	27 Sep	2,433,968	27 Nov	18,022,363

* Only include futures or options with single-day trading volume or open interest of over 10,000 contracts

Average Daily Volume of Major Futures and Options Contracts

Number of contracts
'000



● 2024 ● 2023

Equity Futures and Options Market Development

The stock options market showed a significant uplift in 2024. ADV of stock options reached a record high of 720,297 contracts in 2024, representing an 18 per cent increase from 2023. Open interest (OI) for stock options was 10,935,536 contracts as of 31 December 2024, up 23 per cent from 31 December 2023, and OI reached a daily record high of 18,022,363 contracts on 27 November 2024.

On 4 November 2024, HKEX introduced Weekly Stock Options on 10 underlying stocks to broaden its stock options offerings, responding to market demand for more cost-effective risk management tools. Since launch, the Weekly Stock Options experienced robust growth, reaching an aggregate volume of 2,380,593 contracts by the end of 2024, accounting for 17 per cent of the stock options volume of the corresponding 10 underlying stocks.

The options on futures market continued to grow since its launch in August 2021. The aggregate ADV of the three products in the suite, namely HSI Futures Options, HSCEI Futures Options and Hang Seng TECH Index Futures Options, reached a record high of 48,093 contracts in 2024, up 22 per cent compared with 2023.

The mini options market also experienced notable growth in 2024, attributable to broader retail participation. The aggregate ADV of the two mini options, namely Mini-HSI Options and Mini-HSCEI Options, reached a record high of 21,504 contracts in 2024, up 36 per cent compared with 2023. The aggregate OI of the two products was 33,478 contracts as at 31 December 2024, up 19 per cent compared with 31 December 2023.

HKEX continued to expand its weekly index options offering and launched the Weekly Hang Seng TECH Index Options on 2 September 2024. Together with the other two weekly index options, namely Weekly HSI Options and Weekly HSCEI Options, the aggregate ADV experienced strong growth in 2024, reaching a record high of 19,658 contracts, up 25 per cent compared with 2023. In addition, the aggregate ADV reached a daily record high of 51,177 contracts on 8 October 2024, and the percentage of the number of Weekly HSI Options contracts traded exceeded 40 per cent of the total HSI Options contracts traded for two consecutive months in October and November 2024.

MSCI index derivatives continued to strengthen in 2024. The MSCI China A 50 Connect (USD) Index Futures ADV reached 14,517 contracts, up 25 per cent compared with 2023, and OI of the MSCI Net Total Return Suite reached 58,797 contracts as at 31 December 2024, up 10 per cent compared with 31 December 2023.

Fixed Income and Currency (FIC) Development

In 2024, the USD/CNH Futures market continued to grow amid a more dynamic CNH foreign exchange market and growing interest from global investors, with ADV reaching a record high of 93,369 contracts, more than double that of 2023. Trading volume was particularly strong in 2H 2024, with ADV reaching 107,027 contracts, up 35 per cent from the 1H 2024 ADV of 79,173 contracts. Trading volume of USD/CNH futures hit a daily record high of 272,575 contracts on 12 December 2024. Starting from 29 March 2024, the currency futures and options have been included in Derivatives Holiday Trading, supporting investors' foreign exchange risk management needs during Hong Kong public holidays.

Structured Products

The Hong Kong listed structured products market remained the world's most liquid structured products market for the 18th consecutive year in 2024. A total of 31,644 structured products were listed during the year. ADT of CBBCs, DWs, and warrants was \$11.8 billion, accounting for 9 per cent of Headline ADT.

HKEX continued to expand the structured products market in 2024 by diversifying the range of underliers across geography and asset classes, and expanding the number of issuers. In 2024, HKEX welcomed a new Chinese issuer to join our structured products market and two issuers to enter the HSI CBBC market. In addition, there was a new issuer on US single stock DWs, further diversifying the coverage of the US single stock market.

OTC Clear

With the significant contribution from Swap Connect, OTC Clear's clearing volume reached a record high of US\$1,199 billion in 2024, up 142 per cent compared with 2023. Swap Connect clearing volume reached an average daily turnover of RMB15 billion in 2024, equivalent to total notional amount of RMB3,660 billion. Cross-Currency Swap clearing volume also performed strongly, reaching US\$117.6 billion in 2024.

In May 2024, new product features and services were introduced for Swap Connect, supporting International Monetary Market trades, backdated trades and solo compression services, providing market participants with a wider range of risk management tools.

Following the announcement made by the People's Bank of China on 9 July 2024, OTC Clear began

accepting China Government Bonds and Policy Bank Bonds held by offshore investors through Bond Connect as collateral for Northbound Swap Connect from 13 January 2025. This enhancement improves the synergies between the Bond Connect and Swap Connect programmes, providing greater flexibility to international investors and improving their capital efficiency. It also offers a more effective way for clearing members to manage their interest rate risks of RMB denominated investments.

Market Structure

To allow market makers and other participants to better execute their trading strategies, an enhanced SMP service in the Derivatives Market was successfully introduced on 31 July 2024, enabling EPs and their clients to avoid inadvertent self-matching of their own proprietary orders (including orders placed across multiple EPs).

Commodities Segment

Key Market Indicators

	2024 '000 lots	2023 '000 lots	Change
ADV of metals contracts traded on the LME			
– Aluminium	262	227	15%
– Copper	152	138	10%
– Zinc	104	89	17%
– Lead	69	58	19%
– Nickel	65	41	59%
– Others	12	9	33%
Total chargeable ADV excluding Admin Trades ¹	664	562	18%
Chargeable Admin Trades ¹	39	32	22%
Total ADV	703	594	18%

¹ Admin Trades are chargeable at lower trading fee rate of US\$0.04 per contract and clearing fee rate of US\$0.02 per contract.

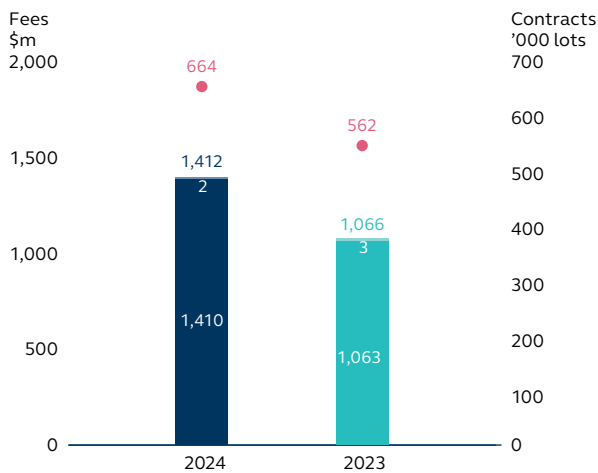
	At 31 Dec 2024 '000 lots	At 31 Dec 2023 '000 lots	Change
Total futures market open interest	1,787	1,793	0%

Analysis of Results

Summary

	2024 \$m	2023 \$m	Change
Trading fees	1,412	1,066	32%
Clearing and settlement fees	632	487	30%
Market data fees	263	257	2%
Other revenue and sundry income:			
– Commodities stock levies and warehouse listing fees	67	39	72%
– LME financial OTC booking fees	70	39	79%
– Accommodation income	52	46	13%
– Others	80	64	25%
	2,576	1,998	29%
Net investment income	212	190	12%
Total revenue and other income	2,788	2,188	27%
Operating expenses	(1,214)	(1,208)	0%
EBITDA	1,574	980	61%
EBITDA margin	56%	45%	11%

Trading Fees

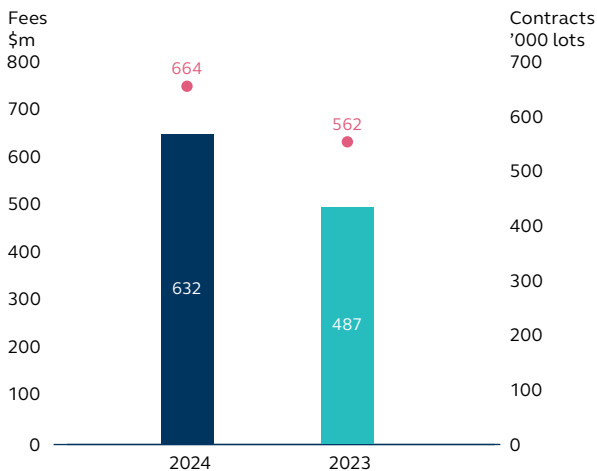


LME trading fees increased by \$347 million, or 33 per cent, attributable to the 18 per cent increase in chargeable ADV of metals contracts traded, and the increase in fee tariff effective 1 January 2024.

- Trading fees of metals contracts traded on the LME
- Trading fees of derivatives contracts traded on the Futures Exchange¹ and QME trading fees
- Chargeable ADV² of metals contracts traded on the LME

- 1 Includes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts
- 2 Chargeable ADV excludes Admin Trades.

Clearing and Settlement Fees



- Clearing fees for LME Clear
- Chargeable ADV¹ of metals contracts traded on the LME

1 Chargeable ADV excludes Admin Trades.

LME Clear clearing fees rose by \$145 million, or 30 per cent, attributable to the 18 per cent increase in chargeable ADV of metals contracts traded, and the increase in fee tariff effective 1 January 2024.

Other Revenue and Sundry Income

Other revenue increased by \$81 million, mainly due to higher LME financial OTC booking fees from fee increments, and higher fees from increased warranting activities in listed warehouses.

EBITDA

Operating expenses increased marginally by \$6 million, as higher staff costs from increased headcount and inflationary adjustments were mostly offset by lower legal and professional fees incurred for the events in the nickel market in 2022, and the partial recovery of legal fees from the claimants. EBITDA margin rose from 45 per cent to 56 per cent, due to the increase in total revenue and other income.

Business Update

LME

LME trading volumes have been strong throughout the year, with 2024 trading volume at the strongest since 2015, attributable to the price volatility across the base metals complex, and record high prices for LME Copper. Chargeable ADV increased by 18 per cent compared with 2023, with nickel registering the highest percentage increase of 59 per cent, partly attributable to the implementation of a fast-track listing approach and fee waiver for new nickel brands under the LME's two-year action plan announced in March 2023.

Throughout 2024, the LME has further entrenched its strong global physical market presence. In 2024, the LME listed 11 new brands across various base metals including nickel, lead, primary aluminium, copper and cobalt. On the warehousing side, the LME announced the approval of Jeddah in Saudi Arabia as a Delivery Point for copper and zinc in July 2024, and the first two approved warehouses in this location started to operate with effect from 30 January 2025. In June 2024, the LME also announced its intention to actively explore listing Hong Kong as a Delivery Point in its global warehousing network, which was subsequently approved in January 2025. These new warehouse locations and new brands will continue to support the LME in providing maximum global connectivity for the metals community. In December 2024, the LME announced the introduction of daily Off-Warrant Stock Reporting from February 2025, with an aim of providing greater transparency to the market.

In 2024, the LME implemented new programmes to enhance and modernise its market structure, as set out below:

- In Q1 2024, the LME extended its evolved Closing Price methodology to aluminium, copper, zinc, lead and nickel, bringing greater determinism, transparency and standardisation to the process.
- In June 2024, the LME went live with its new Daily Price Limit Multiple Day Framework, outlining its course of action and providing market participants with greater clarity around its decision making in the event that daily price limits are hit on multiple days.
- In September 2024, the LME published the White Paper on Enhancing Liquidity, which outlined a package of measures designed to boost transparency and increase price competition, for the benefit of all market participants. The package of measures included industry standard block rules, a liquidity provider programme, new trading platform functionality and additional rules to support market data transparency. Since its publication, the LME has been engaging extensively with market participants to obtain their feedback. The LME is planning to launch a formal consultation in 1H 2025.

During 2024, the LME continued to progress the sustainability agenda in its market:

- The LME has continued its work around its responsible sourcing requirements, requiring LME-listed brands to respect human rights and not contribute to conflict financing or corruption. In January 2024, the LME published an update to the market to share that 90 per cent of LME-listed brands had submitted appropriate compliance information for the 31 December 2023 deadline. The LME's responsible sourcing requirements are now fully embedded into the LME's brand listing requirements.
- In March 2024, the LME set out its position on low-carbon nickel, and its proposed solution for establishing sustainability-related pricing differentials.
- In September 2024, the LME released its decision notice and announced its proposal to mandate emissions reporting for LME-listed aluminium brands, in line with the EU CBAM methodology.

In October 2024, the UK Court of Appeal dismissed an appeal against the LME in a unanimous ruling which confirms that the action taken by the LME in relation to the nickel events in March 2022 was lawful, rational and in accordance with its rules. In January 2025, the Supreme Court refused permission for the appellants to appeal further. This effectively brings an end to the judicial review proceedings, aside from dealing with consequential matters in relation to costs. Further details are set out in note 49(d) to the Consolidated Financial Statements of this Annual Report.

LME Clear

In November 2024, LME Clear issued a consultation proposing a range of measures to further bolster market resilience. The proposals include increasing the minimum net capital requirement for members and introducing a default fund mutualisation limit and anti-procyclicality control.

In November 2024, the Bank of England published its results from the central counterparties (CCPs) Supervisory Stress Test, confirming LME Clear's resilience under extreme but plausible scenarios.

In December 2024, following regulatory approval, LME Clear initiated significant changes to the calculation in respect of its default fund and initial margin, and added a new margin type (Stress Loss Additional Margin) to further enhance market resilience.

QME

During 2024, the trading activities of two key strategic products, soybean and natural gas, grew significantly, with turnover reaching RMB51.8 billion and RMB3.7 billion respectively, each more than double the respective turnover of 2023. In addition, QME made substantial progress in these two strategic products, including cooperating with the Ministry of Commerce, the General Administration of Customs, and the Ministry of Agriculture and Rural Affairs for soybean, and securing key stakeholders such as Sinopec and PipeChina for natural gas.

In December 2024, QME implemented a refocused plan to concentrate on the development of these two key strategic products. As a result of the implementation of the plan, QME has optimised its organisational structure and reduced its recurring operating costs.

Data and Connectivity Segment

Analysis of Results

Summary

	2024 \$m	2023 \$m	Change
Market data fees	823	841	(2%)
Other revenue and sundry income:			
– Network fees	826	788	5%
– Hosting Services fees	391	350	12%
– BayConnect sales and services revenue and other income	86	94	(9%)
Total revenue and other income	2,126	2,073	3%
Operating expenses	(434)	(438)	(1%)
EBITDA	1,692	1,635	3%
EBITDA margin	80%	79%	1%

Network Fees

Network fees rose by 5 per cent to \$826 million (2023: \$788 million) due to increased fees from the sale of new throttles, and increased usage of the China Connect Central Gateway and Orion Central Gateway by EPs.

Hosting Services Fees

Hosting Services fees increased by 12 per cent to \$391 million (2023: \$350 million), driven by the growth in both new customer subscriptions and increased usage by existing customers, with 24 newly subscribed racks in 2024. As of 31 December 2024, 96 EPs were using HKEX's Hosting Services. These EPs generated, in aggregate, approximately 71 per cent of the Cash Market turnover and 72 per cent of trading volume of the Derivatives Market in 2024.

EBITDA

EBITDA margin rose from 79 per cent in 2023 to 80 per cent in 2024, mainly due to the increase in total revenue and other income.

Business Update

Data Business

The Enterprise data package rolled out in December 2023 has been well received by the market and served over 2 million market data subscribers for the Securities Market and over 1 million market data subscribers for the Derivatives Market as of December 2024. This reflects HKEX's efforts in supporting retail investors in accessing securities and derivatives market data, with an aim to facilitate retail participation in Hong Kong's markets.

In November 2024, HKEX launched the HKEX Virtual Asset Index Series, offering a reliable benchmark for a fast-emerging asset class that supports Hong Kong's development as Asia's leading digital assets hub. HKEX also collaborated with Hang Seng Indexes Company Limited to jointly launch the Hang Seng HKEX Stock Connect China Enterprises Index, the first co-branded index between the two companies. This index serves as a benchmark to reflect the overall performance of Chinese companies listed in Hong Kong and Mainland China that are eligible for Northbound and Southbound Trading under Stock Connect.

In December 2024, HKEX launched a new web-based data platform, the HKEX Data Marketplace, offering data users enhanced data products experience in accessing HKEX's historical and reference data.

Trading and Clearing Systems

During 2024, all HKEX's major trading, clearing, settlement and market data dissemination systems for the Cash, Derivatives, Commodities and OTC Markets continued to perform robustly.

HKEX worked closely with Connect market participants to complete the clearing and settlement processes for Northbound Shanghai Stock Connect that had been delayed following the abnormal situation on the Shanghai Stock Exchange involving the slow response in trade confirmations on 27 September 2024. HKEX's systems have continued to operate normally during the period.

In April 2024, HKEX announced the plan to develop a derivatives platform – the Orion Derivatives Platform, which is expected to offer enhanced trading, clearing and risk management capabilities to address rapidly evolving client needs. This demonstrates the Group's ongoing strategic commitment to drive innovation and efficiency in its markets.

In December 2024, HKEX announced a multi-year post-trade service enhancement programme for its Securities Market with new post-trade features and services progressively added to the Orion Cash Platform (OCP). New features include an automated

post-trade report download and information exchange, as well as enabling real-time transmission and processing of trade data and related positions, and real-time matching of settlement instructions. As part of the enhancement programme, HKEX will ensure its post-trade systems are technically ready to support a T+1 settlement cycle by the end of 2025, and will also facilitate discussion in 2025 on a suitable settlement cycle for Hong Kong market. The ongoing development of OCP ensures our markets will remain well-positioned for future opportunities as they continue to expand, strengthening Hong Kong's status as an international financial centre.

Corporate Items

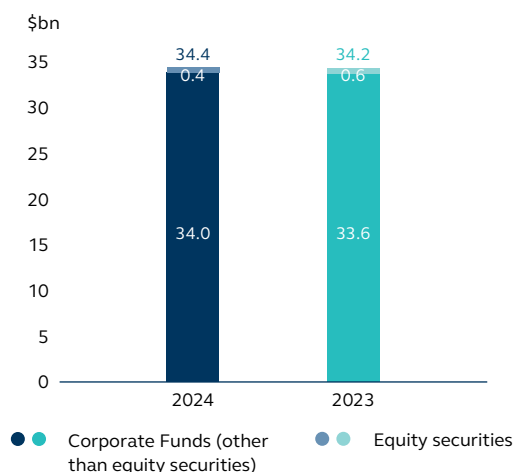
Analysis of Results

Summary

	2024 \$m	2023 \$m	Change
Net investment income	1,748	1,487	18%
Donation income of HKEX Foundation	67	88	(24%)
Others	19	14	36%
Total revenue and other income	1,834	1,589	15%
Operating expenses			
– HKEX Foundation charitable donations	(86)	(94)	(9%)
– Others	(1,892)	(1,712)	11%
EBITDA	(144)	(217)	(34%)

Net Investment Income

Average Fund Size



Average fund size of Corporate Funds remained at \$34 billion, as cash generated by the business was mostly offset by the payment of cash dividends and capital expenditure.

The analysis of net investment income/(loss) of Corporate Funds is as follows:

	2024 \$m	2023 \$m
Net investment income/(loss) from:		
– External Portfolio	447	421
– Equity securities ¹	(62)	(253)
– Internally-managed Corporate Funds:		
– Cash and bank deposits ²	1,120	1,239
– Debt securities	256	66
– Exchange (losses)/gains	(13)	14
	1,363	1,319
Total net investment income	1,748	1,487
Net investment return	5.09%	4.35%

¹ Investments in minority stakes of unlisted companies

² Including foreign exchange swaps

Net investment income of Corporate Funds increased by \$261 million compared with 2023. This was due to lower losses on valuation of the Group's unlisted equity investments, increased investment income generated from internally-managed Corporate Funds, and higher net fair value gains on the External Portfolio.

The fair value gains on the External Portfolio came from funds invested in the following strategies:

Strategy	2024 \$m	2023 \$m
Public Equities	160	123
Diversifiers ¹	274	234
Government Bonds and Mortgage-backed Securities ²	13	64
Total fair value gains	447	421

¹ Diversifiers comprise Absolute Return and Multi-Sector Fixed Income asset classes.

² Including money market funds

To reduce the impact of market volatility on HKEX earnings, the Group made tactical adjustments to the External Portfolio in Q3 2024 by liquidating the funds within the Public Equities strategy of the External Portfolio and investing into funds within the Government Bonds and Mortgage-backed Securities strategy.

Further details of investments in the External Portfolio are set out in note 53(a)(iv) to the Consolidated Financial Statements of this Annual Report.

EBITDA

Excluding HKEX Foundation charitable donation expenses (funded by the donation income of HKEX Foundation), operating expenses increased by 11 per cent against 2023, attributable to higher staff costs from payroll adjustments, increased headcount for strategic initiatives and non-recurring retirement benefits paid to senior management, higher professional fees for strategic initiatives, and higher IT costs on new or upgraded systems, and inflationary adjustments on contract renewals.

EBITDA improved by \$73 million mainly due to the increase in net investment income of Corporate Funds, partly offset by the increase in operating expenses.

Business Update

Sustainability

As a purpose-driven company, HKEX continued to progress the sustainability agenda for global financial markets and the communities it supports. In 2024, the Group refined its approach to sustainability by establishing a new Sustainability Division, and sustainability will be a core component of its strategy, business and operations going forward.

In its multi-dimensional role, HKEX focused on enabling scalable changes in progressing the sustainable finance ecosystem, and demonstrating leadership on responsible business practices in its businesses and operations. As a regulator, HKEX continued to promote good corporate governance and ESG stewardship among listed companies and the wider business sector through upholding ESG standards, knowledge sharing and market education, helping them to chart their journey towards a sustainable and low-carbon economy. As an exchange operator, HKEX facilitated the development of the global and regional sustainable finance ecosystems through enhancing its voluntary carbon marketplace, Core Climate, and increasing the accessibility of sustainable and green finance offerings via HKEX's Sustainable and Green Exchange (STAGE). In 2024, HKEX introduced Gold Standard's Verified Emission Reductions to the Core Climate platform and partnered with Cathay Pacific Airways Limited to provide settlement services for its carbon credit purchases, underscoring the Group's ongoing dedication to providing more options for market participants and supporting corporates on their climate transition journey. Through the LME, the Group advanced the sustainability agenda in commodity markets by enhancing metals transparency and implementing mandatory emissions reporting for listed aluminium in line with EU CBAM regulations, whilst continuing its ongoing requirements for responsible sourcing and its work on LMEpassport.

As a corporate, the Group is committed to leading by example with its own sustainability journey. During the year, HKEX continued to make progress towards its net-zero targets by decarbonising its operations through improving energy efficiency and increasing the use of renewable electricity. To fulfil HKEX's commitment in achieving carbon neutrality, unabated emissions were offset via high quality carbon credits purchased on Core Climate.

With a steadfast commitment to people, HKEX continued to invest in professional development programmes and build an organisation that prioritises employees' wellness, diversity and engagement. In addition to ongoing enhancements to talent development and training programmes at all levels, the Group organised a wide range of diversity and wellness-focused events, such as the annual Global Wellness Month, HKEX Networks Fairs and year-round fitness and social activities catering to different interests. Further information on these activities can be found in HKEX's 2024 Sustainability Report.

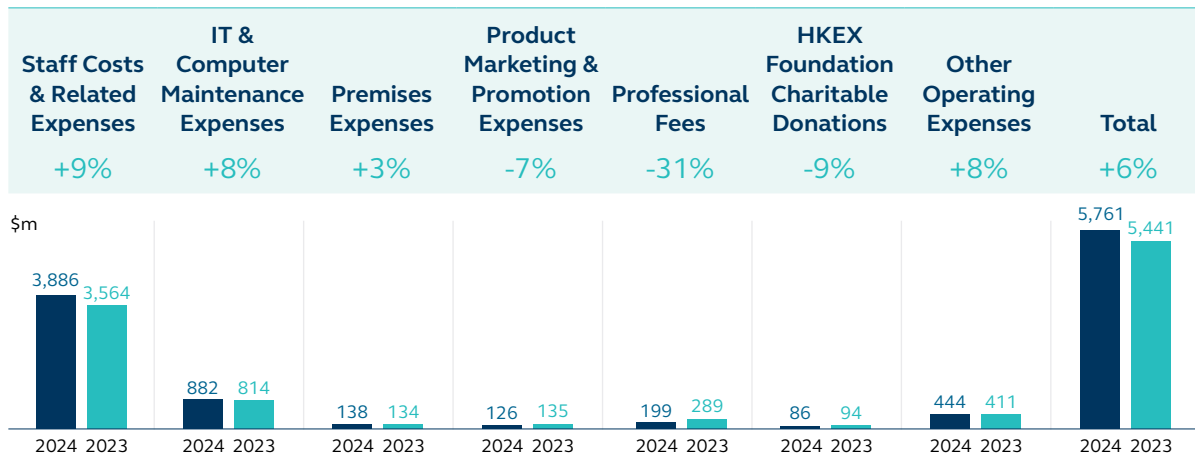
HKEX Foundation and Group Philanthropy

In 2024, the Group continued to facilitate and advocate meaningful change to the communities in which it operates through a series of philanthropic initiatives and corporate volunteering. HKEX Foundation, the Group's dedicated charitable channel, continued to create long-lasting impact by addressing social and environmental issues in the local community. Throughout the year, the Foundation strengthened its partnerships with local charities, social enterprises and academic institutions through the Charity Partnership Programme, Impact Funding Scheme and University Scholarship Programme. During the year, the Foundation funded a wide spectrum of community and social innovation projects focusing on four key areas: financial literacy, diversity and inclusion, poverty relief and environmental sustainability. In the UK, the LME awarded the scholarship to two students at the Camborne School of Mines, helping them to start a career in the mining industry.

In 2024, HKEX Foundation raised \$90 million (including a \$23 million donation from HKEX), principally from HKEX's Stock Code for Charity Scheme, and committed a total of \$86 million in charitable donations supporting community projects for various good causes.

Expenses, Other Costs and Taxation

Operating Expenses



Staff costs and related expenses increased by \$322 million (9 per cent) mainly due to payroll adjustments and increased headcount for strategic initiatives, reflecting the Group's commitment to continuous investment in talent.

IT and computer maintenance expenses consumed by the Group, excluding costs of services and goods directly consumed by participants of \$72 million (2023: \$73 million), were \$810 million (2023: \$741 million). The increase was mainly attributable to an increase in maintenance expenses on new or upgraded systems, and inflationary adjustments on contract renewals.

Professional fees decreased by \$90 million (31 per cent), due to partial recovery of legal fees and lower legal and professional fees relating to the events in the nickel market in 2022, partly offset by higher fees incurred for strategic initiatives.

Depreciation and Amortisation

	2024 \$m	2023 \$m	Change
Depreciation and amortisation	1,402	1,443	(3%)

Depreciation and amortisation decreased by \$41 million (3 per cent), as a result of a decrease in the depreciation of right-of-use assets resulting from lower rent on rent review and renewal of certain office leases, and certain assets being fully depreciated in 2024. The decrease was partly offset by new IT systems and upgrades in 2H 2023 and 2024.

Finance Costs

	2024 \$m	2023 \$m	Change
Finance costs	114	135	(16%)

Finance costs decreased due to lower negative interest charges for JPY, which was no longer subject to negative interest since mid-2024, and lower interest expense on lease liabilities.

Taxation

	2024 \$m	2023 \$m	Change
Taxation	1,698	1,351	26%

Taxation increased by \$347 million, due to higher profit before taxation and lower proportion of non-taxable income in 2024.

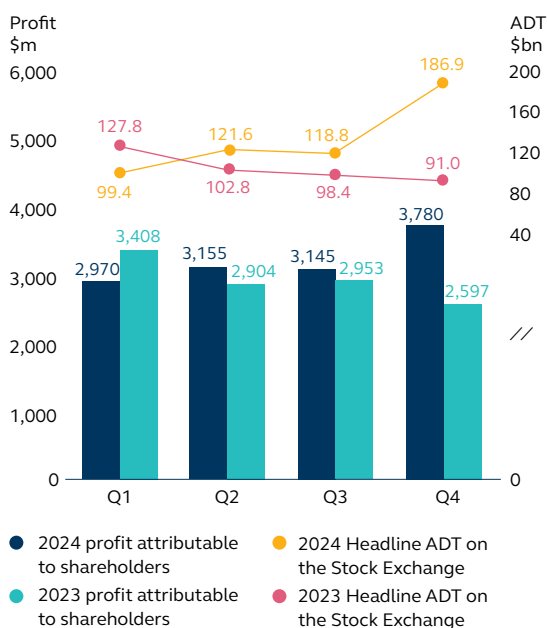
Financial Review

Analysis of Results by Quarter

Quarterly Results

	Q1 2024 \$m	Q2 2024 \$m	Q3 2024 \$m	Q4 2024 \$m	Total 2024 \$m
Trading fees and trading tariffs	1,579	1,711	1,689	2,210	7,189
Clearing and settlement fees	1,021	1,104	1,058	1,534	4,717
Stock Exchange listing fees	365	360	358	401	1,484
Depository, custody and nominee services fees	184	358	346	258	1,146
Market data fees	265	267	274	280	1,086
Other revenue and sundry income	436	420	427	475	1,758
Net investment income	1,342	1,179	1,207	1,199	4,927
Donation income of HKEX Foundation	9	21	13	24	67
Revenue and other income	5,201	5,420	5,372	6,381	22,374
Less: Transaction-related expenses	(85)	(81)	(81)	(85)	(332)
Revenue and other income less transaction-related expenses	5,116	5,339	5,291	6,296	22,042
Operating expenses					
Staff costs and related expenses	(1,008)	(929)	(923)	(1,026)	(3,886)
IT and computer maintenance expenses	(205)	(216)	(215)	(246)	(882)
Premises expenses	(30)	(37)	(35)	(36)	(138)
Product marketing and promotion expenses	(27)	(26)	(25)	(48)	(126)
Professional fees	(45)	(1)	(63)	(90)	(199)
HKEX Foundation charitable donations	(6)	(68)	(7)	(5)	(86)
Other operating expenses	(90)	(106)	(97)	(151)	(444)
	(1,411)	(1,383)	(1,365)	(1,602)	(5,761)
EBITDA (non-HKFRS measure)	3,705	3,956	3,926	4,694	16,281
Depreciation and amortisation	(345)	(353)	(346)	(358)	(1,402)
Operating profit	3,360	3,603	3,580	4,336	14,879
Finance costs	(30)	(29)	(27)	(28)	(114)
Share of profits of joint ventures	26	22	24	16	88
Profit before taxation	3,356	3,596	3,577	4,324	14,853
Taxation	(355)	(411)	(409)	(523)	(1,698)
Profit for the period/year	3,001	3,185	3,168	3,801	13,155
Profit attributable to non-controlling interests	(31)	(30)	(23)	(21)	(105)
Profit attributable to shareholders	2,970	3,155	3,145	3,780	13,050
	Q1 2023 \$m	Q2 2023 \$m	Q3 2023 \$m	Q4 2023 \$m	Total 2023 \$m
Revenue and other income	5,558	5,017	5,084	4,857	20,516
Profit attributable to shareholders	3,408	2,904	2,953	2,597	11,862

Analysis of Quarterly Results



Market sentiment in Q1 2024 was affected by a challenging macroeconomic backdrop and a sustained high interest rate environment. Trading activities improved considerably in Q2 2024 following an upswing in market momentum, and rose sharply in Q4 2024 following the announcement of economic stimulus measures in Mainland China in late September, and the monetary easing policies adopted by central banks. As a result, Headline ADT in each quarter of 2024 was higher than 2023 except for the first quarter.

Profit generally follows the trend of trading volumes. Following the surge in Headline ADT, Q4 profit was the highest in 2024, reaching an all-time fourth quarter high.

Analysis of Key Items in Consolidated Financial Statements

(A) Net Investment Income of Margin Funds and Clearing House Funds

Net investment income of Margin Funds and Clearing House Funds decreased by \$293 million to \$3,179 million (2023: \$3,472 million), reflecting an increase in interest rebates payable to HKCC and OTC Clear CPs for certain products as incentives to attract volumes, and an increase in the proportion of JPY collateral posted by HKCC CPs in 2024, which generated lower returns. Further analysis on net investment income of Margin Funds and Clearing House Funds is set out below:

	2024				
	HK Clearing Houses		LME Clear		Total \$m
	Margin Funds \$m	Clearing House Funds \$m	Margin Funds \$m	Clearing House Funds \$m	
Net investment income/(loss) from:					
– Cash and bank deposits (including foreign exchange swaps)	2,048	311	160	21	2,540
– Debt securities	471	144	25	6	646
– Exchange losses	(7)	–	–	–	(7)
Total net investment income	2,512	455	185	27	3,179
Average fund size (\$bn)	109.1	15.8	69.1	10.2	204.2
Net investment return	2.30%	2.87%	0.27%	0.27%	1.56%

	2023				Total \$m
	HK Clearing Houses		LME Clear		
	Margin Funds \$m	Clearing House Funds \$m	Margin Funds \$m	Clearing House Funds \$m	
Net investment income/(loss) from:					
– Cash and bank deposits (including foreign exchange swaps)	2,756	248	153	21	3,178
– Debt securities	184	97	15	1	297
– Exchange losses	(3)	–	–	–	(3)
Total net investment income	2,937	345	168	22	3,472
Average fund size (\$bn)	109.0	12.5	79.6	10.1	211.2
Net investment return	2.69%	2.77%	0.21%	0.22%	1.64%

Net investment income of Margin Funds and Clearing House Funds are allocated to the following segments:

	2024 \$m	2023 \$m	Change
Cash	287	232	24%
Equity and Financial Derivatives	2,680	3,050	(12%)
Commodities	212	190	12%
Total	3,179	3,472	(8%)

(B) Significant Financial Assets and Financial Liabilities by Funds

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m	Change
Financial assets			
Cash and cash equivalents	134,365	125,107	7%
Financial assets measured at fair value through profit or loss	7,558	6,961	9%
Financial assets measured at fair value through other comprehensive income	50,704	18,250	178%
Financial assets measured at amortised cost	43,610	76,649	(43%)
Derivative financial instruments	67,747	58,127	17%
Total	303,984	285,094	7%

The Group's financial assets comprised financial assets of Corporate Funds, Margin Funds, Clearing House Funds, derivative financial instruments (including base and ferrous metals derivatives contracts, and foreign exchange derivative contracts), and cash prepayments and collateral for A-shares traded under Stock Connect, as follows:

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m	Change
Financial assets			
Corporate Funds ¹	36,880	34,812	6%
Margin Funds ²	168,455	166,300	1%
Clearing House Funds	28,727	23,122	24%
Derivative financial instruments	67,747	58,127	17%
Cash prepayments and collateral for A-shares	2,175	2,733	(20%)
Total	303,984	285,094	7%

1 Includes \$2,080 million (31 December 2023: \$1,571 million) solely used for supporting contributions to default funds (Skin-in-the-Game), and default fund credits for Clearing House Funds

2 Excludes Settlement Reserve Fund and Settlement Guarantee Fund paid to ChinaClear under Stock Connect, inter-central counterparties (inter-CCP) margin paid to Shanghai Clearing House (SHCH) under Swap Connect, and margin receivable from CPs of \$20,402 million (31 December 2023: \$9,865 million), which are included in accounts receivable, prepayments and deposits

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m	Change
Financial liabilities			
Derivative financial instruments	67,863	58,100	17%
Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants	188,857	176,165	7%
CPs' contributions to Clearing House Funds	27,124	21,955	24%
Total	283,844	256,220	11%

The increase in financial assets and financial liabilities of Margin Funds at 31 December 2024 compared with 31 December 2023 was due to higher contributions from HKSCC CPs from increased trading turnover, and higher contributions from SEOCH CPs due to higher open positions and margin requirements of stock options. The increase was partly offset by lower contributions from HKCC CPs due to decreases in open interest of index futures and options, and reduced contributions from LME Clear members due to overall lower margin requirements from decreases in contract prices of certain base metals.

The increase in financial assets and financial liabilities of Clearing House Funds at 31 December 2024 compared with 31 December 2023 was mainly due to the change in the counterparty default assumption for the HKSCC Guarantee Fund to cover the two largest CP groups from 2 September 2024 (as opposed to the largest and the 5th largest CP groups prior to the change), as well as changes in risk exposures in the Cash, Derivatives and Commodities Markets.

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 CPs (approximately 29 per cent at 31 December 2024), a certain proportion is invested in investment grade debt securities with maturity over 12 months (approximately 6 per cent at 31 December 2024) and the remaining funds are invested in debt securities and time deposits with maturity of up to 12 months (weighted original maturity of ten months as at 31 December 2024).

Financial assets of Corporate Funds at 31 December 2024 increased by 6 per cent compared with 31 December 2023, as cash generated by the business over the past year and the increase in fair values of the External Portfolio were partly offset by the cash paid for the 2023 second interim dividend and 2024 first interim dividend.

A portion of the Corporate Funds is invested in a diversified portfolio of investment funds which are designed to enhance returns and mitigate portfolio volatility and asset class concentration risk. Further details of investments in the External Portfolio are included in note 53(a)(iv) to the Consolidated Financial Statements of this Annual Report.

(C) Fixed Assets, Intangible Assets, Right-of-use Assets and Capital Commitments

The total net book value of the Group's fixed assets and intangible assets rose by \$277 million from \$20,832 million at 31 December 2023 to \$21,109 million at 31 December 2024. The increase was mainly due to additions of assets of \$1,517 million partly offset by depreciation and amortisation of \$1,131

million, and exchange differences of \$100 million arising mainly from depreciation of USD relating to translation of fixed and intangible assets of LME Group. Additions during the year were mainly related to the development and upgrade of various trading and clearing systems (notably the new trading systems for the Commodities Market and Derivatives Market).

The Group's operating leases, which mainly relate to leases of office premises, are recognised as right-of-use assets. Such assets decreased by \$310 million to \$1,174 million (31 December 2023: \$1,484 million), mainly due to depreciation of \$271 million, and a decrease in carrying value of \$181 million due to lower rent from rental review of certain office leases, partly offset by additions of office leases of \$143 million.

The Group's capital commitments¹ at 31 December 2024, including those authorised by the Board but not yet contracted for, amounted to \$1,702 million (31 December 2023: \$1,555 million). They were mainly related to the development and upgrade of IT systems including the cash, derivatives and commodities trading and clearing systems (notably the new trading, clearing and risk management systems for the Derivatives Market, and upgrade of clearing systems of the Cash Market).

(D) Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets

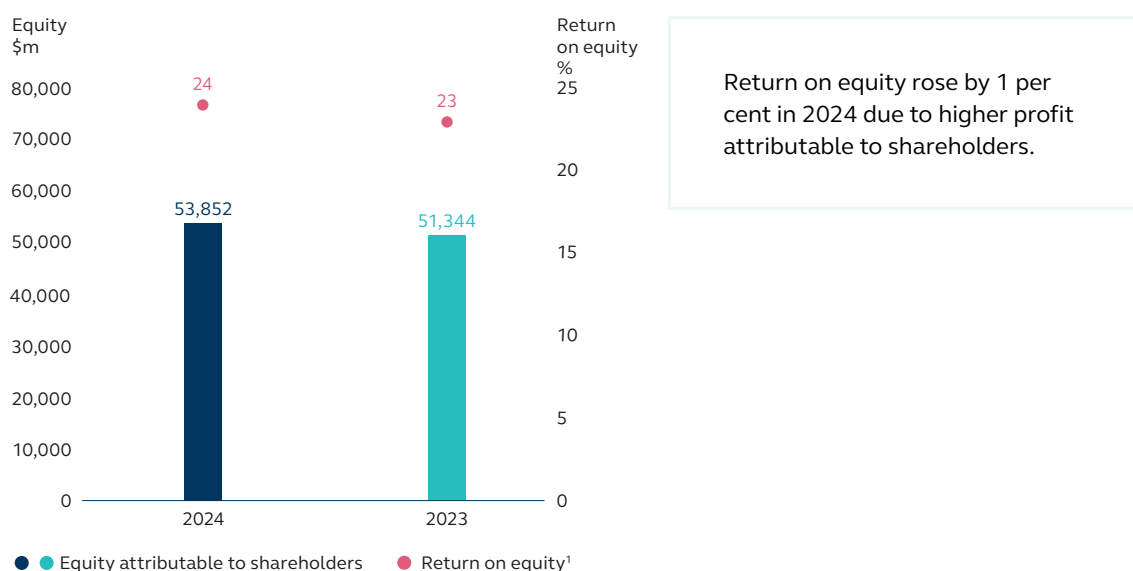
Save for those disclosed in this Annual Report, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries during the year under review. Apart from those disclosed in this Annual Report, there were no material investments or additions of capital assets authorised by the Board at the date of this Annual Report.

¹ Exclude operating leases recognised as right-of-use assets

(E) Equity attributable to Shareholders and Return on Equity

Equity attributable to shareholders increased by \$2,508 million to \$53,852 million at 31 December 2024 (31 December 2023: \$51,344 million). This arose principally from the increase in retained earnings and designated reserves of \$2,600 million mainly attributable to profit for the year less dividends declared or paid, the increase in reserve arising from share-based compensation expenses of \$390 million, partly offset by the shares purchased for the Share Award Scheme of \$481 million.

Equity attributable to Shareholders and Return on Equity



1 Based on equity attributable to shareholders at year-end

Liquidity, Financial Resources and Gearing

Working capital decreased by \$640 million to \$29,051 million at 31 December 2024 (31 December 2023: \$29,691 million). The decrease was mainly due to payment of the 2023 second interim dividend and the 2024 first interim dividend of \$10,457 million, the increase of long-term financial assets held under Corporate Funds and interests in joint ventures of \$3,121 million, partly offset by profit attributable to shareholders of \$13,050 million.

At 31 December 2024, the Group had the following outstanding borrowings:

	At 31 Dec 2024		At 31 Dec 2023	
	Carrying value \$m	Maturity	Carrying value \$m	Maturity
Written put options to non-controlling interests	452	N/A	447	N/A

At 31 December 2024, the Group had a gross gearing ratio (i.e., gross debt divided by adjusted capital) of 1 per cent (31 December 2023: 1 per cent), and a net gearing ratio (i.e., net debt divided by adjusted capital) of zero per cent (31 December 2023: zero per cent). For this purpose, gross debt is defined as total borrowings (excluding lease liabilities) and net debt² is defined as gross debt less cash and cash equivalents of Corporate Funds (excluding those reserved for supporting contributions to default funds and default fund credits for Clearing House Funds), and adjusted capital as all components of equity attributable to shareholders of HKEX other than designated reserves.

At 31 December 2024, the Group's total available banking facilities for its daily operations amounted to \$25,771 million (31 December 2023: \$25,912 million), which included \$18,847 million (31 December 2023: \$18,972 million) of committed banking facilities and \$6,500 million (31 December 2023: \$6,500 million) of repurchase facilities. In addition, the Group has arranged a new committed banking facility of \$5,000 million in 2024 for certain periods of the year which needs higher liquidity requirements to cover operational needs and stress testing, and committed banking facilities totalling \$2,500 million were put in place to provide support to qualifying market participants during the initial implementation of Severe Weather Trading arrangement from September 2024 to December 2024.

The Group has also put in place foreign exchange facilities for its daily clearing operations and for the RMB Equity Trading Support Facility to support the trading of RMB stocks listed on the Stock Exchange.

At 31 December 2024, the total amount of the facilities was \$32,378 million (31 December 2023: \$33,852 million).

In addition, the Group has arranged contingency banking facilities amounting to RMB13,000 million (31 December 2023: RMB13,000 million) for settling payment obligations to ChinaClear should there be events that disrupt normal settlement arrangements for Stock Connect.

At 31 December 2024, 74 per cent (31 December 2023: 83 per cent) of the Group's cash and cash equivalents were denominated in HKD or USD.

Pledges of Assets

Details of pledges of assets are included in note 51 to the Consolidated Financial Statements of this Annual Report.

Exposure to Fluctuations in Exchange Rates and Related Hedges

Details of the Group's exposure to fluctuations in exchange rates and related hedges are included in note 53(a)(i) – Foreign exchange risk to the Consolidated Financial Statements of this Annual Report.

Contingent Liabilities and Contingent Assets

Details of contingent liabilities and contingent assets are included in note 49 to the Consolidated Financial Statements of this Annual Report.

² Net debt is zero when the amount of cash and cash equivalents of Corporate Funds (excluding those reserved for supporting contributions to default funds and default fund credits for Clearing House Funds) is higher than gross debt.

10-Year Financial Statistics

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Key Market Statistics										
Headline ADT traded on the Stock Exchange (\$bn)	131.8	105.0	124.9	166.7	129.5	87.2	107.4	88.2	66.9	105.6
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	830	742	715	538	612	630	687	443	465	394
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	720	612	588	637	526	442	517	428	298	374
Chargeable ADV of metals contracts traded on the LME ('000 lots)	664	562	506	547	571	617	627	602	618	670
Consolidated Income Statement										
(\$m)										
Revenue and other income	22,374	20,516	18,456	20,950	19,190	16,311	15,867	13,180	11,116	13,375
Less: Transaction-related expenses	(332)	(247)	(176)	(152)	(110)	(51)	(54)	(40)	(39)	(36)
Revenue and other income less transaction-related expenses	22,042	20,269	18,280	20,798	19,080	16,260	15,813	13,140	11,077	13,339
Operating expenses	(5,761)	(5,441)	(5,095)	(4,529)	(4,439)	(3,997)	(4,056)	(3,526)	(3,416)	(3,254)
EBITDA (non-HKFRS measure)	16,281	14,828	13,185	16,269	14,641	12,263	11,757	9,614	7,661	10,085
Depreciation and amortisation	(1,402)	(1,443)	(1,459)	(1,354)	(1,197)	(1,044)	(762)	(858)	(771)	(684)
Costs relating to proposed combination with LSEG	-	-	-	-	-	(123)	-	-	-	-
Finance costs	(114)	(135)	(138)	(154)	(181)	(177)	(114)	(134)	(82)	(114)
Share of profits/(losses) of joint ventures	88	82	71	80	69	32	2	(12)	(9)	(9)
Profit before taxation	14,853	13,332	11,659	14,841	13,332	10,951	10,883	8,610	6,799	9,278
Taxation	(1,698)	(1,351)	(1,564)	(2,343)	(1,845)	(1,561)	(1,592)	(1,255)	(1,058)	(1,347)
Profit for the year	13,155	11,981	10,095	12,498	11,487	9,390	9,291	7,355	5,741	7,931
(Profit)/loss attributable to non-controlling interests	(105)	(119)	(17)	37	18	1	21	49	28	25
Profit attributable to shareholders	13,050	11,862	10,078	12,535	11,505	9,391	9,312	7,404	5,769	7,956
Dividend per share (\$)	9.26	8.41	7.14	8.87	8.17	6.71	6.71	5.40	4.25	5.95
Basic earnings per share (\$)	10.32	9.37	7.96	9.91	9.11	7.49	7.50	6.03	4.76	6.70
Consolidated Statement of Financial Position										
(\$m)										
Non-current assets	28,053	24,977	23,573	24,235	23,413	23,856	20,165	19,586	19,508	19,622
Current assets	353,576	316,202	382,478	375,069	375,693	255,195	235,783	298,018	227,810	218,571
Current liabilities	(324,525)	(286,511)	(352,948)	(345,964)	(346,334)	(230,937)	(213,581)	(278,566)	(210,688)	(203,976)
Net current assets	29,051	29,691	29,530	29,105	29,359	24,258	22,202	19,452	17,122	14,595
Total assets less current liabilities	57,104	54,668	53,103	53,340	52,772	48,114	42,367	39,038	36,630	34,217
Non-current liabilities	(2,697)	(2,872)	(3,004)	(3,430)	(3,536)	(3,613)	(1,464)	(1,663)	(4,246)	(4,255)
Total equity	54,407	51,796	50,099	49,910	49,236	44,501	40,903	37,375	32,384	29,962
Non-controlling interests	(555)	(452)	(371)	(284)	(318)	(328)	(174)	(102)	(118)	(146)
Equity attributable to HKEX's shareholders	53,852	51,344	49,728	49,626	48,918	44,173	40,729	37,273	32,266	29,816
Equity per share ¹ (\$)	42.61	40.60	39.30	39.22	38.64	35.12	32.65	30.14	26.42	24.74
Financial Ratios										
Dividend payout ratio	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Cost to income ratio ²	26%	27%	28%	22%	23%	25%	26%	27%	31%	24%
Pre-tax profit margin ²	67%	66%	64%	71%	70%	67%	69%	66%	61%	70%
Return on equity ³	24%	23%	20%	25%	24%	21%	23%	20%	18%	27%
Current ratio	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1

Notes:

- Based on number of shares issued and fully paid less number of shares held for the Share Award Scheme at 31 December
- For the purpose of computing cost (i.e., operating expenses) to income ratio and pre-tax profit margin, income includes revenue and other income less transaction-related expenses and share of profits/losses of joint ventures.
- Based on equity attributable to HKEX's shareholders at year-end



Governance



Corporate Governance Report

The Board is committed to high standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of HKEX businesses.

HKEX's key corporate governance practices and activities during the year ended 31 December 2024 are highlighted in this report and the Committee Reports, as well as in the 2024 Sustainability Report which is available on the HKEX Group website together with this Annual Report. All the Committee Reports form part of this report.

More details about HKEX's corporate governance structure, principles and practices are available on the HKEX Group website [CG](#).

Committee Reports

Nomination and Governance Committee Report: pages 103 to 106

Audit Committee Report: pages 107 to 109

Risk Committee Report: pages 110 to 115

Remuneration Committee Report: pages 116 to 124

Corporate Responsibility Committee Report: pages 125 and 126

HKEX Group Website (www.hkexgroup.com)

About HKEX (Our Structure) section [OS](#)

Investor Relations section [IR](#)

Corporate Governance section [CG](#)

Sustainability section [S](#)

Governance Highlights

Board Structure

- 12 of the 13 Directors are independent
- Members of all governance related committees* are INEDs
- 4 of the 13 Directors are female
- Diverse range of expertise and experience
- Periodic Board refreshment

Board and Governance Process

- International Advisory Council provides the Board with expert insight and perspective from around the world
- Mainland China Advisory Group advises the Board on the development of China's financial markets and economy
- 46 Board and committee meetings in total in 2024
- Completion of an internally led Board evaluation
- Annual review of succession plans
- Annual review of compensation policies
- Robust risk management and internal controls framework
- Embedded compliance culture
- Proactive and ongoing stakeholder engagement

* Refer to the Audit Committee, the Nomination and Governance Committee, the Remuneration Committee, and the Risk Committee

Compliance with Corporate Governance Code

Throughout 2024, HKEX complied with all code provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code, with the following exceptions:

Code Provision B.2.2 (Retirement by Rotation of Directors)

- The Government Appointed Directors, all being Non-executive Directors, are not subject to election or re-election by Shareholders as their appointments are governed by the SFO.
- The Chief Executive Officer in her capacity as a Director is not subject to retirement by rotation, as her term on the Board is coterminous with her employment as the Chief Executive Officer with HKEX under HKEX's Articles.

HKEX has applied the principles of the Corporate Governance Code to its corporate governance structure and practices as described in this report and on the HKEX Group website [CG](#) / [IR](#) / [OS](#). A checklist detailing HKEX's compliance with the Corporate Governance Code is available on the HKEX Group website [CG](#). The Board has delegated its corporate governance functions to the Nomination and Governance Committee. A summary of the work of the Committee in 2024/2025 is set out in the Nomination and Governance Committee Report.

HKEX's Culture

As one of the world's largest listed exchange operators and a market regulator, HKEX plays a unique role in the sustainable development of financial markets and society as a whole. HKEX is committed to developing a positive and progressive culture that is built on its Purpose and Values, which collectively represent the essence of HKEX's business and drive the Group to excel in everything it does. Building an open, safe and dynamic work environment allows employees across the Group to thrive and meet their full potential, and enables the Company to deliver long-term sustainable growth and success.

Throughout 2024, HKEX continued to strengthen its cultural framework by focusing on stakeholder centricity, operational excellence, talent and culture, and risk and control, through various initiatives set out in the Business Review and the Governance sections of this Annual Report and the 2024 Sustainability Report.

HKEX's Purpose

To Connect, Promote and Progress our Markets and the Communities they support for the prosperity of all.

HKEX's Values

Integrity – We always do the right thing.

Diversity – We recognise that great ideas come from anywhere.

Excellence – We promote best-in-class in all that we do.

Collaboration – We are always better together.

Engagement – We are engaged in the markets and communities in which we operate.

More information about HKEX's Purpose and Values is available on the HKEX Group website (About HKEX section).

Strategic Planning

HKEX has a rigorous and ongoing strategic planning process to identify and assess the opportunities and challenges that the Group might face and to develop a planned course of action for the Group to generate sustainable long-term value for Shareholders. Details of HKEX's strategic initiatives and priorities for fulfilling its Purpose are available in the Chief Executive Officer's Review section of this Annual Report and on the HKEX Group website (About HKEX section).

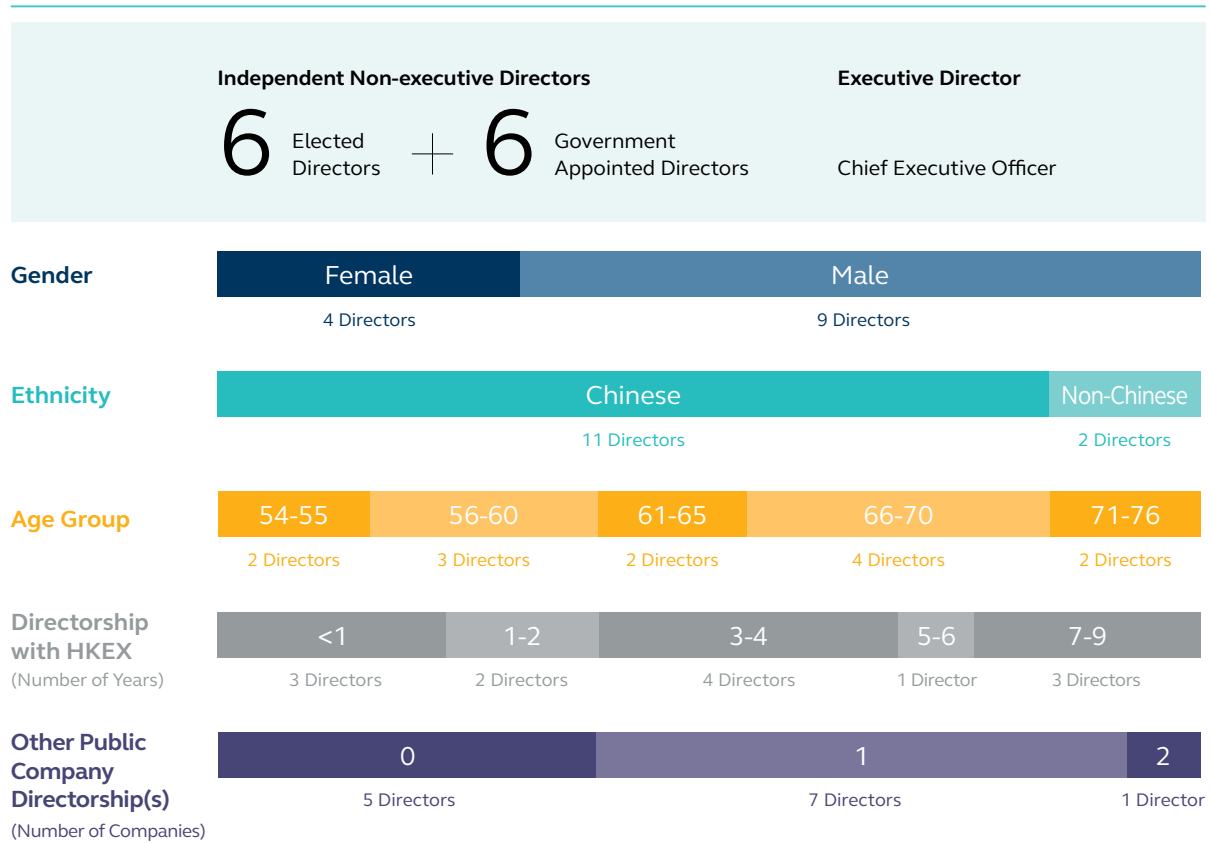
In addition to the mid-year strategy review in March 2024, the Board held a strategy meeting in September 2024 at which the Board and senior executives held in-depth discussions of the Group's strategic direction in support of its Purpose.

The strategic achievements during the year are reported in the Chief Executive Officer's Review and Business Review sections of this Annual Report.

The Board

Board Composition

The Board's structure is governed by HKEX's Articles and the SFO. The Board has an appropriate mix of skills, experience and diversity that are relevant to HKEX's strategy, governance and business, and strong independent leadership, which underpin its effectiveness and efficiency. Its approach to achieving diversity is set out in the Board Diversity Policy, which is available on the HKEX Group website [CG](#).



The skills matrix below sets out the skills and expertise of the Board that are most relevant to HKEX's strategy, governance and business and to enabling the Board to effectively discharge its duties and responsibilities in attaining HKEX's strategic objectives and achieving sustainable and balanced development for the Group, particularly in terms of:

- Overseeing implementation of HKEX's strategic imperatives to connect China and the world, connect capital with opportunity and connect today with tomorrow;
- Promoting sustainability and best-in-class governance and corporate responsibility practices across its business, markets and communities, to fulfil the Purpose of HKEX;
- Overseeing implementation of robust risk management framework and internal controls in view of HKEX's combined role as a market regulator with a public duty and a listed company; and
- Promoting a positive and progressive culture across the organisation, enabling HKEX to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen.

Directors' Skills and Experience

	Executive leadership & strategy/directorship or senior executive experience with other listed company(ies)	Capital market expertise	International business	Mainland China exposure	Accounting professionals/ financial management expertise	Legal professionals/ regulatory & compliance/risk management	Digital
INEDs							
Carlson Tong (Chairman)	•	•	•	•	•	•	
Nicholas Allen	•		•	•	•	•	
Apurv Bagri	•	•	•		•	•	
K P Chan	•			•	•	•	
C H Cheah	•	•	•	•			
Anna Cheung	•	•	•	•	•	•	•
Herbert Chia	•	•		•		•	•
Susan Chow	•		•	•		•	
Nisa Leung	•	•	•	•			•
Hugo Leung	•	•	•	•		•	
Joseph Yam	•	•	•	•	•	•	
Zhang Yichen	•	•	•	•	•	•	•
Executive Director							
Bonnie Y Chan	•	•	•	•		•	
Coverage (% of entire Board)	100%	77%	85%	92%	54%	85%	31%

The names of the Directors in office during 2024 and up to the date of this report are set out in the Directors' Report contained in this Annual Report. The brief biographies of the current Directors, including their length of tenure and membership at various Board Committees of HKEX, are set out in the Board and Committees section and the Board of Directors and Senior Management section of this Annual Report.

Under HKEX's Articles, the term of office of Non-executive Directors is not more than three years (subject to re-appointment or re-election), although each Government Appointed Director is normally appointed for a term of approximately two years (subject to re-appointment). Staggered terms of service enable the Board to have a good balance of experienced and new Directors. The average tenure of the current Directors as at the date of this report is 3.9 years. The service term of Carlson Tong, Nisa Leung and Joseph Yam (Government Appointed

Directors), and Apurv Bagri (Elected Director) will expire at the conclusion of the 2025 AGM. On 20 February 2025, the Government re-appointed Carlson Tong and Joseph Yam and appointed Ding Chen as members of the Board, each for a term of approximately two years from the conclusion of the 2025 AGM until the conclusion of the AGM to be held in 2027. On 27 February 2025, the Board accepted the nomination by the Nomination and Governance Committee and recommended Peter Brien to stand for election at the 2025 AGM.

Information about changes in the Board composition during 2024, the Board Diversity Policy and the Nomination Policy along with the results of the review of the Board composition and independence, and the nomination of Board candidate during 2024/2025 are set out in the Nomination and Governance Committee Report.

Roles and Responsibilities

Good governance emanates from an effective and accountable board. At HKEX, the Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation by management. The Board monitors the Group's operating and financial performance, reviews the Group's compensation policies and succession planning, and ensures that a positive and progressive culture, effective governance and corporate responsibility policies, and sound internal control and risk management systems are in place. The Board operates under defined terms of reference which set out matters specifically reserved for its decision. The terms of reference are available on the HKEX Group website [OS](#).

For effective oversight and leadership, the Board regularly reviews reports from the Chief Executive Officer and senior executives on the progress of the approved strategies, plans and budgets, and receives updates and advice from the Board committees, external market and industry experts and management on the Group's business performance and development, regulatory landscape, ESG, risk management, and human capital management. In light of the increasingly competitive and complex global environment, the International Advisory Council has been established to provide the Board with expert insight and perspective from around the world. A Mainland China Advisory Group has also been established to advise the Board on the development of China's financial markets and economy. Further details relating to the Board committees, the International Advisory Council, the Mainland China Advisory Group, and HKEX's management functions are set out in the Board Delegation section below.

Board Effectiveness

The Board recognises that conducting regular evaluation of its performance is essential to good corporate governance and Board effectiveness.

In view of the Board composition changes, including the appointment of Carlson Tong as the new HKEX Chairman and Bonnie Y Chan as the new HKEX Chief Executive Officer during the year, HKEX conducted an internal evaluation of the performance of the Board and its governance committees in 2024, which was led by the HKEX Chairman with the support of the Group Company Secretary.

At the subsidiary level, each of OTC Clear, the LME, and LME Clear also conducted an internal evaluation of the performance of its respective board and board governance committees in 2024.

The HKEX Nomination and Governance Committee and the HKEX Board considered the evaluation results in October and December 2024 respectively. The evaluation results indicated that the directors of HKEX, OTC Clear, the LME, and LME Clear agreed that the respective boards operate effectively and perform well in the governance of the respective companies, and they were satisfied with the composition and operational effectiveness of the relevant board committees.

Board Evaluation Process

Evaluation approach and scope agreed



Questionnaire completed by Directors



Individual Director interviews



Evaluation results and action plan presented to HKEX Nomination and Governance Committee and HKEX Board

Key Areas Covered by the 2024 HKEX Board Evaluation

- Board composition and skills
- Board's roles and responsibilities
- Board process and dynamics
- Board and management relationship
- Relationship with stakeholders
- Composition and role and responsibilities of the Audit Committee, the Nomination and Governance Committee, the Remuneration Committee and the Risk Committee
- 2024 Strategy Meeting in September 2024

The following action plan for HKEX was agreed by the Board, and progress against it will be monitored on an ongoing basis.

Key Areas of Focus	Action Plan
Enhanced Strategy Focus and Tracking The Directors rated positively on the Board's strategy oversight, with views on continuous strategic focus to create or enhance value to Shareholders and other stakeholders and fulfil HKEX's role in safeguarding public interest. Further enhancing the tracking of the Group's strategies approved by the Board was recommended.	- Regular updates on the progress against the strategic priorities will be provided to Directors at Board meetings. - Regular enhancement and tracking of a long-term corporate plan developed by the Management team which aligns with HKEX's strategic objectives and fosters long-term strategic focus. - The Board agenda items will continue to be refined to ensure sufficient time and attention are allowed for the Board's discussions on key strategic focus and initiatives.
Board Succession Planning and Knowledge The Directors considered that the Board has the right mix of skills, experience and knowledge. As HKEX embarks on various key strategic projects and a number of the current Non-executive Directors will reach their maximum tenure and retire from the Board over the next few years, it is critical to find their suitable replacements and further enhance the Board's knowledge and skills.	- An independent search consultant has been engaged in 2024 to identify suitable candidate(s) of Non-executive Directors for appointment to the Board over the next two years, taking into consideration of the Group's strategies and strategic focus and needs. - More focused trainings for Directors which are aligned with key HKEX's strategic objectives will be rolled out to support Directors in maintaining the skills and knowledge they need to perform their role effectively.
Stakeholder Engagement In view of the increasingly complex macro environment, further enhancement of our engagement with local and Mainland regulators and other stakeholders (e.g., shareholders, market participants and employees) should be considered to support delivery of HKEX's strategic priorities and enable the Board to gain a deeper understanding of stakeholder needs and views.	Management will provide Directors with sufficient and timely updates on progress and outcomes of the engagement so as to seek the Board's input on refining the engagement strategies.

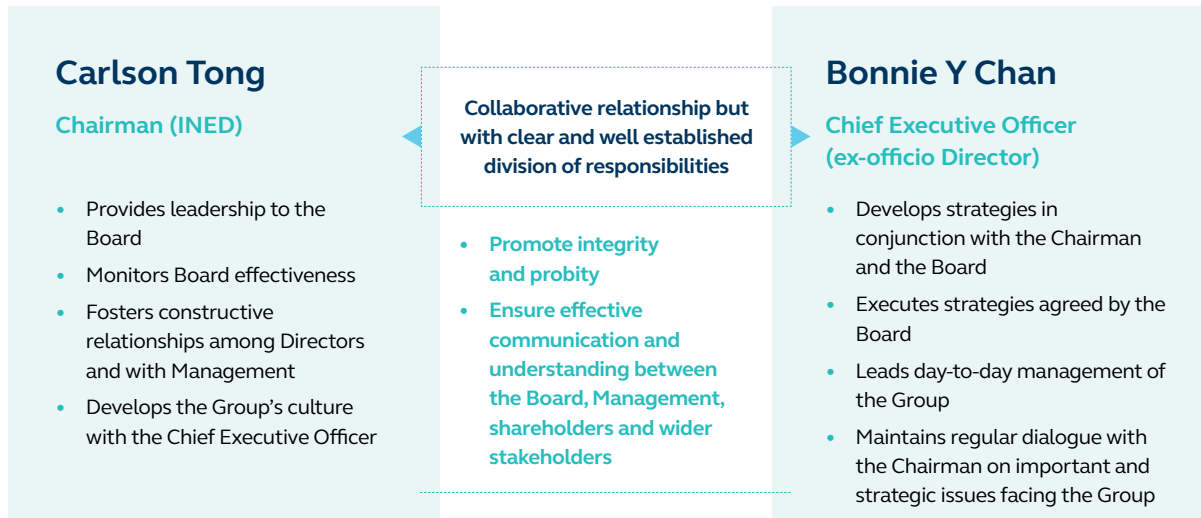
Chairman and Chief Executive Officer

On 24 April 2024, Carlson Tong was appointed by the Board to succeed Laura M Cha as HKEX Chairman for a term coterminous with his directorship with HKEX. His appointment was approved by the Chief Executive of HKSAR pursuant to Section 69 of the SFO and took effect on 3 May 2024.

Bonnie Y Chan was appointed to succeed Nicolas Aguzin as Chief Executive of HKEX, effective 1 March 2024, for a term of three years until 28 February 2027, and the SFC has approved her appointment pursuant to Section 70 of the SFO.

At HKEX, the roles of the Chairman and the Chief Executive ("Chief Executive Officer") are complementary, but importantly, they are distinct and separate with a clear and well established division of responsibilities. Details of their respective roles and responsibilities are available on the HKEX Group website [CG](#).

Key Responsibilities of Chairman and Chief Executive Officer



The Chairman, the Chief Executive Officer and other Directors do not have any financial, business, family, material or other relevant relationships with each other.

Induction and Development

New Directors are provided with comprehensive induction training conducted by senior executives and external legal advisers to ensure that they have a thorough understanding of the statutory duties of HKEX as an exchange controller, the Group's operations and governance policies, as well as their role and responsibilities as Board members. During the induction training sessions attended by Bonnie Y Chan on 29 February 2024, Chan Kin Por and Peter Yan on 18 April 2024 and Herbert Chia on 28 October 2024, an external legal adviser provided legal advice on Hong Kong law as regards the requirements under the Listing Rules that are applicable to them as directors of a listed company, their obligations as Directors, and the possible consequences of making false declarations or giving false information to the SFC. Ms Chan, Mr Chan, Mr Yan and Mr Chia have confirmed their understanding of the information provided by the legal adviser.

Every new Board member receives a Director's Handbook containing the Board's terms of reference, an overview of HKEX's corporate governance framework and Directors' responsibilities, and the Guidelines on Conduct, which set out policies governing conflicts of interest and the anti-bribery and anti-corruption guidelines for Directors. The Director's Handbook and more information about induction training for new Directors are available on the HKEX Group website [CG](#).

Ongoing training helps Directors keep abreast of current trends and issues facing the Group, while enabling them to update and refresh the skills and knowledge necessary for the performance of their duties effectively. In addition to regular briefings at Board and Committee meetings and monthly updates on the latest market and regulatory developments, Directors are invited to attend HKEX's Board knowledge sessions, the Board strategy meetings, and the International Advisory Council and Mainland China Advisory Group meetings held during the year, at which external industry experts, Council / Advisory Group members, or senior executives of HKEX are engaged on various topics of interest and relevance, in particular on global strategies, market best practices, and the latest market trends and developments.

All Directors are required to provide HKEX with their training records, and to confirm their respective records on a quarterly basis. The records are maintained by the Group Company Secretary for annual review by the Nomination and Governance Committee. During 2024, the Directors received an aggregate of about 1,350 hours of training by attending or participating in Board knowledge sessions, management briefings, and events such as conferences, seminars, and workshops on Directors' duties and other topics relevant to HKEX's strategy, business and governance.

2024 Directors' Training by Topic

	Average hours of training: 97 ¹						
	HKEX's strategy/business	Economy/financial markets & products	Director's duties/ESG practices	Financial reporting/risk management	Legislative/regulatory compliance	Digital	Others ⁵
INEDs							
Carlson Tong (Chairman)	•	•	•	•	•	•	
Laura M Cha (ex-Chairman) ¹	•	•	•	•	•	•	
Nicholas Allen	•	•	•	•	•	•	
Apurv Bagri	•	•	•	•	•	•	
K P Chan ²	•	•	•	•	•	•	
C H Cheah	•	•	•	•	•	•	
Anna Cheung	•	•	•	•	•	•	
Herbert Chia ³	•	•	•	•	•	•	
Susan Chow	•	•	•	•	•	•	
Benjamin Hung ¹	•	•	•	•	•	•	
Nisa Leung	•	•	•	•	•	•	
Hugo Leung	•	•	•	•	•	•	
Joseph Yam	•	•	•	•	•	•	
Peter Yan ¹	•	•	•	•	•	•	
Zhang Yichen	•	•	•	•	•	•	
Executive Director							
Bonnie Y Chan ⁴	•	•	•	•	•	•	•
Nicolas Aguzin ¹	•	•	•	•	•	•	

1 Excludes the training hours received by Mr Aguzin who stepped down as Chief Executive of HKEX on 29 February 2024, Mrs Cha and Mr Hung, who retired from the Board after the conclusion of the 2024 AGM, and Mr Yan who served as Director from 24 April to 28 October 2024.

2 Mr Chan was appointed as Director effective 24 April 2024.

3 Mr Chia was appointed as Director effective 29 October 2024.

4 Ms Chan was appointed as Chief Executive of HKEX and an ex-officio member of the Board effective 1 March 2024.

5 Includes topics such as management, leadership and media communication

Board Process

In addition to the mid-year strategy review in March 2024 and the strategy meeting in September 2024, the Board held nine meetings in 2024 to discuss key matters relating to the Group's strategies, business operations, performance, governance, risk management, corporate responsibility, investor relations, and human capital, and bi-annual meetings with the Chairman and Deputy Chairmen of the Listing Committee to discuss listing related matters.

Meetings of Non-executive Directors are held from time to time, as appropriate. The HKEX Chairman also has regular gatherings with other Directors, occasionally without the presence of the Chief Executive Officer, to consider issues in an informal setting.

Attendance Record of Directors and Committee Members in 2024 ¹

	2024 AGM	Board	Audit Committee	Board Executive Committee	Corporate Responsibility Committee	Investment Committee	Listing Operation Governance Committee	Nomination and Governance Committee	Remuneration Committee	Risk Committee	Risk Management Committee (statutory)
Number of Meetings	1	9 ²	4	5	4	4	4	4	4	4	4
INEDs											
Carlson Tong (Chairman) ³	1/1	9/9	2/2	4/4	4/4			4/4	3/3		3/3
Laura M Cha (ex-Chairman) ⁴	1/1	3/3		1/1	1/1			2/2	1/1	1/2	1/1
Nicholas Allen	1/1	9/9	4/4							4/4	
Apurv Bagri ⁵	1/1	9/9						4/4	4/4		
K P Chan ⁶		6/6			3/3	3/3					
C H Cheah ⁷	1/1	9/9		5/5	1/1	4/4	4/4	4/4			
Anna Cheung	1/1	9/9	4/4	5/5	4/4				4/4		
Herbert Chia ⁸		1/1									
Susan Chow ⁹	1/1	9/9	2/2		4/4		4/4		3/4	4/4	4/4
Benjamin Hung ⁴	1/1	3/3				1/1		2/2			
Nisa Leung ¹⁰	1/1	9/9	2/2					2/2		2/4	
Hugo Leung	1/1	9/9	4/4	5/5		4/4	4/4			4/4	4/4
Joseph Yam	1/1	9/9				4/4			4/4	4/4	
Peter Yan ¹¹		5/5	2/2					2/2	2/2		
Zhang Yichen	1/1	8/9			3/4	1/4		4/4			
Executive Director											
Bonnie Y Chan ¹²	1/1	8/8		4/4	2/3						
Nicolas Aguzin ¹³		1/1		1/1	1/1						
Market Professionals											
Renu Bhatia							4/4				
Daryl Ho											3/4
Terence Keyes							4/4				
Miranda Kwok											4/4
Rico Leung											3/4
Sun Yu											4/4
Xing Guiwei ¹⁴											4/4
Attendance Rate	100%	99%	100%	100%	92%	85%	100%	100%	95%	86%	94% ¹⁵

- During 2024, certain members of the Board also performed a regulatory role by serving as members of the Listing Nominating Committee and/or the Listing Policy Panel.
- Includes the mid-year strategy review in March 2024 and the strategy meeting in September 2024
- Mr Tong was appointed by the Board on 24 April 2024 to succeed Laura M Cha as HKEX Chairman, and such appointment was approved by the Chief Executive of HKSAR and took effect on 3 May 2024. Mr Tong became the chairman of the Corporate Responsibility Committee, the Nomination and Governance Committee and the Remuneration Committee on 24 April 2024, and the chairman of the Board Executive Committee and the Risk Management Committee (statutory) on 3 May 2024; and ceased to be a member of the Audit Committee on 24 April 2024.
- Mrs Cha and Mr Hung retired from the Board and the relevant committees on 24 April 2024. Following her retirement, Mrs Cha was appointed as Senior Advisor to the Board from 25 April 2024 to 24 April 2025.
- Mr Bagri was redesignated from chairman to member of the Remuneration Committee on 24 April 2024.
- Mr Chan was appointed as Director and a member of the Corporate Responsibility Committee and the Investment Committee on 24 April 2024.
- Mr Cheah served as a member of the Corporate Responsibility Committee from 24 April to 21 June 2024, during which the Corporate Responsibility Committee held one meeting.
- Mr Chia was appointed as Director on 29 October 2024 and a member of the Audit Committee, the Investment Committee and the Risk Committee on 11 December 2024. No meetings were held by these Committees from 11 December to 31 December 2024.
- Mrs Chow was appointed as a member of the Audit Committee on 24 April 2024.
- Ms Leung was appointed as a member of the Nomination and Governance Committee on 24 April 2024, and ceased to be a member of the Audit Committee on the same date.
- Mr Yan served as Director and a member of the Audit Committee, the Nomination and Governance Committee and the Remuneration Committee from 24 April to 28 October 2024.
- Ms Chan was appointed as Chief Executive of HKEX with effect from 1 March 2024 and became an ex-officio Board member and a member of the Board Executive Committee and the Corporate Responsibility Committee on the same date.
- Mr Aguzin stepped down as Chief Executive of HKEX on 29 February 2024 and ceased to be an ex-officio Board member and a member of the Board Executive Committee and the Corporate Responsibility Committee on the same date.
- Mr Xing was appointed to succeed David Grimme as a member of the Risk Management Committee (statutory) on 1 January 2024.
- The attendance rate calculation took into account the attendance by alternates to members of the committee, who are market professionals.

To facilitate effective oversight and decision making by the Board, HKEX has established a Group Escalation and Incident Reporting Policy to set out guidelines on handling critical concerns relating to the Group’s operations and performance. A Continuous Disclosure and Communication Policy is in place to ensure timely reporting of inside information to the Board and communication with the Group’s stakeholders, which together with other key features of the Board process are available on the HKEX Group website [CG](#).

Group Company Secretary

All Directors have access to the advice and services of the Group Company Secretary. The Group Company Secretary reports to the HKEX Chairman on Board governance matters, and is responsible for ensuring that Board procedures are followed and for facilitating information flows and communications among Directors, as well as with Shareholders and management.

Timothy Tsang has been appointed to succeed David Fu as the Group Company Secretary with effect from 1 January 2024. Mr Tsang’s biography is set out in the Board of Directors and Senior Management section of this Annual Report. During 2024, Mr Tsang attended over 15 hours of professional training.

Board Delegation

Committees



- 1 Formerly known as Corporate Social Responsibility (“CSR”) Committee
- 2 A statutory committee established under Section 65 of the SFO

The Board has delegated authority to various committees to deal with specific matters under defined terms of reference.

The composition and terms of reference of the Board committees are reviewed annually to ensure that they remain relevant and in line with the Group’s business and changes in governance practices. The list of members of the Board committees as at the date of this report is set out in the Board and Committees section of this Annual Report. The attendance record of members of the Board committees in 2024 is set out in “Board Process” above.

During 2024, the Board approved the transitioning of the CSR Committee into a Corporate Responsibility Committee to enhance HKEX’s governance structure for corporate responsibility management in support of the integration of ESG considerations into HKEX’s core business strategy and operations. The terms of reference of the Corporate Responsibility Committee were updated to reflect its role in overseeing the direction and strategy setting of a wider scope of corporate responsibility matters, underpinned by the pursuit of a holistic management of ESG risk and opportunities that are material to the long-term sustainable development of HKEX.

Details about the Board committees, including their terms of reference, are available on the HKEX Group website [CG](#) / [OS](#). Further information on the work of the Nomination and Governance Committee, Audit Committee, Risk Committee, Remuneration Committee and Corporate Responsibility Committee in 2024/2025 are set out in their respective reports contained in this Annual Report.

International Advisory Council

HKEX has established an International Advisory Council (“Advisory Council”) to provide the Board with insight and expertise from around the world, on business, economics, technology, and finance. The Advisory Council comprises distinguished business leaders, policy makers and industry experts, in addition to HKEX Chairman and HKEX Chief Executive Officer.

Members of International Advisory Council

- Laura M CHA (Chairman)
- Bonnie Y CHAN
- Rona FAIRHEAD
- Marty FLANAGAN
- Stuart GULLIVER
- Lubna OLAYAN
- Weijian SHAN
- Neil SHEN
- Carlson TONG
- Joseph TSAI

Following the appointment of Ms Lubna Olayan and Mr Marty Flanagan to the Advisory Council in September 2024, the Advisory Council now comprises 10 members, and is chaired by Mrs Laura M Cha, former HKEX Chairman. Two Council meetings were held in 2024.

The terms of reference of the Advisory Council are available on the HKEX Group website [OS](#).

Mainland China Advisory Group

HKEX has established the Mainland China Advisory Group (“Advisory Group”) to advise the Board on the development of China’s financial markets and economy. The Advisory Group includes HKEX Chairman, Chief Executive Officer and a Director of HKEX as well as external senior industry experts with deep China market knowledge and experience.

Members of Mainland China Advisory Group

- Laura M CHA (Chairman)
- Bonnie Y CHAN
- Fred HU
- HUANG Yiping
- MA Weihua
- Chang SUN
- Carlson TONG
- ZHANG Yichen

Following the appointment of Professor Huang Yiping and Mr Chang Sun to the Advisory Group in the second quarter of 2024 and the expiry of Mr Zhang Lei’s membership with the Advisory Group in June 2024, the Advisory Group now comprises eight members and is chaired by Mrs Laura M Cha. Four Advisory Group meetings were held in 2024.

The terms of reference of the Advisory Group are available on the HKEX Group website [OS](#).

Management

Senior executives, under the leadership of the Chief Executive Officer, are responsible for the day-to-day management of the Group’s businesses and implementation of the strategies approved by the Board. The Management Committee, a management decision-making body chaired by the Chief Executive Officer with defined authority delegated by the Board, aims to meet at least twice a month. Its membership as at the date of this report is set out in the Management Committee section of this Annual Report, and its duties are available on the HKEX Group website [OS](#). Members of the Senior Management as at the date of this report and their biographies are set out in the Board of Directors and Senior Management section of this Annual Report.

During 2024, several senior executive changes were made to support the Group’s latest strategic focus and replace retired or outgoing executives. Details are set out in the Media Centre (News Release) section of the HKEX Group website. HKEX’s updated organisation structure is available on the HKEX Group website [OS](#).

The Board recognises the importance of continuity in senior executives and identifying leaders with appropriate skills and experience to support delivery of the Group’s strategic initiatives. Succession planning for senior executives is considered by the Nomination and Governance Committee and the Board annually.

Given the competitive business environment in which the Group operates, HKEX arranges professional development programmes for its senior executives to support its long-term growth and success. During 2024, the Senior Management (excluding HKEX Chief Executive Officer) received an aggregate of about 480 hours of training by attending or participating in conferences, seminars, and workshops on various topics, including HKEX's strategy and business, development of the financial markets, regulatory compliance, ESG practices, risk management, digital technology, and leadership and management skills. Other employees of the Group also attended continuous professional development or other training courses throughout the year. Details are set out in the 2024 Sustainability Report.

Subsidiary Governance

HKEX is committed to fostering good governance and a strong compliance culture at all levels of the organisation. To ensure an integrated, Group-wide approach towards upholding high governance standards, HKEX regularly reviews and enhances the governance structures and processes of its subsidiaries.

For effective oversight of its subsidiaries, HKEX has established an Entity Management Framework to enhance risk governance. HKEX promotes governance linkages within the Group through common memberships between the Board and the boards and committees of subsidiaries and appointment of HKEX's senior executives to the boards of the subsidiaries. A list of the directors of HKEX subsidiaries is set out in the Directors' Report contained in this Annual Report. Details about the governance structures of the Group's major subsidiaries (including composition and terms of reference of their boards and committees) are available on the HKEX Group website [OS](#). Induction training and materials have been provided to subsidiaries' directors to facilitate their understanding of the Group's business and their duties and obligations as a director.

HKEX has implemented a number of Group-wide governance policies and systems, which are subject to regular review, to support its commitment to high standards of business, professional, and ethical conduct, and to ensure best practices across the organisation. HKEX has also established whistleblowing channels for internal and external parties to raise concerns in relation to possible misconduct of the Group, its employees or directors in a confidential or anonymous manner, or both. Details of these whistleblowing channels are available on the HKEX Market website. The Board has delegated authority to the Audit Committee to review the Group Anti-Bribery and Anti-Corruption Policy and the Group Whistleblowing Policy periodically and receive updates on matters concerning breaches of the Group Anti-Bribery and Anti-Corruption Policy and whistleblowing disclosures.

Key Governance Policies for Employees

- HKEX Code of Conduct
- Continuous Disclosure and Communication Policy
- Group Anti-Bribery and Anti-Corruption Policy
- Group Anti-Fraud Policy
- Group Personal Account Dealing Policy
- Group Prevention of Financial Crime Policy
- Group Whistleblowing Policy

In 2024, the Group organised training on compliance obligations, information security and data privacy and on various key governance policies for new and existing employees to reinforce a strong culture of compliance and risk management.

More information about the Group's governance policies and practices is available on the HKEX Group website [CG](#) / [S](#) and in the 2024 Sustainability Report.

Conflict Management

As a recognised exchange controller, HKEX shall act in the interest of the public with particular regard to the interest of the investing public, and ensure that the interest of the public prevails where it conflicts with HKEX's interest. Given its role as the exchange controller as well as a listed company, HKEX has implemented a number of measures to ensure a level playing field with other listed issuers.

These include the entering into of an MOU between the SFC and the Stock Exchange, the separation of the regulatory function, and the establishment of a Conflict Committee. Various Group policies, including HKEX Conflict of Interest Policy, HKEX Information Barrier Procedure, and the Protocol on Listing Division and its Operations, are in place to address potential conflicts of interest and protect the integrity and independence of the Listing Division. More information about HKEX's public and corporate responsibilities and its conflict management measures is available on the HKEX Group website [CG](#).

The HKEX's Guidelines on Conduct as set out in the Director's Handbook serve to provide guidance to directors and committee members of the Group on avoiding conflicts of interest and on the circumstances under which appropriate action(s) shall be taken by the director in conflict.

The Guidelines set out the policy governing the acceptance by the Group's directors of external appointments in listed and unlisted companies, which contain specific safeguards that shall be undertaken by HKEX and each director to avoid potential conflicts of interest. The Director's Handbook is available on the HKEX Group website [CG](#).

Remuneration of Directors and Senior Management

HKEX has formal and transparent procedures for fixing the remuneration packages of individual Directors and senior executives. Information about HKEX's remuneration policies and the Remuneration Committee, including its work in 2024/2025, is set out in the Remuneration Committee Report.

Directors' Securities Transactions and Interests in HKEX

Compliance with Model Code

HKEX has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. In response to a specific enquiry by the Company, all Directors confirmed that they complied with the Model Code at all applicable times during 2024.

Directors' Interests and Short Positions in Shares and Underlying Shares of HKEX

The interests and short positions of Directors, including the Chief Executive Officer, in the shares and underlying shares of HKEX (within the meaning of Part XV of the SFO) as at 31 December 2024 as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to HKEX and the SFC under the Model Code, are set out below.

Long Positions in Shares and Underlying Shares of HKEX

Name of Director	Number of shares/underlying shares held					% of HKEX ¹ shares in issue
	Personal interests	Family interests	Corporate interests	Other interests	Total	
Bonnie Y Chan	85,340 ²	–	–	–	85,340	0.01
Anna Cheung	300	–	–	–	300	0.00
Herbert Chia	1,400	700 ³	–	–	2,100	0.00

1 Based on 1,267,836,895 HKEX shares in issue as at 31 December 2024

2 Includes Ms Chan's interest in Awarded Shares and shares acquired out of the dividends from the Awarded Shares, in an aggregate of 45,252 shares which remained unvested under the Share Award Scheme as at 31 December 2024. Details of Ms Chan's interest in Awarded Shares are set out in the Remuneration Committee Report.

3 Mr Chia's spouse was the beneficial owner of these shares.

Save as disclosed above, none of the Directors had any interests or short positions in the shares, underlying shares or debentures of HKEX or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2024 as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to HKEX and the SFC under the Model Code.

Apart from the Awarded Shares as disclosed in the Remuneration Committee Report and notes 15 and 43 to the Consolidated Financial Statements, during 2024, none of the Directors (including their spouses and children under the age of 18) had any interests in or was granted any right to subscribe for the securities of HKEX or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

Other Persons' Interests and Short Positions in Shares and Underlying Shares of HKEX

Minority Controllers

As at the date of this report, other than the Government which has been a Minority Controller since 7 September 2007, 13 entities have been approved by the SFC as Minority Controllers. According to the Participant Shareholding Report as at 31 December 2024, these 13 Minority Controllers and their relevant associated person(s) in aggregate held approximately 73 per cent of HKEX shares in issue. More information about Minority Controllers is set out on the HKEX Group website [CG](#).

Other persons' interests and short positions in the shares and underlying shares of HKEX (within the meaning of Part XV of the SFO) as at 31 December 2024 as recorded in the register required to be kept under Section 336 of the SFO are set out below.

Long Positions in Shares and Underlying Shares of HKEX

Name	Capacity	Number of shares/ underlying shares held	Total	% of HKEX ¹ shares in issue
JPMorgan Chase & Co. (JPMC)	Beneficial owner	15,349,465	87,171,208 ²	6.87
	Investment manager	39,307,875		
	Person having a security interest in shares	3,086,971		
	Trustee	38,215		
	Approved lending agent	29,388,682		
HKSAR Government (for the account of the Exchange Fund)	Beneficial owner	74,840,961 ³	74,840,961	5.90

Short Positions in Shares and Underlying Shares of HKEX

Name	Capacity	Number of shares/ underlying shares held	Total	% of HKEX ¹ shares in issue
JPMC	Beneficial owner	18,079,484	18,147,063 ⁴	1.43
	Investment manager	67,579		

1 Based on 1,267,836,895 HKEX shares in issue as at 31 December 2024

2 Includes an aggregate interest in 11,830,450 underlying shares through JPMC's holding of certain listed derivatives (physically settled: 5,225,600 shares; cash settled: 979,810 shares) and unlisted derivatives (physically settled: 2,380,440 shares; cash settled: 3,244,600 shares).

3 Based on Hong Kong Monetary Authority's notification to HKEX on 4 June 2018

4 Includes an aggregate interest in 14,766,997 underlying shares through JPMC's holding of certain listed derivatives (physically settled: 1,924,000 shares; cash settled: 4,573,643 shares) and unlisted derivatives (physically settled: 7,388,068 shares; cash settled: 881,286 shares).

Save as disclosed above, no other persons had any interests or short positions in the shares or underlying shares of HKEX as at 31 December 2024 as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to HKEX and the Stock Exchange.

Senior Management

All employees of the Group are obliged to follow the Company's restrictions on dealing in securities, futures contracts, and other derivatives, which are on terms no less stringent than the Model Code, as set out in the Group Personal Account Dealing Policy. Senior Management's interests in the shares and underlying shares of HKEX as at 31 December 2024 are set out below.

Senior Management ¹	Number of shares held	Number of shares that ² remained unvested under the Share Award Scheme	Derivatives (number of underlying shares)
Vanessa Lau	64,669	32,470	–
Katherine Ng	49,726	22,704	–
Richard Wise	–	36,794	–

1 Exclude HKEX Chief Executive Officer whose interest in the shares and underlying shares of HKEX as at 31 December 2024 is set out in the "Directors' Securities Transactions and Interests in HKEX" above, and Wilfred Yiu who retired on 31 December 2024.

2 Details of the Senior Management's interests in the Awarded Shares are set out in the Remuneration Committee Report.

Continuing Connected Transactions

In June 2000, the SFC granted a waiver to HKEX from strict compliance with the Main Board Listing Rules with respect to certain continuing connected transactions as referred to in (A), (B) and (C) below. The waiver has remained valid since then. The following table sets out the types of the continuing connected transactions subject to the waiver, and details of any of these continuing connected transactions entered into by the Group during 2024.

- A. Transactions between HKEX or its subsidiaries and HKEX's connected person(s) arising from or in connection with the use of the facilities provided by the Group for the trading, clearing and and/or settlement of securities and futures products, and transactions, and all services offered by the Group which are ancillary, incidental or otherwise related to the foregoing:
- The Group did not enter into any of the above transactions with HKEX's connected persons during 2024.
- B. Transactions between HKEX or its subsidiaries and HKEX's connected person(s) arising from or in connection with the listing of securities on the Stock Exchange, and all services offered by the Group which are ancillary, incidental or otherwise related to the foregoing:
- Laura M Cha, who retired as HKEX Chairman on 24 April 2024, was interested in the transactions entered into by HKR International Limited and Hanison Construction Holdings Limited, which are listed on the Stock Exchange and are Mrs Cha's associates by virtue of the Main Board Listing Rules.
- C. Transactions between HKEX or its subsidiaries and HKEX's connected person(s) arising from or in connection with the HKSCC arrangement on behalf of CCASS Participants for: (i) carrying out "buy-in" when a CCASS Participant has failed to deliver securities on time for settlement under the CNS System or the Isolated Trades System operated by CCASS; (ii) the purchase or sale of securities in connection with the liquidation of the positions of a CCASS Participant that has been declared by HKSCC to be in default; and (iii) the sale of entitlements of securities held through CCASS (collectively referred to as Buy-in Transactions):
- The Group did not enter into any Buy-in Transactions with HKEX's connected persons during 2024.

The Board has delegated authority to the Audit Committee to review the above continuing connected transactions pursuant to Rule 14A.55 of the Main Board Listing Rules. The results of the Audit Committee's review are set out in the Audit Committee Report.

The Company's external auditor was engaged to report on the above continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the HKICPA. The external auditor has issued an unqualified report containing its findings and conclusions in respect of the transactions disclosed above in accordance with Rule 14A.56 of the Main Board Listing Rules.

Related Party Transactions

During 2024, the Group entered into certain transactions with “related parties” as defined under the applicable accounting standards. Related party transactions are disclosed in note 50 to the Consolidated Financial Statements. They include the following connected transactions under the Main Board Listing Rules.

Related party transactions which constitute connected transactions

Payment of membership fee by an associate of a Director to the LME as covered in note 50(a) to the Consolidated Financial Statements

Compensation to the Chief Executive Officer and directors of HKEX’s subsidiaries and remuneration to HKEX’s Non-executive Directors, which formed part of the “Key management personnel compensation” described in note 50(b) to the Consolidated Financial Statements

Compliance with Main Board Listing Rules

This was a connected transaction exempt from the connected transaction requirements under Rule 14A.76(1) of the Main Board Listing Rules.

These were continuing connected transactions exempt from the connected transaction requirements under Rule 14A.76(1) or 14A.95 of the Main Board Listing Rules.

Accountability and Audit

Financial Reporting

The Board, which is responsible for overseeing the preparation of annual financial statements, receives monthly updates on the Group’s performance, financial position, and prospects. HKEX publishes its annual, interim, and quarterly results within three months, two months, and 45 days respectively after the relevant period ends. In preparing the financial statements for the year ended 31 December 2024, the Board adopted appropriate accounting policies consistently, made prudent and reasonable judgements and estimates, and ensured that the financial statements were prepared on a going concern basis and showed a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of the Group’s consolidated financial performance and cash flows for the year then ended.

Risk Management and Internal Control

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks (including, among others, material risks relating to ESG) it is willing to take in achieving the Group’s strategic objectives, maintaining sound and effective risk management and internal control systems (including, among others, material risks relating to ESG) and reviewing their effectiveness to safeguard Shareholders’ investment and the Group’s assets. To this end, management continues to allocate resources for the Group to appropriately manage the evolving risk environment. The internal control and risk management systems based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework 2013 and International Organisation for Standardisation (ISO) 31000 Risk Management – Principles and Guidelines provide reasonable, though not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk of failure to achieve business objectives. Details of the Group’s risk governance structure and the Group Risk Management Framework are set out in the Risk Committee Report. Details of the Group’s key control procedures and internal audit functions are available on the HKEX Group website [CG](#).

The Board reviews the adequacy and effectiveness of the Group's risk management and internal control systems at least quarterly, through the Risk Committee and the Audit Committee, as well as receives updates on key risk issues from HKEX Group Chief Risk Officer at every board meeting. Information about the Risk Committee and the Audit Committee, including their work in 2024/2025, is set out in their respective reports contained in this Annual Report.

Independence of External Auditor

HKEX has engaged PricewaterhouseCoopers (PwC) as its external auditor. An analysis of remuneration for audit and non-audit services provided by PwC and details of the Audit Committee's work in assessing the independence of PwC and ensuring audit effectiveness are set out in the Audit Committee Report.

Information about HKEX's policies and procedures in safeguarding and supporting the independence and objectivity of the external auditor is available on the HKEX Group website [CG](#).

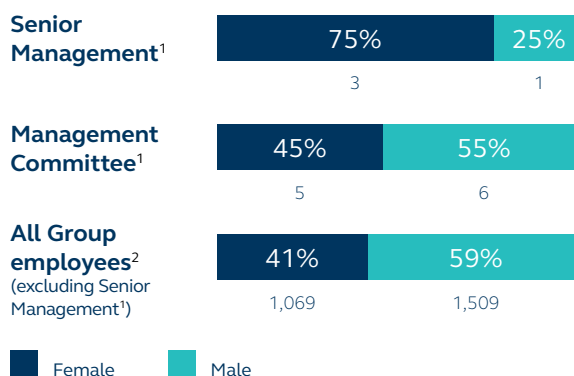
Diversity and Inclusion

HKEX is committed to developing a positive and progressive culture that is anchored by its Purpose and Values. In particular, HKEX cultivates a culture that is healthy, diverse and inclusive, where everyone can be their true self and fulfil their own potential, bringing his or her whole self to work every day.

Diversity is one of our five core Values, which is brought to life each day in many ways. HKEX's employee-led diversity networks are sponsored by members of the Management Committee and run by passionate volunteer employees. These networks focusing on Women; Families; Abilities and the LGBTQ+ community help to create a framework for celebrating diversity, fostering connectivity and collaboration, and shaping fresh thinking at HKEX and within our communities.

As of the date of this report, the Senior Management had 75 per cent female representation, with three female members out of four. Bonnie Y Chan, who was appointed to succeed Nicolas Aguzin as Chief Executive of HKEX with effect from 1 March 2024, has become the first female and internally promoted Chief Executive Officer of HKEX. More details on the Group's diversity and inclusion initiatives are set out in the 2024 Sustainability Report.

Gender Diversity at HKEX Workforce



1 Members of Senior Management and Management Committee as of 27 February 2025

2 Group employees as at 31 December 2024

Shareholder Relations

The Board gives high priority to maintaining balanced, clear, and transparent communications with Shareholders and other investors to facilitate their understanding of the Group's performance and prospects, as well as the market environment in which it operates. HKEX has an ongoing dialogue with Shareholders and other investors through various communication channels set out in the Shareholders Communication Policy and takes any areas of concern into consideration when formulating its business strategies. The effectiveness of HKEX's engagements with Shareholders is assessed during the annual evaluation of the Board's performance as set out in the "Board Effectiveness" above.

Investor Engagement and Communications

HKEX's investor relations team focuses on effective communication with and provision of relevant public information to investors and analysts to support the appropriate valuation of HKEX equity. Through an extensive engagement programme, institutional investors and analysts can also interact with the HKEX Chairman, the Chief Executive Officer and other senior executives for updates on the development of the Group's strategic initiatives and operations, as well as HKEX's corporate governance policies. During 2024, around 170 physical or virtual meetings were held with institutional investors and analysts in Hong Kong, Mainland China, and overseas. To facilitate effective investor relations, regular shareholding analyses were conducted under Section 329 of the SFO to gain a better view of changes in HKEX's shareholding structure.

Investor Relations Activities in 2024

- Small group/one-to-one meetings
- Non-deal roadshows
- Analyst briefings
- Investor conferences

Investor Relations Contact Details

Email: investorrelations@hkex.com.hk

Tel: (852) 2840 3330

Investment community views are communicated regularly to the Board, including sell-side consensus rating and target price for HKEX shares and summaries of questions and feedback from investors and analysts. During 2024, major areas of interest for investors included:

- (i) Updates on the financial performance of the Group;
- (ii) Impact to market sentiment and fund flows by various significant events such as Mainland China stimulus packages, geopolitical developments and interest rate cuts by central banks worldwide;
- (iii) Latest developments regarding the Group's initiatives, including the Connect franchise expansion, product development, IPO market, listing regime reform, and market microstructure enhancements;
- (iv) Expansion of the Group's international presence in US, Europe and the Middle East;
- (v) Continuing initiatives to grow businesses beyond equities, e.g., derivatives, fixed income, and data and connectivity; and
- (vi) ESG related topics, including board governance and carbon.

To foster investors' understanding of the Group's governance performance, HKEX continues to provide related information to international and local ESG rating agencies regularly and upon request.



Shareholder Engagement and Communications

Corporate Communications	• HKEX ensures prompt dissemination of corporate communications to enable Shareholders and other stakeholders to keep abreast of the Group's business and developments so that they can make informed decisions. • The HKEX Group website has been adopted as the designated company website for publication of HKEX's announcements, notices and other corporate communications. As at 31 December 2024, about 89 per cent of Shareholders had opted to receive corporate communications via electronic means.
Financial Key Dates	• The financial calendar highlighting important dates for Shareholders in 2025 is set out in the Shareholder Information section of this Annual Report and is also available on the HKEX Group website IR.
Dividend Information	• HKEX's dividend policy is set out in the Shareholder Information section of this Annual Report. Information about HKEX's dividend record is available on the HKEX Group website IR.
General Meetings	• One or more Shareholders representing at least 5 per cent of the total voting rights of all Shareholders having a right to vote at general meetings may request the Board to call a general meeting. The request must state the general nature of the business to be dealt with, and it may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. Such requests must be sent to the Group Company Secretary at HKEX's registered office, or by email to ssd@hkex.com.hk. • Under HKEX's Articles, if a Shareholder wishes to propose a person for election as a Director at a general meeting, he or she should give written notice of the nomination to the Group Company Secretary at HKEX's registered office. Details of the procedures for nominating candidates to stand for election as a Director at the 2025 AGM are set out in the circular to Shareholders to be sent together with this Annual Report. • Shareholders may put forward proposals at general meetings by sending written notice of their proposals to the Group Company Secretary at HKEX's registered office, or by email to ssd@hkex.com.hk. Details of the procedures for putting forward proposals by Shareholders are set out on the HKEX Group website CG.
Policies and Guidelines	• The Shareholders Communication Policy ensures that Shareholders and the investment community are provided with ready, equal, and timely access to information about HKEX (including its financial performance, strategic goals and plans, material developments, governance and risk profile), and also allows them to engage actively with HKEX. The policy sets out various communication channels including, among others, the HKEX Group website, investor briefings and Shareholders' meetings, through which Shareholders, both individual and institutional, may communicate with and provide feedback to HKEX from time to time. The policy is regularly reviewed to ensure its effectiveness and is posted on the HKEX Group website CG. • The Shareholders' Guide with answers to the frequently asked questions of Shareholders with regard to their interests in HKEX shares is also available on the HKEX Group website CG.
Shareholding Analysis	• Based on publicly available information and within the Directors' knowledge as at the date of this report, approximately 100 per cent of the HKEX shares were held by the public. HKEX's market capitalisation and shareholding distribution as at 31 December 2024 are set out in the Shareholder Information section of this Annual Report.

Further details about the Group's engagement activities with Shareholders and other stakeholders in 2024 are set out in the Corporate Responsibility Committee Report and the 2024 Sustainability Report.

The Board is grateful to Shareholders and other stakeholders for their continued support and welcomes their views as well as any questions they may have about the management and governance of the Group. Shareholders and other stakeholders may at any time send their enquiries and concerns to the Board by addressing them to the Group Company Secretary and sending them by post to the Secretarial Services Department, HKEX, 8/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, or by email to ssd@hkex.com.hk.

2024 Annual General Meeting

HKEX uses the AGM as a forum to establish constructive dialogue with Shareholders. Separate resolutions are proposed on each substantially separate issue, with all resolutions considered in a poll conducted by HKEX's registrar and verified by an independent scrutineer. Electronic voting is used at the AGMs to enhance efficiency and transparency of the vote counting process.

Shares voted at the 2024 AGM

44.5%

of total issued shares

All the Directors in office on the meeting date, including the HKEX Chairman and the Chairmen of the Audit Committee and other Board committees, attended the 2024 AGM along with key senior executives and the external auditor, and answered questions raised by Shareholders at the meeting. A live webcast of the 2024 AGM was arranged and made available on the HKEX Group website for Shareholders who were not able to attend the meeting.

The voting results and the minutes of the 2024 AGM are available on the HKEX Group website [IR](#).

Key Matters Resolved at the 2024 AGM ¹

- Receipt of the 2023 audited financial statements
- Re-election of Nicholas Allen, Anna Cheung and Zhang Yichen as Directors
- Re-appointment of PricewaterhouseCoopers as the Company's auditor
- Granting a general mandate to buy back HKEX shares (not exceeding 10 per cent of the number of shares in issue)
- Granting a general mandate to issue HKEX shares (not exceeding 10 per cent of the number of shares in issue and at a price not exceeding a discount of 10 per cent)

¹ The full text of the resolutions is set out in the Notice of the 2024 AGM.

2025 Annual General Meeting

The 2025 AGM will be held on Wednesday, 30 April 2025 at 4:30 pm at HKEX Connect Hall on the 1st Floor, One and Two Exchange Square, Central, Hong Kong. The Notice of the 2025 AGM, which constitutes part of a circular to Shareholders, will be sent together with this Annual Report. The Notice, the circular which sets out details of the business to be conducted at the 2025 AGM, and the proxy form will be available on the HKEX Group website [IR](#). The results of the voting on the proposed resolutions will be published on the HKEX Group website [IR](#) shortly after the 2025 AGM is held.

Shareholders may appoint the Chairman of the 2025 AGM as their proxy to vote on the resolutions, instead of attending the meeting in person. A live webcast of the 2025 AGM will be arranged and made available on the HKEX Group website for Shareholders unable to attend the meeting.

Changes after Closure of Financial Year

This report takes into account the changes that occurred between the end of 2024 and the date of the approval of this report.

On behalf of the Board

Timothy TSANG

Group Company Secretary

Hong Kong, 27 February 2025

Nomination and Governance Committee Report

The Nomination and Governance Committee

The Nomination and Governance Committee (NGC) is delegated with the authority by the Board to review the Board's composition and diversity, formulate and implement the policy for nominating Board candidates for election by Shareholders, make recommendations to the Board on the appointment of Directors and members to the Board committees, and assess INED's independence and commitment. The NGC is also responsible for succession planning for Directors and senior executives, leadership training and development, and oversight of matters relating to corporate governance. Its terms of reference are available on the HKEX Group website [OS](#).

The NGC comprises five INEDs whose names and biographies are set out in the Board and Committees section of this Annual Report. The NGC held four meetings in 2024. Members' attendance records are disclosed in the Corporate Governance Report contained in this Annual Report.

Summary of Work in 2024/2025

- Reviewed the results of the internally led evaluations of the boards of HKEX, OTC Clear, the LME and LME Clear and their respective governance committees
- Reviewed the composition of the Board and its committees
- Nominated Board candidates for election or re-election by Shareholders at AGMs
- Recommended the appointment of Directors to the Board committees
- Reviewed the independence of the INEDs
- Reviewed external appointment(s) of Director(s)
- Reviewed the time commitment of Directors for performance of their responsibilities
- Reviewed succession planning of the Board and senior executives
- Reviewed the NGC's terms of reference
- Reviewed the training and continued professional development of the Directors and Senior Management
- Reviewed and endorsed the annual Corporate Governance Report

Changes in Non-executive Directors during 2024

In February 2024, the Government appointed Chan Kin Por and Peter Yan and re-appointed Susan Chow to the Board, each for a term of approximately two years from the conclusion of the 2024 AGM until the conclusion of the AGM in 2026.

At the 2024 AGM, Nicholas Allen, Anna Cheung and Zhang Yichen were re-elected by Shareholders for a term of approximately three years from 24 April 2024 until the conclusion of the AGM in 2027.

Following Peter Yan's resignation as a member of the Board on 28 October 2024, the Government appointed Herbert Chia to the Board for a term commencing from 29 October 2024 until the conclusion of the AGM in 2026.

Board Composition and Diversity

HKEX sees increasing diversity at the Board level as an essential element in attaining its strategic objectives and achieving sustainable and balanced development for the Group. Since 2013, HKEX has followed the Board Diversity Policy, which is available on the HKEX Group website [CG](#). The Policy highlights the benefits of diversity with respect to the Board's effectiveness and decision-making process, its succession planning and development, and attainment of HKEX's strategic objectives, and sets out the Board's commitment to gender diversity and other diversity aspects. Throughout 2024, and up to the date of this report, the Board had at least four female Directors, representing 31 per cent of the Board. The Board targets to maintain at least the current level of female representation, while striving to progress towards our long-term goal set out in the Board Diversity Policy. In considering the Board's succession, the NGC would engage an independent professional search firm, or firms, to help identify potential candidates for Non-executive Directors, as and when appropriate. The Board will continue to seek opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

To further enhance Board diversity while maintaining an appropriate balance between continuity of experience and Board refreshment, HKEX sets out in the Nomination Policy a non-exhaustive list of criteria for the NGC to assess suitability of a proposed Non-executive Director candidate and a maximum tenure of nine consecutive years for Non-executive Directors to be eligible for the Board's nomination for re-election by Shareholders. The Nomination Policy is available on the HKEX Group website [CG](#).

During 2024, the NGC reviewed the structure, size, and diversity of the Board as well as the selection criteria for Non-executive Director candidate(s), the Nomination Policy and the Board Diversity Policy, to ensure that the Board's composition complies with the Main Board Listing Rules and reflects an appropriate mix of skills, experience, and diversity that are relevant to HKEX's strategy, governance, and business and contribute to the Board's effectiveness and efficiency. Information about the Board's current composition, including a Directors' skills matrix, is set out in the Board Composition section of the Corporate Governance Report.

Nomination of Candidate

The service term of Carlson Tong, Nisa Leung and Joseph Yam (Government Appointed Directors), and Apurv Bagri (Elected Director) will expire at the conclusion of the 2025 AGM. Mr Bagri, who will have served on the Board for nine consecutive years at the 2025 AGM, is not eligible for nomination under the Nomination Policy for re-election and will retire at the 2025 AGM.

On 20 February 2025, the Government re-appointed Carlson Tong and Joseph Yam and appointed Ding Chen as members of the Board, each for a term of approximately two years from the conclusion of the 2025 AGM to be held on 30 April 2025 until the conclusion of the AGM to be held in 2027.

During 2024, in considering the Board's succession, the NGC engaged an independent professional search firm to help identify potential candidates for Non-executive Directors. The NGC reviewed the profiles of the candidates, having regard to the Board's current composition, the Directors' skills matrix, the list of selection criteria for Non-executive

Directors that have been approved by the Board, the Nomination Policy, and the Board Diversity Policy.

On 21 October 2024, the NGC nominated Peter Brien to the Board for it to recommend to Shareholders for election at the 2025 AGM. The nomination was made in accordance with the Nomination Policy and took into account the merits of the candidate including, among others, his market knowledge and experience, reputation for integrity, and the diversity aspects (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge), with due regard for the benefits of diversity, as set out in the Board Diversity Policy.

Having considered the background and experience of Mr Brien, in particular, his in-depth knowledge of the capital markets and vast experience in regulatory matters, the NGC is of the view that he is an appropriate Board candidate to stand for election at the 2025 AGM and his appointment would further enhance the Board's diversity and performance and benefit the Group's future strategic development. The NGC was satisfied with the independence of Mr Brien with reference to the criteria laid down in the Main Board Listing Rules.

Save as disclosed below, Mr Brien does not hold any cross-directorships nor have any significant links with other Directors through involvement in other companies or bodies.

Peter Brien was appointed in 2024 as the chairman of Chinachem Group Holdings Limited, the holding company of Chinachem group of companies whose operations are currently under the oversight of court appointed administrators. Joseph Yam has been appointed as a member of the supervisory managing organisation responsible for supervising the operation of the trustee of The Nina and Teddy Wang Charitable Trust ("Trustee"). Upon commencement of its operations, the Trustee will assume the ownership and oversight of the Chinachem group.

Mr Brien does not have any service contracts with any member of the Group that are not determinable by the Group within one year without compensation (other than statutory compensation). His particulars will be set out in the circular to Shareholders to be sent together with this Annual Report and posted on the HKEX Group website [IR](#).

Board Independence

Independent Directors enhance the effectiveness and decision-making of the Board by providing objective judgement and constructive challenge to management.

The independence of each non-executive Director is assessed based on the same set of independence criteria under Rule 3.13 of the Main Board Listing Rules. Each non-executive Directors' independence is assessed upon appointment, annually, and at any other time where the circumstances warrant reconsideration.

Assessment upon Director's Appointment

- HKEX received independence confirmations from Chan Kin Por and Peter Yan in April 2024 and from Herbert Chia in October 2024 upon their appointments to the Board.

Ongoing Assessment

- Each INED is required to inform HKEX as soon as practicable if there is any change in his or her personal particulars that may affect his or her independence. No such notification was received during 2024.
- Details of the Director's interests in the Group's business are set out on pages 97 and 98 of this Annual Report.

On 26 February 2025, the NGC assessed the annual independence confirmation received from each INED, having regard to the criteria under Rule 3.13 of the Main Board Listing Rules.

Annual Assessment

- As a good corporate governance practice, every NGC member abstained from assessing his/her own independence.
- Particular attention was given to assessing the independence of the Government Appointed Directors (including Chan Kin Por who is an Executive Councillor and a Legislative Councillor, and Joseph Yam who is an Executive Councillor) given that the Government is a Minority Controller of HKEX.
- The NGC affirmed that all INEDs continued to demonstrate strong independence in judgement and were free from any business or other relationship which could interfere with their ability to discharge their duties effectively, and they therefore all remained independent.

The NGC also reviewed and considered that the following key features or mechanisms under HKEX's Board and governance structure are effective in ensuring that independent views and input are provided to the Board.

Board and Committees' Structure	• Since its listing, HKEX has been steered by a Board, comprising a majority of Non-executive Directors. The HKEX Chief Executive Officer is the only Executive Director on the Board, and all the remaining 12 Directors, including the HKEX Chairman, are INEDs, who are independent of and not related to each other and any members of the Senior Management. • Members of all governance related committees are INEDs. • Separation of the role of the Chairman and the Chief Executive Officer ensures that there is a balance of power and authority.
Non-executive Directors' Tenure	• The Nomination Policy sets a maximum tenure of nine consecutive years for Non-executive Directors to be eligible for nomination by the Board to stand for re-election by Shareholders.
Non-executive Directors' Remuneration	• Non-executive Directors receive fixed fee(s) for their role as members of the Board and Board Committee(s) as appropriate, and are not entitled to participate in the Share Award Scheme. Information about the Directors' remuneration is set out in the Remuneration Committee Report and note 15 to the Consolidated Financial Statements.

Appointment of Non-executive Directors	- Independent professional search firm(s) is/are engaged from time to time to help identify potential candidates for appointment of Non-executive Directors. - In assessing suitability of the candidates, the NGC reviews their profiles, including their qualification and time commitment, having regard to the Board's composition, the Directors' skills matrix, the list of selection criteria approved by the Board, the Nomination Policy and the Board Diversity Policy.
Annual Review of Non-executive Directors' Commitment and Independence	- The NGC reviews annually each Director's time commitment to HKEX's business. Directors' attendance records in 2024 are disclosed in the Board Process section of the Corporate Governance Report. Further details are set out in the Directors' Time Commitment section below. - Non-executive Directors' independence is assessed upon appointment, annually, and at any other time where the circumstances warrant reconsideration.
Conflict Management	The HKEX's Guidelines on Conduct contained in the Director's Handbook provide guidance to directors and committee members of the Group on avoiding conflicts of interest and on the circumstances under which appropriate action(s) shall be taken by the director in conflict. More information about the Group's conflict management measures is set out in the Conflict Management section of the Corporate Governance Report.
Professional Advice	To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the Group Company Secretary or the in-house legal team as well as from independent professional advisers at the Company's expense.
Board Evaluation	The quality and efficiency of discussions at Board meetings are assessed during the annual evaluation of the Board's performance. Further details relating to Board evaluation are set out in the Board Effectiveness section of the Corporate Governance Report.

Directors' Time Commitment

All Directors should ensure that sufficient time and attention is allocated to HKEX to discharge their responsibilities. They are required to disclose to HKEX the number and nature of offices held in public companies or other organisations and his or her significant commitments at the time of his or her appointment, and any subsequent changes thereto in a timely manner.

On 26 February 2025, the NGC reviewed and assessed each Director's time commitment and contribution to the Board during 2024 and each Director's ability to discharge his or her responsibilities. The NGC considered that each Director gave sufficient time and attention to the affairs of HKEX and undertook his or her responsibilities effectively during 2024, with regard to the following:

- Directors' skills and experience which are summarised in the Directors' skills matrix set out in the Board Composition section of the Corporate Governance Report;
- Each Director's role and positions at HKEX and its subsidiaries, as well as his or her external directorships or offices in other companies or organisations and/or other major commitments; and
- Each Directors' attendance record at the board and committee meetings of HKEX (see the Board Process section of the Corporate Governance Report) and its subsidiaries during the year.

Carlson TONG

Chairman of the Nomination and Governance Committee

Hong Kong, 26 February 2025

Audit Committee Report

The Audit Committee

The Audit Committee (AC) is delegated by the Board with the authority to provide independent oversight of the Group's financial reporting and internal control systems, and of the adequacy of the external and internal audits. The AC is provided with sufficient resources to perform its duties, including support, as necessary, from the Group Internal Audit (GIA), the external auditor, legal counsel, regulatory compliance and management, in examining all matters relating to the Group's adopted accounting principles and practices, and in reviewing all material financial, operational and compliance controls. The AC's terms of reference are available on the HKEX Group website [OS](#).

The AC comprises five INEDs whose names and biographies are set out in the Board and Committees section of this Annual Report. None of the members of this committee was a partner of HKEX's external auditor within two years immediately before his or her appointment. The AC held four meetings in 2024. Members' attendance records are disclosed in the Corporate Governance Report contained in this Annual Report.

Summary of Work in 2024/2025

- Reviewed the Group's quarterly, half-yearly, and annual financial reports and results announcements to ensure integrity, transparency and consistency of the financial disclosures
- Reviewed and endorsed the proposed adoption of new accounting standards
- Reviewed, with both the external auditor and management, the audit approach and methodology applied, in particular to the Key Audit Matters included in the Auditor's Report
- Approved revisions of the Group Internal Audit Charter
- Approved the internal audit plan for 2025 and conducted quarterly review of the internal audit activities
- Reviewed significant issues raised by GIA and the external auditor, management's response to their recommendations, and follow-up remedial actions and improvement plans
- Approved amendments to the Group Anti-Bribery and Anti-Corruption Policy and the Group Whistleblowing Policy
- Reviewed quarterly reports and updates on legal and regulatory compliance matters, anti-bribery and anti-corruption matters and whistleblowing disclosures
- Reviewed the adequacy and effectiveness of the Group's internal control systems and its accounting, financial reporting, and internal audit functions
- Received quarterly update on key matters related to the LME and LME Clear
- Reviewed the continuing connected transactions and the related disclosures in the Annual Report
- Reviewed and monitored the relationship with the external auditor, including overseeing its appointment, independence, remuneration, tenure, rotation of the engagement partner and engagement for non-audit services
- Reviewed the effectiveness of the external audit process
- Approved the 2024 external audit engagement letters and fees
- Reviewed the AC's terms of reference
- Reviewed the assessment results and action plans regarding conformance to the new Global Internal Audit Standards

Review of Financial Results

The AC reviewed the 2024 Consolidated Financial Statements in conjunction with the external auditor. Based on this review and discussions with management, the AC was satisfied that the Consolidated Financial Statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the year ended 31 December 2024. The AC therefore recommended that the Consolidated Financial Statements for the year ended 31 December 2024 be approved by the Board.

Review of Key Audit Matters

The AC reviewed and discussed with the external auditor and management the following key audit matters for the audit of the 2024 Consolidated Financial Statements.

Key Audit Matters	Assessment by the AC
Goodwill Impairment Assessment	The AC was satisfied that sufficient analysis (including the sensitivity analysis on key assumptions) had been performed in this area to conclude that there was no impairment in respect of the goodwill allocated to the Cash Generating Units within the Commodities operating segment. The assessment was also an area of focus for the external auditor as detailed in the Auditor's Report on page 136.
Control Environment Supporting Key Information Technology Systems	The external auditor's key audit matters included control environment supporting key IT systems and controls since the fee revenue reported in the Group's financial statements is highly dependent on the functioning of these key systems, and the design and operating effectiveness of automated applications controls and underlying IT general controls. The AC noted and agreed with the external auditor that the key IT systems could be relied on to ensure the accuracy and completeness of revenue recognition during the financial accounting and reporting processes. The findings of the external auditor are set out in the Auditor's Report on page 137.

Review of Internal Control Systems

The AC reviewed the adequacy and effectiveness of the Group's policies and procedures regarding internal control systems (including the financial, operational, IT, risk management, information security, outsourcing, legal, compliance and those controls designed to detect material fraud) by reviewing the work of the GIA, the Group's external auditor, and external consultants, and regular reports from management including those on risk management, regulatory compliance, and legal matters.

In conjunction with the Risk Committee, the AC reviewed and concurred with the management confirmation that for the year ended 31 December 2024, the Group's risk management and internal control systems were adequate and effective with reference to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework 2013 and International Organisation for Standardisation (ISO) 31000 Risk Management – Principles and Guidelines. The AC is satisfied that the Group has complied satisfactorily with the requirements of the Corporate Governance Code in respect of risk management and internal control systems.

Review of Accounting, Financial Reporting and Internal Audit Functions

The AC reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions.

Review of Continuing Connected Transactions

During 2024, the Group entered into certain continuing connected transactions as disclosed in the Corporate Governance Report contained in this Annual Report. The AC, under the authority delegated by the Board, reviewed these continuing connected transactions pursuant to Rule 14A.55 of the Main Board Listing Rules. The AC confirmed that the transactions were entered into by the Group in accordance with the requirements of the Main Board Listing Rules and the conditions of the waiver granted by the SFC that:

- (i) continuing connected transactions are entered into in the Group's ordinary and usual course of business, and on normal commercial terms or on terms no more favourable than terms available to independent third parties;

- (ii) continuing connected transactions other than Buy-in Transactions are conducted in accordance with the rules and regulations of the relevant Group company governing such transactions, and where the rules and regulations do not govern those transactions in full, in accordance with the standard terms and conditions of the relevant Group company relating to such transactions;
- (iii) continuing connected transactions in respect of Buy-in Transactions are conducted in accordance with the standard terms and conditions of HKSCC applicable generally to all buy-in brokers and at the mutually agreed commission rates payable by HKSCC in respect of Buy-in Transactions generally; and
- (iv) continuing connected transactions are entered into according to the relevant agreements governing each of the continuing connected transactions on terms that are fair and reasonable and in the interests of Shareholders as a whole.

The Company's external auditor was engaged to report on the transactions in accordance with Rule 14A.56 of the Main Board Listing Rules. The AC reviewed the unqualified report issued by the external auditor dated 24 February 2025.

Independence of External Auditor

The AC is mandated to monitor the independence of the Group's external auditor, PricewaterhouseCoopers (PwC), to ensure its objectivity in auditing the financial statements. In general, the external auditor has to refrain from engaging in non-assurance services required by the Group except for limited tax-related services or specifically approved items. All services provided by PwC must be approved by the AC. To ensure that the policy of restricting the non-audit work done by the external auditor is followed strictly by all entities within the Group, appropriate policies and procedures have been established which set out: (i) the classification of services as pre-approved, not pre-approved and prohibited; and (ii) the approval process for services that have not been pre-approved. To strengthen the independence of the external auditor, HKEX has adopted a five-year rotation policy regarding the engagement partner of the auditor. The auditor's current engagement partner has served on the audit of the Group since 2022.

With respect to the independence of the Group's external auditor, the AC received confirmation from and discussed with PwC on its independence and objectivity.

During the year, the AC reviewed PwC's statutory audit scope and non-audit services and approved its fees. Under the approval procedures for audit fees, all audit fees for entities within the Group were coordinated and presented by PwC Hong Kong and were approved by the AC.

External Auditor's Services and Fees

	2024 \$m	2023 \$m
Audit services	20	20
Non-audit services		
• Tax advisory and compliance	2	2
• Other services	1	2
Total	23	24

Re-appointment of External Auditor

The AC was satisfied with PwC's work, its independence, objectivity, qualifications, expertise, resources and the effectiveness of the audit process, and therefore recommended the re-appointment of PwC (which has indicated its willingness to continue in office) as the Group's external auditor for 2025 for Shareholders' approval at the 2025 AGM.

In line with the Group's commitment to maintaining the highest standard of corporate governance, it would commence initiating a tender process for external auditor on a periodic basis.

In 2024, the Board endorsed the recommendation from the AC to commence an audit tender for the Group for the year ending 31 December 2026. Selected accounting firms, including HKEX's current auditor, PwC, will be invited to participate in the tender process.

Nicholas Charles ALLEN

Chairman of the Audit Committee

Hong Kong, 24 February 2025

Risk Committee Report

Risk Statement

Effective risk management is important to the Group's achievement of its strategic goals. The Group manages risk across multiple risk domains, including but not limited to financial, business and strategic, operational (including IT and cyber security), ESG, and legal and regulatory risks. Business operations are managed in line with risk appetite tolerances set by the Board.

The Group seeks to ensure it achieves its strategic goal of being the global markets leader in the Asian time-zone; building upon our role as the leading venue for investing into and out of Mainland China, while increasing our international relevance to China, and our Asia relevance to the global markets. This includes acting in the interest of the public with particular regard to the interest of the investing public, maintaining stakeholder trust, and supporting the integrity of the financial system. The Group recognises its role as a market infrastructure provider and manager of systemic risk, and that its long-term sustainability is dependent on its pursuit of strategic goals while simultaneously managing risks, having sufficient capital and liquidity, ensuring continuity of operations, and protecting its reputation.

The Group aims to maintain sufficient capital and liquidity to meet its regulatory obligations, which require it to have financial resources to cover potential losses and liquidity needs for a range of stress scenarios taking into account extreme but plausible market conditions. As a business, the Group also aims to maintain sufficient capital over and

above that is required to meet its regulatory obligations in order to fund its strategic development objectives while ensuring the appropriate balance between risk and shareholder returns. The Group applies robust and effective risk management approaches to minimise the Group's exposure to potential losses, while maintaining liquid financial resources to meet unforeseen cash outflows. The Group strives to maintain stakeholder trust by avoiding business practices that could lead to reputational damage or harm to the Group. The Group, therefore, seeks to operate within all relevant rules and regulations and to avoid disruptions to its business operations that would have a negative impact on stakeholders.

The Risk Committee

The Risk Committee is delegated by the Board to oversee the Group's overall Risk Management Framework and to advise the Board on the Group's risk-related matters. The Committee is also responsible for reviewing the Group's risk and compliance policies and, in conjunction with the Audit Committee, at least quarterly assessing the adequacy and effectiveness of the Group's risk management and internal control systems. The Committee's terms of reference are available on the HKEX Group website [OS](#). The Committee comprises six INEDs whose names and biographies are set out in the Board and Committees section of this Annual Report. The Committee held four meetings in 2024. Members' attendance records are disclosed in the Corporate Governance Report contained in this Annual Report.



Summary of Work in 2024/2025

- Approved the new Group Financial Risk Management Policy
- Approved the updates to the Group Cyber Risk Management Policy, Group Business Continuity Management Policy, Group Anti-Fraud Policy, Group Business Continuity Management Guidance, and Group Incident Management Guidance
- Approved the review on Risk Assessment Matrix
- Approved the withdrawal limit of excess cash collateral and payment in other currencies in HKEX clearing houses
- Approved the revisions to the Terms of Reference (ToR) of the Executive Risk Committee and the Clearing Risk Committee
- Endorsed the revisions of the Risk Committee's ToR and assessed the Risk Committee's compliance with its ToR
- Endorsed the Group Risk Appetite Statement updates
- Reviewed the proposed risk management arrangements for Severe Weather Trading
- Reviewed the CrowdStrike Windows global IT outage and initial lessons learned
- Reviewed the proposed change to daily settlement price methodology in HKCC
- Reviewed the Clearing Risk Committee reports
- Reviewed the cyber improvement updates, progress in geopolitical risk remediation programme and Orion Derivatives Platform project, risk implications for LME Group arising from US and UK sanctions on Russian metal, Principles for Financial Market Infrastructures (PFMI) independent model validation results, and conversion of Group Technology Risk Management Policy into a framework
- Reviewed the results of the Group's quarterly Group Risk Management processes covering HKEX, the LME Group, and QME, which include top risks, reporting of the risk appetite metrics, summaries of issues and incidents, and clearing house liquidity and capital adequacy
- Reviewed the management confirmation on the adequacy and effectiveness of the Group's risk management and internal control systems

Operating an adequate and effective risk management and internal control system is essential for achieving the Group's strategic objectives and maintaining service delivery targets. The Risk Committee is responsible for overseeing the Group's risk management approach, policy and framework. The Group operates a consistent methodology using the Group Risk Management Framework for the identification, assessment, reporting and management of risks. Risk identification and management is the responsibility of Group management. In 2024, despite global fragility and continued uncertainty in the geopolitical environment, HKEX demonstrated strength and resilience, initiating enhancements to ensure prudent risk management in its business and operations, including furthering the collateralisation of the default fund in its cash market. Additionally, backup clearing broker contingency was made mandatory. HKEX Group Risk Management continued to evolve its organisational structure and implement proactive and appropriate risk management measures to align with the Group's business priorities. The risk management and internal control systems adopted by the Group remain adequate and effective in evaluating, determining and managing significant risks that the Group may take in achieving its strategic objectives.

Risk Governance

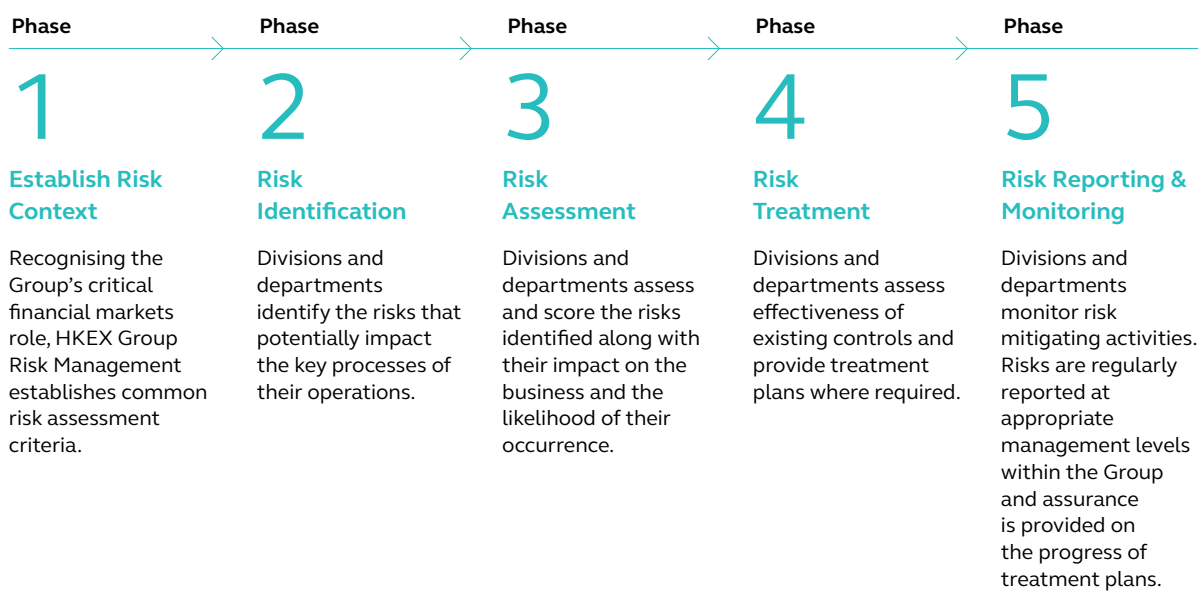
The Group's risk governance structure is based on a "Three Lines of Defence" model, with oversight and direction from the Board, the Risk Committee, and Group management through the Executive Risk Committee (ERiC).

ERiC is delegated by the Management Committee to oversee and manage the Group's risk management activities and report to the Risk Committee on a quarterly basis. ERiC reviews and evaluates the Group's risk profiles and the associated risks in achieving the Group's strategic objectives; reviews the Group's risk and compliance policies; monitors the effectiveness of controls across all key risk types; and fosters risk management culture across the Group. ERiC also delegates specific tasks to management sub-committees for further discussion and handling when necessary.



Group Risk Management

The Group Risk Management Framework, approved by the Risk Committee, mandates a consistent and effective approach applied across the Group to manage the risks associated with its business and operations. The framework is based on the International Organisation for Standardisation (ISO) 31000 Risk Management – Principles and Guidelines. The following diagram illustrates the key processes adopted under the Group Risk Management Framework.



Principal Risks

The Group faces a number of principal risks and uncertainties that, if not properly managed, could create an exposure for the Group. Thorough risk assessment and mitigation help ensure these risks are well managed and governed effectively. The Group focuses on addressing the following principal risks.

Principal Risk	Description	Key Mitigations
Strategic Risk	The risk of material adverse changes to the Group's business performance, development prospects and/or ability to deliver its objectives and strategic goals, caused by changes in the business, economic, regulatory or political environments in which the Group operates	- Proactive monitoring of global exchange industry trends, competitors, climate change and innovations - Proactive monitoring of and preparation for global and local changes in regulations affecting the Group - Responsive project controls in place to allow strategic flexibility and timely resource allocation - Proactive monitoring of geopolitical developments, including impacts of sanctions
Model Risk	The risk of adverse consequences arising from actions and decisions taken on the basis of incorrect or miscalculated model outputs and reports and such consequences may result in financial loss, ill-advised business or strategic decisions, poor risk capital deployment or reputational damage	- Embedment of Model Risk Governance Framework - A combination of internal and external model validation exercises on a regular basis - Implementation of a Model Risk System for managing models and related validation findings
Market Risk	The risk resulting from adverse movements in market rates or prices such as foreign exchange rates, interest rates, or equity prices impacting a defaulted participant's and/or member's portfolio	- Backtesting of margin and collateral haircut sufficiency - Default contingent market risk managed through collateral management and margin collection - Adequate financial resources to cover expected uncollateralised loss in each clearing house
Treasury Investment Risk	The risk of financial impact on the Group resulting from the Group's treasury activities	- Investment capital at risk limited by investment and risk policies, and guidelines - Exposures regulated through market risk stress loss limit - FX and bond investment risk control dashboard facilitates weekly monitoring by the first and second Lines of Defence
Credit Risk	The risk that any counterparty will not settle an obligation in full value, either when due or any time thereafter	- Default management and recovery procedures in place - A credit risk management function in place - Stress testing of collateral and margin deposits - Assessment of financial impact on the Group from counterparty defaulting
Liquidity Risk	The risk of being unable to settle obligations as they fall due whether relating to the Group's or HKEX's actual or modelled cash flow requirements and/or regulatory requirements under extreme but plausible market conditions	- Investment policy, restrictions, and guidelines in place covering Corporate Funds, Margin Funds, and Clearing House Funds - Clearing liquidity risk management requirements met through established stress testing practices

Principal Risk	Description	Key Mitigations
Cyber & Technology Risk	The risk of operational disruption, financial loss or reputational damage due to cyber incidents (including cyber attacks) resulting from malicious unauthorised access, use, disclosure, disruption, modification, or destruction of data or systems The risk of operational impact, financial loss or reputational damage due to technology failures and/or operational inefficiencies in existing technologies and IT processes as well as the threat of new emerging and potentially disruptive technologies	• Defence-in-depth cyber controls including segregation of critical systems • Ongoing testing and evaluation of cyber and technology risk controls • Risk advice on strategic projects • Low latency, highly resilient IT service design • Regular system performance monitoring, active capacity planning, maintenance, and drills (including disaster recovery) • Adhering to the reputable National Institute of Standards and Technology (NIST) Cybersecurity Framework for benchmarking organisational cyber resilience and maturity
Third Party Risk	The risk that business operations or reputation of the Group are adversely impacted by third party actions or a failure by the third party in provisioning services to the Group in line with business agreements	• Annual review of Third Party Risk Management Policy and Guidance • Continuous enhancement of training programmes to elevate user awareness and knowledge • Enhancement on systems to embed the elevated third-party risk management requirements, ensure compliance, and streamline the process
Data Risk	The risk of any unexpected or underestimated adverse impact on the Group as a result of limitations to or issues arising from its ability (or that of a third party) to effectively, appropriately or lawfully process, manage and/or protect its data in its ownership or possession	• Establishment of the Group Data Governance Framework and development of the Enterprise Data Platform, the implementation of which will be governed by the Data Council (a sub-committee of the Management Committee of HKEX) • Adoption of updated Information Classification Standard and Data Risk Appetite as supporting capabilities to enable the data governance framework • Establishment of the Data Community to support data programme implementation for promoting data literacy within the Group
Human Capital Risk	The risk of operational impact as a result of not being able to retain key personnel, engage employees and develop new capabilities to strengthen the talent pipeline	• Enhancement of the succession planning risk measures to cover all in-scope positions across the Group • Ongoing monitoring of attrition trends across the Group and the time required to backfill these vacancies to provide a holistic view to management • Prioritisation of strategic workforce planning, continuous training and development, employee engagement initiatives, and compliance monitoring

Principal Risk	Description	Key Mitigations
Operational Risk	The risk of financial loss, reputational damage or inability to provide services and products to customers resulting from inadequate or failed processes	• Enhancement of the Operational Risk Management Framework, which offers a comprehensive overview of the structure for managing operational risks across the group • Continuous development of understanding and documentation of evolving internal processes, risks, and controls to improve operational resilience • Enhancement of the Operational Risk Management tool to facilitate a more holistic oversight of the connections among processes, risks, controls, issues, and incidents, enabling in-depth analysis • Maintenance of a confident state of preparedness to respond to and recover from business disruptions through regular drills on crisis management of major incident scenarios
Legal Risk	The risk of unexpected or uncertain application of a law or regulation to the Group's business or operations	• Regular monitoring of legal and regulatory developments in the jurisdictions in which the Group has business activities or operations • Where appropriate, internal and/or external legal advice sought on matters (including legal review of contracts)
Compliance & Conduct Risk	The risk of incurring penalties, financial loss and/or loss of operating license resulting from the Group's, and/or personnel working for or on behalf of HKEX whose, failure to act in accordance with industry laws and regulations, statutory obligations, internal policies or prescribed practices	• Regular review and enhancement of the Group Compliance Policies to align with laws, regulations and industry practices • Enhancement of regular and targeted training • Continuous enhancement and implementation of compliance policies monitoring to assess adequacy and effectiveness of controls

More information about the climate-related risks faced by the Group and the Group's approach to other corporate responsibility topics that are material or relevant to its business, including but not limited to information security and anti-corruption, is set out in the 2024 Sustainability Report.

CHOW WOO Mo Fong, Susan

Chairman of the Risk Committee

Hong Kong, 19 February 2025

Remuneration Committee Report

The Remuneration Committee

The Remuneration Committee (RC) is delegated with the authority by the Board to establish, review, and make recommendations to the Board on the Group's remuneration policy and practices. The RC ensures that all employees and Executive and Non-executive Directors are appropriately remunerated in accordance with the Group's strategy and performance against key objectives. Its terms of reference are available on the HKEX Group website [OS](#).

The RC comprises five INEDs whose names and biographies are set out in the Board and Committees section of this Annual Report. The RC held four meetings in 2024, of which the members' attendance records are disclosed in the Corporate Governance Report contained in this Annual Report. In addition to these four meetings, a separate meeting was held during the year to discuss the corporate scorecard.

Summary of Work in 2024/2025

Remuneration of CEO and Senior Executives	• Determined the 2024 performance cash incentive and share award, and 2025 base pay, for the HKEX CEO and selected senior executives, taking into account individual performance and contribution • Reviewed senior executive benchmark data and market trends ahead of making individual compensation decisions, including adjustments to better align the mix of fixed versus variable pay, and the mix between short- and long-term incentives, with the market for selected senior executives • Reviewed and recommended the compensation arrangement for Bonnie Y Chan who was appointed as the Chief Executive Officer of HKEX effective 1 March 2024 • Recommended the compensation arrangement for Nicolas Aguzin in association with his departure from HKEX
Remuneration of Group Employees	• Recommended the 2024 performance cash incentive and share award pools • Recommended the 2025 salary adjustment budget for the Group's employees
Performance Management	• Reviewed and endorsed the 2024 corporate scorecard for the Group • Assessed performance against the 2024 corporate scorecard, and recommended compensation and incentive pool outcomes for the Group's employees
Governance	• Reviewed the RC's terms of reference

Non-executive Directors' Remuneration

Objective

To remunerate Non-executive Directors at an appropriate level for their commitment to HKEX and to attract and retain high calibre and experienced individuals to oversee HKEX's business and development

Policy

- To conduct regular reviews with reference to companies with comparable business or scale and recommend remuneration adjustments, if appropriate
- To seek the Board's endorsement and Shareholders' approval of any recommended changes

Review of Remuneration for 2025/2026

- In February 2024, the RC reviewed the remuneration levels for Non-executive Directors and recommended that they remain unchanged for 2024/2025. As the review of Non-executive Directors' remuneration is conducted on a biennial basis, the next review is scheduled for 2026.

Non-executive Directors' Remuneration for 2025/2026

	\$
Board	
– Chairman	3,500,000
– Other Non-executive Director	920,000
Audit Committee, Remuneration Committee and Risk Committee	
– Chairman	300,000
– Other member	180,000
Board Executive Committee, Corporate Responsibility Committee, Investment Committee, Listing Operation Governance Committee, and Nomination and Governance Committee	
– Chairman	250,000
– Other member	170,000

Non-executive Directors are not entitled to participate in the Share Award Scheme.

Further details of the Directors' emoluments are set out in note 15 to the Consolidated Financial Statements.

Employees' Remuneration

Objective

To ensure that employees are remunerated equitably and competitively with consideration of the achievement of their individual performance goals, the key business objectives at corporate level, and market conditions

HKEX Group's approach to employee remuneration is fair and well-governed and aims to:

- attract, retain, and motivate the best talent in the competitive markets in which we operate;
- align the interests of HKEX Group employees with those of Shareholders, underpinned by HKEX's obligation to uphold the best interests of the investing public; and
- support the delivery of HKEX strategy, core execution pillars, and values.

The RC, under the delegated authority of the Board of Directors, oversees the implementation of the HKEX compensation philosophy, ensuring equity and consistency.

Policy

- To recommend, based on up-to-date market information, appropriate salary adjustments, if any, for the Board's approval
- To evaluate corporate performance based on a set of pre-determined indicators and to recommend an appropriate total incentive pool for the year, if any, to the Board
- To consult with the HKEX CEO about the performance of the members of the Senior Management and other senior executives, and determine and approve total compensation outcomes for this population to ensure that they are remunerated equitably and in accordance with the established guidelines
- To review and approve under the delegated authority of the Board, all remuneration proposals for the HKEX CEO, Senior Management, Management Committee members and other senior direct reports to the HKEX CEO, and in addition any remuneration proposals for current or prospective employees where proposed total compensation is above a pre-determined threshold
- To review, and recommend to the Board, the remuneration of the HKEX CEO. As a good corporate governance practice, the HKEX CEO is not involved in the Board's discussion and decision.
- To ensure that HKEX's obligation to uphold the interests of the investing public, and HKEX's delivery against this obligation, are reflected in employee remuneration outcomes at all levels in the organisation

Basis of Remuneration

HKEX's employee compensation structure is centred upon a pay-for-performance concept which emphasises performance-driven total compensation. This comprises two main components: base salary (and in addition, employee benefits) and incentive compensation. When assessing total compensation, the following elements are considered:

- (i) Group, Divisional, and individual performance, of which key dimensions include:
 - Business results, both financial and non-financial outcomes;
 - Stakeholder centricity;
 - Our duty to uphold public interest at all times;
 - Operational stability and business continuity;
 - Our commitment to sustainability and diversity;
 - Leadership, partnership and collaboration; and
 - Risk, controls, and conduct.
- (ii) Role factors, which include:
 - The market and competitive environment for each role;
 - The size, scope and complexity of the role;
 - The experience an individual brings to the role, as well as their potential and longer-term career trajectory; and
 - Any changes in, or expansions to, the role or responsibilities.

Review for 2024/2025

Based on the RC's recommendation, the Board approved in December 2024:

- (i) a base salary adjustment and promotion increase effective January 2025. The salary adjustment took into consideration the competitive positioning, the cost of living and the projected pay increase in the financial services industry, as well as broader market conditions and HKEX's public interest obligations;
- (ii) a discretionary performance cash incentive for eligible employees in recognition of their contributions in 2024;
- (iii) a discretionary award for the allocation of HKEX shares pursuant to the Share Award Scheme for 540 selected employees who are eligible to receive share awards and for selected employees to be recruited in 2025; and
- (iv) the compensation arrangement and the 2024 performance related incentive pay for the HKEX CEO.

The performance cash incentive and share award pools for the Group's employees were determined based on the overall achievements with respect to the 2024 corporate scorecard. The 2024 corporate scorecard comprises the following four categories, each with a series of performance measures. Each individual measure comprises discrete and measurable outcomes which collectively uphold HKEX's 2024 strategic and corporate priorities.

Category	Description
Financial Performance	Core top-line and bottom-line measures of HKEX's financial strength, with a focus on sustainable growth and diversification of sources of revenue, which seek to optimally allocate the Group's resources, maintain a stable financial position and generate returns for our Shareholders. Measures in the Financial Performance category are mostly quantitative in nature, measuring both the level and quality of income, alongside prudent management of expenses.
Strategy and Execution	Measures which reflect delivery against HKEX's longer-term priorities, alongside ensuring reliable market operations, continuous improvement of market infrastructure, maintaining strong and trusted client relationships, and reinforcing Hong Kong's position as a leading IPO venue. The Strategy and Execution category comprises both quantitative and qualitative measures on the tangible progress made to deliver on each of its strategic priorities, our commitment to diversity, and maintaining our position as a sustainability leader.
People	Measures which ensure HKEX can attract, develop, and retain world-class talent in all its operating locations, to underpin the long-term success of the Group. The People category includes both quantitative and qualitative measures assessing the strength of the HKEX employee value proposition, which is critical to ensuring a collaborative, stable and supportive working environment.
Risk, Control, Compliance and Regulatory	Measures which ensure HKEX upholds its responsibilities to Hong Kong's investing public, maintains and delivers its commitments to sustainability and diversity, maintains positive relationships with its global regulators and ensure that it operates within its pre-determined risk appetite. Measures in this category are qualitative, and include measures which assess the HKEX risk culture, conduct and behaviours, alongside how it promotes public interest in all that it does.

- Employees undergo an annual performance appraisal process through which corporate and individual objectives are set, and performance against these objectives is monitored throughout the year. This culminates in an individual performance rating (on a five-point scale) which influences individual total compensation outcomes.
- Distribution to individual employees is guided by divisional and individual performance, where managers may make adjustments to account for other factors, including overall total compensation position (i.e., base salary plus the performance cash incentive and share award, if applicable), internal pay levels and external remuneration benchmarks.
- Under the HKEX Clawback Policy, incentive payments to the most senior level of executives of the HKEX Group, whether in form of cash or share-based awards, are subject to clawback under special circumstances according to the policy, including but not limited to where there has been a material misstatement or omission in the financial reports of the HKEX Group, or if the relevant senior executive has engaged in serious negligence, fraud, or misconduct. Any clawback action may be determined by the RC in respect of any short-term incentives paid and/or any share award granted to a senior executive within the period of three years immediately preceding the date on which the RC determines such action.
- External consultants, WTW and Aon, were engaged to conduct a detailed study of market practices on executive compensation levels and structure for HKEX's Management Committee members, with benchmarks covering global listed exchanges, a selection of major financial institutions, constituent companies of the Hang Seng Index, as well as other role-specific benchmark groups.
- In November 2024, the RC reviewed the current remuneration levels for Management Committee members, taking reference to the aforementioned study of market practices on executive compensation levels and structure. Based on the results of the review, the RC recommended adjustments to the split of fixed versus variable pay for selected Management Committee members. These selected Management Committee members received an increase in fixed pay and an adjustment to the mix between short- and long-term incentives, to better align the overall pay mix with market comparators.

Further details of HKEX's remuneration policy and structure are available on the HKEX Group website [CG](#).

As at 31 December 2024, the Group had 2,444 permanent employees and 138 temporary employees. More information about workforce diversity is set out in the Corporate Governance Report contained in this Annual Report and in the 2024 Sustainability Report.

A performance development process is in place to ensure that employees' performance objectives are defined, their performance progress is tracked, and learning and development opportunities are identified for them. Employee training details are set out in the 2024 Sustainability Report.

Emoluments for 2024

Executive Director

	2024					2023	2024
	Salary \$	Performance ¹ cash incentive \$	Other ² benefits \$	Retirement ³ benefit cost \$	Total ⁴ \$	Total ⁴ \$	Share award benefits ^{1,5} \$
HKEX CEO (since 1 March 2024)							
Bonnie Y Chan ⁶	7,544,450	8,000,000	93,483	754,445	16,392,378	8,980,429	6,290,899
HKEX CEO (during the period from 1 January to 29 February 2024)							
Nicolas Aguzin	1,666,668	–	43,645	7,273,608 ⁷	8,983,921	25,529,050	45,351,743 ⁷

Senior Management

	2024					2023	2024
	Salary \$	Performance ¹ cash incentive \$	Other ² benefits \$	Retirement ³ benefit cost \$	Total ⁴ \$	Total ⁴ \$	Share award benefits ^{1,5} \$
Bonnie Y Chan (full year) ⁶	9,053,340	9,600,000	112,180	905,334	19,670,854	8,980,429	7,450,223
Vanessa Lau	4,416,668	4,725,000	94,756	552,084	9,788,508	8,216,781	5,131,435
Katherine Ng	3,155,700	4,069,300	195,175	394,463	7,814,638	7,456,515	3,649,304
Richard Wise	3,584,400	4,140,600	199,070	358,440	8,282,510	8,488,958	5,590,446
Wilfred Yiu ⁸	4,833,338	4,000,000	197,454	604,167	9,634,959	8,800,276	22,407,661

- The 2024 performance cash incentive compensation and share awards to the Senior Management (including Executive Directors) are subject to the Group's Clawback Policy.
- Other benefits include leave pay, insurance premium, and club membership as applicable.
- An employee who retires before normal retirement age is eligible for 18 per cent vesting of the employer's contribution to the provident fund after completion of two years of service. The rate of vested benefit increases by 18 per cent annually thereafter and reaches 100 per cent after completion of seven years of service. An employee who retires at or after normal retirement age is eligible for the total balance of the employer's contribution.
- Excludes the amounts approved by the Board for the allocation of HKEX shares pursuant to the Share Award Scheme, details of which are set out in the Share Award Scheme section below
- These represent the amortised fair value of the Awarded Shares that was charged to the Consolidated Income Statement for the year ended 31 December 2024.
- Ms Chan was appointed to succeed Mr Aguzin as CEO of HKEX and an ex-officio member of the Board, effective 1 March 2024. Pursuant to a contract of employment entered into with HKEX, Ms Chan has been appointed as CEO of HKEX with effect from 1 March 2024 for a term of three years until 28 February 2027. Under the terms of her employment contract with HKEX, Ms Chan's compensation package includes a basic salary of \$10 million per annum. She is eligible to receive a performance-related discretionary bonus and share awards to be recommended by the RC and approved by the Board.
Ms Chan's emoluments as shown under the Executive Director table above include salary paid to her during her service as CEO of HKEX from 1 March to 31 December 2024, and also her performance cash incentive, other benefits and retirement benefit costs during the period, which are calculated on a pro rata basis with reference to the actual amount that she received for her service at HKEX during the entire year of 2024.
Ms Chan's emoluments as shown under the Senior Management table above include her salary, performance cash incentive, other benefits and retirement benefit costs for her service at HKEX for the entire year of 2024, i.e., her service as the Co-Chief Operating Officer from 1 January to 29 February 2024 and as CEO of HKEX from 1 March to 31 December 2024.
- In relation to his retirement, Mr Aguzin received a special payment of \$7.07 million and share awards in an amount of \$16.49 million (see details in the Share Award Scheme section below).
- Mr Yiu retired on 31 December 2024.

Further details of the five top-paid employees are set out in note 16 to the Consolidated Financial Statements.

Share Award Scheme

HKEX has adopted the Share Award Scheme to attract and retain high calibre employees; to incentivise and recognise their contributions to the Group's continuous operations and further development; and to promote prudent risk behaviour among them as part of the Group's risk management mechanism.

The Scheme was initially adopted by the Board on 14 September 2005, with subsequent amendments thereafter. Under the latest amended Scheme rules adopted on 1 January 2023 (Adoption Date), the Scheme shall be valid until termination as determined by the Board, or otherwise as required under any applicable legal and/or regulatory requirements.

The Scheme allows HKEX shares to be awarded as Employee Share Awards for employees of the Group (including the Executive Director) selected by the Board. Unless otherwise determined by the Board, the RC or the HKEX CEO (as appropriate), the vesting period of the Awarded Shares is three years, and the Awarded Shares will be vested in two equal tranches from the second to the third year after the date of approval of the Awarded Sum by the Board. The Scheme rules are available on the HKEX Group website [CG](#).

Pursuant to the Scheme, the Scheme's trustee, based on the Board's recommendation, applies forfeited or unallocated HKEX shares held under the Scheme and HKEX shares that have been purchased from the market at the prevailing market price, to satisfy the Awarded Shares for allocation to the selected employees (including the Executive Director).

The maximum number of HKEX shares which may be awarded under the Scheme is 3 per cent (i.e., 38,035,106 shares) of HKEX shares in issue as at the Adoption Date ("Maximum Award Limit"). And the maximum number of shares which may be awarded to an employee selected under the Scheme is 1 per cent (i.e., 12,678,368 shares).

During 2024, a total of 1,753,773 HKEX shares, representing 0.14 per cent of HKEX's total number of issued shares as at 1 January 2024 (with no change in HKEX's issued shares during the year), were awarded or allocated to selected employees (including the Executive Director).

As part of the 2024 performance and compensation review, the Board approved allocation of HKEX shares in a combined value of \$433 million to be awarded to selected employees (including the Executive Director) as Employee Share Awards in recognition of their contributions in 2024 ("2024 Awarded Sum"). The Awarded Shares for the 2024 Awarded Sum had not been allocated to the selected employees (including the Executive Director) as of 31 December 2024.

Up to the date of this report, a total of 18,229,602 shares had been awarded under the Scheme, representing about 1.4 per cent of the number of HKEX shares in issue on the Adoption Date. The total number of HKEX shares which is available for being further awarded under the Scheme (i.e., 19,805,504 shares) represents 1.6 per cent of HKEX issued shares as at 27 February 2025.

As at 31 December 2024, taking into account the shares acquired out of the dividends from the shares held under the trust, there were 3,939,304 shares held in trust under the Scheme (excluding shares vested but not yet transferred to awardees).

Further details of the Scheme are set out in note 43 to the Consolidated Financial Statements.

Details of the interests of the HKEX CEO, the Senior Management, three top-paid employees (excluding current HKEX CEO and ex-HKEX CEO) and other grantees in the Awarded Shares are set out below.

					Number of shares ¹						Closing price of HKEX shares before the vesting date \$
	Date of award ²	Number of Awarded Shares	2024 ³ Reference awarded sum \$	Vesting ⁴ period	As at 1 Jan 2024	Shares acquired during the year out of the dividends	Vested during the year	Cancelled during the year	Lapsed during the year	As at 31 Dec 2024	
HKEX Chief Executive Officer (Executive Director) (appointment effective 1 March 2024)											
Bonnie Y Chan	9 Mar 2022	12,086	–	7 Dec 2023 – 7 Dec 2024	6,345	223	6,568	–	–	–	294.6
	27 Feb 2023	18,873	–	8 Dec 2024 – 8 Dec 2025	19,373	683	10,027	–	–	10,029	294.6
	4 Mar 2024 ⁷	34,023	–	8 Dec 2025 – 8 Dec 2026	–	1,200	–	–	–	35,223	–
	–	–	22,400,000	11 Dec 2026 – 11 Dec 2027	–	–	–	–	–	–	–
Ex-HKEX Chief Executive Officer (ex-Executive Director) (appointment ceased on 29 February 2024)											
Nicolas Aguzin	9 Mar 2022	84,603	–	7 Dec 2023 – 7 Dec 2024	44,412	1,567	45,979	–	–	–	294.6
	27 Feb 2023	88,041	–	8 Dec 2024 – 8 Dec 2025	90,378	3,190	46,783	–	–	46,785	294.6
	4 Mar 2024 ⁷	130,744	–	8 Dec 2025 – 8 Dec 2026	–	4,614	–	–	–	135,358	–
	30 May 2024 ⁷	60,215 ⁶	–	24 May 2026 – 24 May 2027	–	1,080	–	–	–	61,295	–
Senior Management											
Vanessa Lau	9 Mar 2022	8,789	–	7 Dec 2023 – 7 Dec 2024	4,613	162	4,775	–	–	–	294.6
	27 Feb 2023	12,315	–	8 Dec 2024 – 8 Dec 2025	12,641	445	6,542	–	–	6,544	294.6
	4 Mar 2024 ⁷	25,043	–	8 Dec 2025 – 8 Dec 2026	–	883	–	–	–	25,926	–
	–	–	10,775,000	11 Dec 2026 – 11 Dec 2027	–	–	–	–	–	–	–
Katherine Ng	9 Mar 2022	4,834	–	7 Dec 2023 – 7 Dec 2024	2,538	89	2,627	–	–	–	294.6
	27 Feb 2023	11,433	–	8 Dec 2024 – 8 Dec 2025	11,735	414	6,074	–	–	6,075	294.6
	4 Mar 2024 ⁷	16,063	–	8 Dec 2025 – 8 Dec 2026	–	566	–	–	–	16,629	–
	–	–	4,775,000	11 Dec 2026 – 11 Dec 2027	–	–	–	–	–	–	–
Richard Wise	4 Dec 2020	42,500	–	8 Feb 2021 – 8 Feb 2024 ⁸	5,456	–	5,456	–	–	–	243.6
	9 Mar 2022	7,141	–	7 Dec 2023 – 7 Dec 2024	3,749	131	3,880	–	–	–	294.6
	27 Feb 2023	14,622	–	8 Dec 2024 – 8 Dec 2025	15,009	529	7,768	–	–	7,770	294.6
	4 Mar 2024 ⁷	28,036	–	8 Dec 2025 – 8 Dec 2026	–	988	–	–	–	29,024	–
	–	–	6,275,000	11 Dec 2026 – 11 Dec 2027	–	–	–	–	–	–	–

	Date of award ²	Number of Awarded Shares	2024 ³ Reference awarded sum \$	Vesting period ⁴	Number of shares ¹					As at 31 Dec 2024	Closing price of HKEX shares before the vesting date ⁵ \$
					As at 1 Jan 2024	Shares acquired during the year out of the dividends	Vested during the year	Cancelled during the year	Lapsed during the year		
Wilfred Yiu ⁹	9 Mar 2022	9,888	–	7 Dec 2023 – 7 Dec 2024	5,191	182	5,373	–	–	–	294.6
	27 Feb 2023	18,218	–	8 Dec 2024 – 8 Dec 2025	18,701	659	9,679	–	–	9,681	294.6
	4 Mar 2024 ⁷	30,131	–	8 Dec 2025 – 8 Dec 2026	–	1,062	–	–	–	31,193	–
	–	–	11,000,000	11 Dec 2026 – 11 Dec 2027	–	–	–	–	–	–	–
Three Top-paid Employees (excluding current HKEX CEO and ex-HKEX CEO) during 2024¹⁰											
	9 Mar 2022	32,583	–	7 Dec 2023 – 7 Dec 2024	17,104	601	17,705	–	–	–	See Note 11
	27 Feb 2023	52,213	–	8 Dec 2024 – 8 Dec 2025	53,597	1,889	27,742	–	–	27,744	See Note 11
	4 Mar 2024 ⁷	91,727	–	8 Dec 2025 – 8 Dec 2026	–	3,235	–	–	–	94,962	–
	–	–	34,092,095	11 Dec 2026 – 11 Dec 2027	–	–	–	–	–	–	–
Other Selected Employees eligible to share award (excluding current HKEX CEO, ex-HKEX CEO and Senior Management)											
	During 2021	34,100	–	See Note 4	11,205	392	11,597	–	–	–	See Note 12
	During 2022	819,631	–	See Note 4	413,448	13,132	345,528	9,875	–	71,177	See Note 12
	During 2023	889,915	–	See Note 4	880,003	28,755	460,575	34,777	–	413,406	See Note 12
	During 2024 ⁷	1,429,518	–	See Notes 4 and 7	–	49,149	646	48,533	–	1,429,488	–
	–	–	377,866,919	11 Dec 2026 – 11 Dec 2027	–	–	–	–	–	–	–

1 Includes shares acquired out of the dividends from the Awarded Shares according to the Scheme

2 Refers to the date on which the trustee allocated the Awarded Shares to the selected employees based on the awarded sum determined by the Board

3 Refers to the amount approved by the Board in 2024 for the allocation of the HKEX shares to be awarded to the selected employees. The allocation of Awarded Shares had not been made by the trustee as of 31 December 2024

4 Save for disclosure in notes 6, 7 and 8 below, the Awarded Shares and the related income are vested in two equal tranches in the second and third year after the grant.

5 Refers to the closing price of HKEX shares traded on the HKD counter immediately before the dates on which the relevant Awarded Shares were vested in 2024

6 The award was granted to Mr Aguzin under the Scheme in relation to his retirement. The Awarded Shares, as proposed by the RC and approved by the Board on 29 February 2024, and the related income (if any) are vested in two equal tranches on the second and third anniversary of the date of grant.

7 Award of HKEX Shares during 2024:

Date of award	Vesting period	Number of shares awarded	Closing price of HKEX shares traded on HKD counter immediately before date of award \$	Fair value per Awarded Shares ^(a) \$
4 Mar 2024 ^(b)	8 Dec 2025 – 8 Dec 2026	1,681,512	240.0	251.4
8 Mar 2024 ^(c)	15 Jan 2026 – 15 Jan 2027	4,731	234.2	236.6
21 May 2024 ^(c)	21 May 2024 – 10 Mar 2027	1,576	295.8	284.6
30 May 2024 (see Note 6 above)	24 May 2026 – 24 May 2027	60,215	271.2	274.9
18 Jul 2024 ^(c)	30 Sep 2025 – 30 Sep 2026	2,889	243.0	242.3
18 Jul 2024 ^(c)	15 Feb 2025 – 15 Mar 2028	2,850	243.0	242.3

(a) The fair value of the Awarded Shares is determined in accordance with HKFRS 2 by reference to the cost of purchase of the Awarded Shares, or the fair value at grant date, taking into account all non-vesting conditions associated with the grant on grant date. No adjustment is required for expected dividends since the employees are entitled to receive dividends paid during the vesting period. Details of the accounting policy adopted are set out in note 43 to the Consolidated Financial Statements.

During 2024, 34,023 Awarded Shares, with a total fair value of \$8,552,963 were granted to Bonnie Y Chan (current HKEX CEO); 190,959 Awarded Shares, with a total fair value of \$49,422,223, were granted to Nicolas Aguzin (ex-HKEX CEO); and a total of 91,727 Awarded Shares, with a total fair value of \$23,059,038, were granted to the other three top-paid employees (excluding Ms Chan and Mr Aguzin).

(b) Represents the Awarded Shares granted to selected employees (which includes a total of 256,494 Awarded Shares granted to the current HKEX CEO, ex-HKEX CEO and the other three top-paid employees of HKEX during 2024) as Employee Share Awards in recognition of their contributions in 2023, which were allocated to the selected employees on 4 March 2024.

(c) These awards were granted to new employees under their respective hiring agreements with HKEX, as compensation for their loss of unvested long-term incentives earned through their service with their previous employers and are subject to special vesting schedule(s).

8 These awards were granted as part of the hiring agreement of the relevant employee with special vesting schedule.

9 Mr Yiu retired on 31 December 2024.

10 Excludes Bonnie Y Chan and Nicolas Aguzin, who were among the five top-paid employees during 2024, and whose interest in Awarded Shares and shares acquired out of the dividends from the Awarded Shares are disclosed separately in the table

11 In 2024, a total of 45,447 shares were vested to the three top-paid employees (excluding current HKEX CEO and ex-HKEX CEO) during the year. The weighted average closing price of these shares before the relevant vesting dates in 2024 is \$294.6.

12 In 2024, a total of 818,346 shares were vested to other selected employees (excluding current HKEX CEO, ex-HKEX CEO and Senior Management). The weighted average closing price of these shares before the relevant vesting dates in 2024 is \$290.1.

Carlson TONG

Chairman of the Remuneration Committee

Hong Kong, 26 February 2025

Corporate Responsibility Committee Report

The Corporate Responsibility Committee

The Corporate Responsibility (CR) Committee, formerly known as the Corporate Social Responsibility (CSR) Committee, is delegated with the authority by the Board to provide direction and oversee the development and implementation of the CR strategy and initiatives of the Group. Its terms of reference are available on the HKEX Group website [OS](#).

The CR Committee comprises five INEDs and the HKEX Chief Executive Officer, whose names and biographies are set out in the Board and Committees section of this Annual Report. The CR Committee held four meetings in 2024. Members' attendance records are disclosed in the Corporate Governance Report contained in this Annual Report.

Summary of Work in 2024/2025

- Reviewed and approved the following items:
 - the Group's Environmental Stewardship Statement;
 - the philanthropy work plan and budget for 2025; and
 - the new CR management framework
- Reviewed and endorsed the Sustainability Report, formerly known as the CSR Report
- Reviewed and received the HKEX Philanthropy Strategy and quarterly reports on the Group's CR activities and charitable donations, covering:
 - donations via HKEX Foundation in relation to the HKEX Charity Partnership Programme, HKEX Impact Funding Scheme and HKEX University Scholarship Programme;
 - donations to The Community Chest of Hong Kong; and
 - other donations to the Group's charity partners
- Reviewed the HKEX Shareholders Communication Policy
- Reviewed and discussed HKEX's CR initiatives, alongside global and local trends in sustainability
- Reviewed the progress of HKEX's green initiatives against relevant targets, including HKEX's climate strategy and action plan, supply chain sustainability and other green initiatives
- Reviewed and was satisfied with the adequacy of the Group's resources, staff qualifications and experience, training programmes and budget relating to its ESG (including climate strategy) performance and reporting
- Reviewed the CR Committee's terms of reference

CR Policies, Performance and Reporting

HKEX is committed to connecting, promoting and progressing its markets and the communities they support; and, to continuously seeking to reinforce its position as an active and responsible corporate leader. HKEX's CR-related policies and details of HKEX's CR management approach are available on the HKEX Group website [S](#).

Reflecting the nature of its business, the Group is not aware of any existing environmental laws or regulations that would have a material impact on the Group. The Group, however, continues to adopt enhanced measures to reduce electricity consumption, improve energy efficiency and other resource utilisation, minimise waste and increase

recycling, encouraging its employees to adopt environmentally responsible behaviours whilst also promoting environmental protection in its supply chain and marketplace. To reinforce our commitment to tackling climate change, the Group continued to work closely with government, policy makers, regulators, international peers, businesses and other stakeholders to facilitate the transition to a low-carbon and climate resilient economy. In 2024, the Group achieved carbon neutrality in operations and submitted science-based greenhouse gas emission reduction targets to the Science Based Targets initiative for validation. During 2024, HKEX conducted various initiatives including the "HKEX Goes Green" campaign to raise environmental awareness across its workplace and the broader community.

As a responsible corporate citizen, the Group actively contributes to the community by making charitable donations to, and collaborating with, a wide range of charity partners. In 2024, HKEX, through HKEX Foundation, reinforced our commitment to the community by supporting local charities and social enterprises, through the HKEX Charity Partnership Programme and the HKEX Impact Funding Scheme. The HKEX University Scholarship Programme continued to nurture homegrown talents studying business and finance and those who demonstrate achievements or potential in the areas of biotechnology and innovation. In the UK, the LME continued its funding partnership with the charity The Impact Facility, supporting its multi-year project to address child labour in African mining communities and further embed responsible mining practices into the global ecosystem. In addition, the LME awarded two scholarships in 2024 for students at the Camborne School of Mines, to help them on their journey to forging a successful mining career. During 2024, the Group committed donations of a total of \$87 million to various projects and initiatives in its communities.

During 2024, the CR Committee received and reviewed the CR quarterly reports, which summarised the CR initiatives undertaken by the Group throughout the year. Details of the Group's CR performance in 2024 are disclosed in the 2024 Sustainability Report.

Communication with Shareholders

Effective engagement with Shareholders is a vital component of HKEX as a listed company. Throughout the year, HKEX has continued to deliver timely, balanced, clear, and transparent communications with its Shareholders and other investors. Details of the Group's shareholder and investor engagement and communication activities are set out in the Corporate Governance Report of this Annual Report and further details can be found on the HKEX Group website [IR](#).

An HKEX Shareholders Communication Policy, which is available on the HKEX Group website [CG](#), sets out the Group's objective for ensuring Shareholders, and in appropriate circumstances, the wider investment community, are provided with regular, equal and timely access to balanced and understandable information about the Group, which ensures that Shareholders can exercise their rights in an informed manner and allows them, and the investment community, to engage actively with the Group.

The CR Committee reviewed the Group's shareholders and investor engagement and communication activities conducted in 2024 and was satisfied with the implementation and effectiveness of the Shareholders Communication Policy.

Relationships with other Major Stakeholders

The Group also actively engages with all its other major stakeholders, including its employees, suppliers and partners through a variety of channels with the aim of developing mutually beneficial relationships and promoting knowledge sharing, transparency and sustainability.

Employees are remunerated equitably and competitively. Learning and development opportunities are provided to equip staff members so that they can perform the best and achieve personal and corporate goals. In 2024 the Group delivered over 48,200 hours of training to its employees across different divisions and departments through the Group's learning platform iLearn and talent development programmes designed for employees at different levels. The Group also undertook its Pulse Survey, in between the longer bi-annual People Survey, to gather employees' feedback on their views of the Company, their working environment and their levels of engagement. In addition to ongoing programmes supporting employee safety, health and well-being, the Group conducted again its group-wide Global Wellness Challenge to promote the awareness of physical and mental wellbeing among our employees in Hong Kong, the Mainland and London.

HKEX is committed to ensuring strong ethical supply chain management and seeks to use suppliers that reflect its values and commitment to being a good corporate citizen. Throughout the year, the Group was not aware that any of its key suppliers had reported any significant actual, or potential, negative impact on their own business ethics, environmental protection, human rights or labour practices, nor any of them had any non-compliance incident in respect of these areas.

Carlson TONG

Chairman of the CR Committee

Hong Kong, 24 February 2025

Directors' Report

The Directors are pleased to present this Annual Report together with the audited consolidated financial statements for the year ended 31 December 2024.

Principal Activities

HKEX is a recognised exchange controller under the SFO. HKEX operates the only recognised stock and futures markets in Hong Kong through its wholly owned subsidiaries, SEHK and HKFE, and is the frontline regulator of listed issuers in Hong Kong. In collaboration with the Shanghai and Shenzhen stock exchanges, HKEX operates Stock Connect, which gives investors in Hong Kong and Mainland China access to each other's securities markets. HKEX also provides market data through HKEX Information Services Limited and HKEX Information Services (China) Limited.

HKEX operates HKSCC, HKCC, SEOCH, and OTC Clear, the only recognised clearing houses in Hong Kong. HKSCC, HKCC, and SEOCH provide integrated clearing and settlement services, while OTC Clear provides clearing and settlement services for over-the-counter interest rate and foreign exchange derivatives transactions and provides Hong Kong and international investors access to the onshore interest rate swap market under the Northbound channel of Swap Connect. HKSCC also provides depository and nominee services.

HKEX owns the LME and LME Clear in the UK. The LME provides facilities for the trading of futures and options contracts on base and other metals. It is a recognised investment exchange under the Financial Services and Markets Act 2000 (FSMA). LME Clear provides clearing services for the exchange contracts of the LME. It is a recognised clearing house under the FSMA and an authorised CCP under the UK European Market Infrastructure Regulation (EMIR).

HKEX owns 90.01 per cent of QME, which is a commodity trading platform in the Mainland.



A list of HKEX's principal subsidiaries as at 31 December 2024 and their particulars are set out in note 28 to the Consolidated Financial Statements. More information about the Group's activities is available in the About HKEX section of the HKEX Group website.

Business Review

The Group's revenue is primarily derived from business activities conducted in Hong Kong and the UK. An analysis of the Group's performance for 2024 by operating segment is set out in note 4 to the Consolidated Financial Statements.

A fair review of the Group's business, including the important events affecting the Group that have occurred since the end of 2024 and the likely future developments in the Company's business, is set out in the Chief Executive Officer's Review, Business Review, and Financial Review sections of this Annual Report. Principal risks and uncertainties facing the Group were reviewed by the Board as delineated in the Risk Committee Report. Details about the Group's financial risk management are set out in note 53 to the Consolidated Financial Statements. Details about HKEX's climate-related risks and opportunities are disclosed in the 2024 Sustainability Report.

The following table outlines the relevant laws and regulations that have a significant impact on the Group's business, and the compliance measures adopted and implemented by the Group during 2024.

Primary Legislation/ Regulations ¹	Key Scope	Compliance Measures
Exchange and Clearing Business in Hong Kong		
SFO	HKEX is a recognised exchange controller and has duties under section 63(1) to ensure that the statutory duties placed on the recognised exchange companies (under section 21) and recognised clearing houses (under section 38) under its control are complied with. SEHK and HKFE are recognised exchange companies; and HKSCC, HKCC, SEOCH, and OTC Clear are recognised clearing houses (RCHs).	A corporate governance structure ² is in place to enable HKEX to balance its public functions and its commercial profit-making objectives. Group Compliance is responsible for ensuring compliance with laws, rules and regulations in line with the group risk appetite statements. Rule amendments by SEHK, HKFE, and each of the RCHs are approved by the SFC under section 24 (for recognised exchange companies) and section 41 (for RCHs). Fees imposed by HKEX (in its capacity as a recognised exchange controller), SEHK, HKFE, and each of the RCHs are approved by the SFC under section 76.
PFMI	As RCHs, HKSCC, HKCC, SEOCH, and OTC Clear are required to observe the applicable PFMI on an ongoing basis pursuant to the guidelines issued by the SFC.	The approach of each of the RCHs to observing each applicable PFMI is summarised in its disclosure document which is available on the HKEX Market website.
Exchange and Clearing Business in the UK		
Part XVIII of the FSMA Part I and Part II of the FSMA (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001 Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 The Recognized Investment Exchanges (REC) sourcebook of the FCA Handbook The UK versions of Markets in Financial Instruments Directive 2014/65/EU, Markets in Financial Instruments Regulation 600/2014 and associated legislation (together, UK MiFID II) The UK versions of various technical standards enacted and/or onshored under UK MiFIR	The LME is a recognised investment exchange under Part XVIII of the FSMA and is required to ensure that its rules, procedures, and practices are adequate for the protection of investors and for the maintenance of an orderly market. Until 31 December 2020, the LME was an EU regulated market required to comply with applicable EU MiFID II requirements. Since 1 January 2021, the LME has become a third country venue for EU MiFID II purposes, but continues to comply with UK MiFID II requirements as they form part of UK law. The right of the LME to provide access to its systems to entities in European Economic Area (EEA) jurisdictions now depends on the domestic rules applicable in individual Member States and the LME has obtained either applicable licences or dispensations in all relevant Member States. Further detail regarding the position in respect of the EEA jurisdictions that are relevant to the LME's current membership is set out in the LME's Notice of 4 January 2021 to its Members in relation to certain updates to the LME jurisdictions document.	The LME follows the rules and guidance on recognition and notification requirements as set out in the FCA's Handbook, as well as having implemented the applicable UK MiFID II requirements. As required by the FCA and on behalf of the LME board, the Audit Committee of the LME has to satisfy itself formally on an annual basis that the LME continues to meet certain recognition requirements. In performing that annual review, the LME conducts a detailed analysis, covering the arrangements and controls in place for each requirement. This is supported by a risk-based compliance monitoring programme which seeks to focus its resources on the areas of greatest inherent risk.

Primary Legislation/ Regulations ¹	Key Scope	Compliance Measures
Part 4A of FSMA & Benchmarks Regulation (known as BMR)	Since 3 December 2019, the LME has been authorised by the FCA to administer a number of prices that are categorised as benchmarks under the UK version of the BMR (UK BMR), and is required to comply with applicable requirements under the UK BMR and certain FCA rules in connection with the administration of these benchmarks. The LME has also relied on the transitional provisions under the EU BMR in order to provide its benchmarks for use by “supervised entities” within the EU. The European Commission has extended the transitional provisions until the end of 2025. As “supervised entities” under UK and EU BMR, the LME and LME Clear, when using a “benchmark” (within the meaning of each version of the BMR), are required to maintain fallback plans that identify steps to be taken where the relevant benchmark ceases to be provided or is no longer reflective of the market which it is intended to measure.	To ensure compliance with the applicable UK BMR and FCA requirements, the LME has implemented a robust compliance framework around its benchmark determination processes, including a governance framework and a compliance monitoring programme, and has employed a dedicated member of personnel to oversee its benchmark activity. Mandatory BMR documentation is publicly available on the LME website. The LME’s benchmarks are subject to an annual external audit against UK BMR requirements. In relation to their obligations as supervised entities, the LME and LME Clear have a framework in place to assess their use of prices and, where required, to implement and maintain fallback plans.
Senior Managers Regime (SMR)	As a benchmark administrator, the LME became subject to the SMR with effect from 7 December 2020. The SMR aims to ensure individual accountability at senior management level for regulated activities. Broadly, this requires the LME to ensure that its senior managers are registered as “senior management function” holders in relation to specified functions; certain prescribed responsibilities are allocated accordingly; and the code of conduct requirements are applicable to relevant staff.	Compliance with the relevant requirements continues to be monitored via the compliance monitoring programme. The LME’s benchmarks are subject to an annual external audit against UK BMR requirements.
The UK version of Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (known as UK EMIR) and UK MiFIR	Under the UK EMIR, LME Clear is authorised as a CCP and LME Clear is required to comply with the applicable UK EMIR requirements and UK MiFIR requirements accordingly. LME Clear was, until 31 December 2020, an authorised CCP under the EU EMIR. Since 1 January 2021, LME Clear has become a recognised third country CCP in relation to its arrangements with EEA Clearing Members.	To ensure compliance with the UK EMIR, LME Clear has implemented robust governance arrangements and a comprehensive risk management framework. LME Clear’s Rules and Procedures have been developed to reflect the legal framework which applies to LME Clear, including primarily the requirements of the UK EMIR and the UK MiFIR. All documentation required in relation to LME Clear’s compliance with the UK EMIR and the UK MiFIR is publicly disclosed on the LME website.

Primary Legislation/ Regulations ¹	Key Scope	Compliance Measures
FSMA	LME Clear is a recognised clearing house under Part XVIII of the FSMA and is required to ensure that its rules, procedures and practices are adequate for the protection of investors and for the maintenance of an orderly operation.	LME Clear provides a high degree of legal certainty for each material aspect of its activities by setting out the rights and obligations of LME Clear and those of its Members in its Rules and Procedures (the Rules). The Rules support and allow LME Clear to conduct such material aspects appropriately and effectively, ensure Members understand the full extent of their obligations when using LMEmercury and clarify the protection provided to investors. Any changes to the Rules are notified to the Bank of England which, when appropriate, will approve the changes. The Rules are publicly disclosed on the LME website.
Financial Markets and Insolvency (Settlement Finality) Regulations 1999 (SFR)	LME Clear is a designated system under the SFR and is required to meet the SFR requirements. In addition, as of 1 January 2021, LME Clear was approved as a third-country system under French law for the purposes of the Settlement Finality Directive.	LME Clear has adopted, as part of its Rules and Procedures, a Settlement Finality Rule (Rule 11) and related Settlement Finality Procedures which define the point at which Transfer Orders take effect and become irrevocable, the finality of instructions as well as the participants in the system. The Rules and Procedures explaining how the system meets the SFR requirements are available on the LME website.
PFMI	LME Clear, as financial market infrastructure, is required to observe the applicable PFMI on an ongoing basis.	LME Clear's approach to observing each applicable PFMI is summarised in its disclosure document, which is available on the LME website. LME Clear reviews its compliance against the applicable PFMI on an annual basis, and performs a full and comprehensive self-assessment on a biennial basis against the PFMI. These assessments are shared with LME Clear's primary regulator, the Bank of England.
Spot Commodity Trading Platform in Mainland China		
The Interim Measures of Shenzhen Municipality for the Supervision and Administration of Trading Venues (Shenzhen Interim Measures)	QME is a spot commodity trading platform in Shenzhen and is required to comply with the applicable rules under the Shenzhen Interim Measures on an ongoing basis.	QME has established relevant operating rules for trading, settlement, delivery and warehouse management, which are published on the QME website. QME conducts a legal and regulatory analysis on a quarterly basis, and performs a self-assessment on an annual basis. The assessment is reported to QME's regulator, Shenzhen Local Financial Administration Bureau.

**Primary Legislation/
Regulations ¹**

Key Scope

Compliance Measures

Operations in Hong Kong, the UK and Mainland China

Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong)	HKEX, SEHK, HKFE, HKSCC, HKCC, and SEOCH are public bodies under the Prevention of Bribery Ordinance and are subject to prohibitions on bribery (under sections 4 to 8) and corrupt transactions with agents (under section 9).	HKEX has adopted the Group Anti-Bribery and Anti-Corruption Policy (“Policy”) to ensure that employees within the Group comply with the HK Prevention of Bribery Ordinance, the UK Bribery Act 2010, and the PRC Criminal Law, where applicable. The Policy has been reviewed annually to ensure that it remains appropriate.
Bribery Act 2010	The Group’s subsidiaries in the UK, persons who are British citizens or who are ordinarily resident in the UK, and any persons who by an act or omission in the UK formed part of the relevant bribery offence are subject to the Bribery Act provisions (under sections 1, 2 and 6). The LME, LME Clear, and any other Group companies carrying on business in the UK are “relevant commercial organisations” for the purposes of section 7 of the Bribery Act 2010.	
Mainland Criminal Law	QME and other Mainland subsidiaries of HKEX are subject to prohibitions on bribery under the Mainland Criminal Law.	
Privacy and Data Protection Laws	The Group is subject to certain privacy and data protection laws, including but not limited to UK and EU General Data Protection Regulation; HK Personal Data (Privacy) Ordinance; Singapore Personal Data Protection Act; and Mainland Personal Information Protection Law.	HKEX has established a Group Data Protection Office and appointed the Group Data Protection Officer as well as a Mainland China representative and an EU representative to take charge of compliance with the relevant privacy and data protection laws and regulations. The Group Privacy Policy has been put in place to ensure that the Group’s approach to privacy risk management reflects the current regulatory position. An internal Privacy Impact Assessment (“PIA”) Policy Guide has also been adopted to ensure that PIAs are conducted when necessary. During 2024, PIAs were conducted for material initiatives and processing activities, including biometric authentication. A cookie management system, accompanied by cookie notice, has been implemented across the HKEX Websites. Work has been ongoing to update consent language across HKEX and prepare separate privacy notices for various divisions covering a variety of processing purposes.

¹ On the corporate level, all of the Group companies comply with the laws of the place in which the companies are incorporated, the Main Board Listing Rules, and the SFO, where they are applicable.

² HKEX’s corporate governance structure is available on the HKEX Group website, and its principal corporate governance practices are set out in the Corporate Governance Report, the Nomination and Governance Committee Report, the Audit Committee Report, the Risk Committee Report, the Remuneration Committee Report, and the Corporate Responsibility Committee Report.

Disclosures related to the Group’s environmental policies and performance, and relationships with major stakeholders are included in the Corporate Responsibility Committee Report.

Major Customers and Suppliers

During the year ended 31 December 2024, the combined value of the Group's contracts with its five largest suppliers, which were not of a capital nature, was less than 30 per cent of the total value of supplies purchased. The Group's five largest customers combined contributed less than 30 per cent of its total revenue and other income during the year ended 31 December 2024.

Results and Appropriations

The Group's results for the year ended 31 December 2024 are set out in the Consolidated Income Statement.

The Board has declared a second interim dividend of \$4.90 per share for 2024 (2023 second interim dividend: \$3.91 per share), which will be payable in cash, to Shareholders whose names appear on HKEX's Register of Members on 17 March 2025.

The 2024 first interim dividend of \$4.36 per share (2023 first interim dividend: \$4.50 per share) was declared by the Board and paid to the Shareholders in cash on 17 September 2024 in the total sum of \$5.5 billion (2023: \$5.7 billion). This included the dividends of \$15 million (2023: \$10 million) paid to shares held in trust under the Share Award Scheme.

Including the first interim dividend, the total dividends for 2024 amount to \$9.26 per share (2023: \$8.41 per share), which represents a payout ratio of 90 per cent (2023: 90 per cent) of the profit attributable to Shareholders, excluding the financial results of HKEX Foundation, for the year ended 31 December 2024. Dividends for shares held in trust under the Share Award Scheme amount to \$34 million (2023: \$23 million). More information about HKEX's dividend policy and the 2024 second interim dividend is set out in note 19 to the Consolidated Financial Statements and the Shareholder Information section of this Annual Report.

Donations

The Group's charitable donations during 2024 amounted to \$87 million (2023: \$95 million). The Group has never made any political donations.

More information about the Group's charitable donations is set out in the Corporate Responsibility Committee Report.

Share Capital

Details of the movements in share capital of the Company during 2024 are set out in note 42 to the Consolidated Financial Statements. No HKEX shares were issued during 2024.

Equity-linked Agreements

No equity-linked agreements were entered into by the Company during 2024 or subsisted at the end of 2024.

Reserves

As at 31 December 2024, HKEX's distributable reserves, calculated under Part 6 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), amounted to \$11.3 billion (31 December 2023: \$8.6 billion).

Details of the movements in the reserves of the Group and HKEX during 2024 are set out in the Consolidated Statement of Changes in Equity and notes 43 to 46 and note 54(a) to the Consolidated Financial Statements.

Purchase, Sale or Redemption of HKEX's Listed Securities

During 2024, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any HKEX shares, except that the trustee of the Share Award Scheme, pursuant to the terms of the rules and trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 1,627,461 HKEX shares at a total consideration of \$481 million.

Directors

The following is the list of Directors during 2024 and up to the date of this report (unless otherwise stated). Brief biographies of the Directors as at the date of this report are set out in the Board of Directors and Senior Management section of this Annual Report. Their interests in HKEX shares are set out in the Corporate Governance Report. Information about Directors' appointments, retirements, and remuneration is set out in the Nomination and Governance Committee Report and the Remuneration Committee Report.

INEDs

Carlson TONG (Chairman) (Appointed as Chairman with effect from 3 May 2024)
Laura May-Lung CHA (ex-Chairman) (Retired on 24 April 2024)
Nicholas Charles ALLEN (Re-elected on 24 April 2024)
Apurv BAGRI
CHAN Kin Por (Appointed on 24 April 2024)
CHEAH Cheng Hye
CHEUNG Ming Ming, Anna (Re-elected on 24 April 2024)
CHIA Pun Kok, Herbert (Appointed on 29 October 2024)
CHOW WOO Mo Fong, Susan (Re-appointed on 24 April 2024)
HUNG Pi Cheng, Benjamin (Retired on 24 April 2024)
LEUNG Nisa Bernice Wing-Yu
LEUNG Pak Hon, Hugo
YAM Chi Kwong, Joseph
YAN King Shun, Peter (Appointed on 24 April 2024 and ceased directorship on 28 October 2024¹)
ZHANG Yichen (Re-elected on 24 April 2024)

Executive Director

CHAN Yiting, Bonnie (Chief Executive) (Appointed on 1 March 2024)
Alejandro Nicolas AGUZIN (ex-Chief Executive) (Ceased directorship on 29 February 2024²)

- 1 Mr Yan resigned as a member of the Board with effect from 29 October 2024, in view of his appointment to the position as Director-General of the Office for Attracting Strategic Enterprises (OASES).
- 2 Mr Aguzin ceased to be an ex-officio member of the Board following his stepping down as Chief Executive of HKEX at the end of February 2024.

The following is the list of directors of HKEX's subsidiaries during 2024 and up to the date of this report (unless otherwise stated).

Alejandro Nicolas AGUZIN ³	FAN Wentao	POON Tim Fung
Nicholas Charles ALLEN ¹	Martin Ernst FRAENKEL ³	Christopher Kevin RIDEOUT ³
BA Shusong	Rafael GIL-TIENDA	SHUM Ka Wing, Richard
Apurv BAGRI ¹	HSU John Qing Qiang	SIN Wan Ni, Winnie
BAO Haijie ³	HUANG Fei	Adam Barclay SINGER ³
Julie Ann CARRUTHERS	Hugh Edward GRAHAM	SO Ying Ying, Glenda
Michael CARTY	HUI Wing Yip	Daniel SONDER
Laura May-Lung CHA	Harriet Anne Rowell HUNNABLE	Antony John STUART
Matthew James CHAMBERLAIN	JI Wencheng	THANG Kai Chi, John ³
CHAN Chung Sze, Vicky	KI Shui Ping	Carlson TONG ¹
CHAN Kin Por ¹	KWOK Hom Siu	Pierre VAREILLE
CHAN Yiting, Bonnie ^{1,2}	LAI Chun Mei	WANG Guiju
Claire Penelope CHAPMAN	LAM Wing Chung, Charles	WANG Haihang
CHEAH Cheng Hye ^{1,3}	LAU Bik Yun, Vanessa ²	WANG Xiaokun ³
CHEN Cong	LAU Hay Tsing ³	David Porter WARREN
CHENG Chui Chui, Sharon	LAU LAW Siu Hung, Monique	John Mackay McCulloch WILLIAMSON
CHEONG Matthew	LEE Chun Kit	Richard Alan WISE ²
CHEUNG Kin Chung	LEUNG Chung Kwong, Richard	YIU Ka Yan, Wilfred ³
CHEUNG Ming Ming, Anna ¹	LEUNG Pik Shan, Maria ³	Craig YOUNG
CHIU Kin Nang	LEUNG Pak Hon, Hugo ¹	YU Weijiang
CHOI Wai Kit	LEUNG Sing Man, Sandra	ZHANG Huizi ³
CHOW Koon Ying	LI Jieyi	ZHANG Ping
CHOW WOO Mo Fong, Susan ¹	MAO Zhirong ³	ZHANG Yichen ¹
CHUEN Wai Lun, Alan	Roger William MCAVOY	ZHOU Jiannan
Anthony William CRAMPTON	NG Chin Hang, Edmund	
Nigel Kenneth DENTOOM	Keith Samuel NOYES	

- 1 Member of the Board as at the date of this report
- 2 Member of Senior Management as at the date of this report
- 3 No longer a director of any subsidiaries of HKEX as at the date of this report

Directors' Interests in Transactions, Arrangements and Contracts

Details of the continuing connected transactions and related party transactions are set out in the Corporate Governance Report and note 50 to the Consolidated Financial Statements.

Notwithstanding the above, no transaction, arrangement, or contract that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a person who at any time in 2024 was a Director or his or her connected entity had, directly or indirectly, a material interest was entered into in 2024 or subsisted at any time during 2024.

Directors' Rights to Acquire Shares or Debentures

Pursuant to the Share Award Scheme, HKEX shares are awarded to the Company's Executive Director. During the period from 1 January to 29 February 2024, Nicolas Aguzin served as the Company's Chief Executive Officer and Executive Director. Bonnie Y Chan was appointed to succeed Mr Aguzin as the Company's Chief Executive Officer and Executive Director with effect from 1 March 2024. Details of the interests of Mr Aguzin and Ms Chan in the Awarded Shares are set out in the Remuneration Committee Report and note 43 to the Consolidated Financial Statements.

Save for the above, neither HKEX nor any of its subsidiary undertakings was a party to any arrangements to enable Directors to acquire benefits by means of the acquisition of shares in, or debentures of, HKEX or any other body corporate at any time during 2024 or at the end of 2024.

Management Contracts

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during 2024.

Permitted Indemnity Provision

Pursuant to HKEX's Articles, subject to the provisions of the statutes, every Director shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses, and liabilities incurred by him or her in the execution and discharge of his or her duties or in relation thereto. The Directors and Officers Liability Insurance (D&O Insurance) undertaken by the Company provides such indemnities to all the directors of the Company and its subsidiaries. The relevant provisions in HKEX's Articles and the D&O Insurance were in force during the financial year ended 31 December 2024 and as at the date of this report.

Auditor

The financial statements for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers (PwC), which retires and, being eligible, offers itself for re-appointment at the 2025 AGM. A resolution to re-appoint PwC as the Group's external auditor and to authorise the Directors to fix its remuneration will be proposed at the 2025 AGM.

In 2024, the Board endorsed the recommendation from the Audit Committee to commence an audit tender for the Group for the year ending 31 December 2026. Selected accounting firms, including HKEX's current auditor, PwC, will be invited to participate in the tender process.

All references above to other sections, reports or notes in this Annual Report form part of this report.

Approved by the Board on 27 February 2025

Carlson TONG

Chairman

Auditor's Report

Independent Auditor's Report to the Members of Hong Kong Exchanges and Clearing Limited

(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The consolidated financial statements of Hong Kong Exchanges and Clearing Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 140 to 230, comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Goodwill impairment assessment
- Control environment supporting key information technology systems

Key Audit Matters (Continued)

Goodwill impairment assessment

Nature of the Key Audit Matter

As at 31 December 2024, the Group has goodwill of HK\$13,297 million arising from various acquisitions. Goodwill of HK\$13,192 million arising from the acquisition of LME Holdings Limited and its subsidiaries (collectively the “LME Group”) is attributable to the Cash Generating Unit (“CGU”) for the “Commodities” segment.

We focused on goodwill arising from the acquisition of the LME Group due to significant judgements applied by management in the goodwill impairment assessment and financial significance.

Goodwill with an indefinite useful life is subject to impairment assessments annually, or more frequently if there is an indication for impairment.

Management performed an impairment assessment over the goodwill by estimating the recoverable amount (being the higher of the fair value less costs of disposal and value-in-use).

The value-in-use calculation for the relevant CGU is determined based on a discounted cash flow model. The model takes into consideration the projected future cash flows of the CGU for the next five years. Significant judgments are required to estimate the value-in-use for the CGU. These include projected revenue and operating expenditure, the growth rate used to project the cash flows beyond the 5-year period (“terminal growth rate”) and the discount rate applied to convert the future cash flows to their present values (“discount rate”).

Based on the impairment assessment, management concluded that there is no impairment in respect of the goodwill allocated to the Commodities segment.

The significant assumptions are disclosed in note 30 to the consolidated financial statements.

How our audit addressed the Key Audit Matter

Our procedures to evaluate the Group’s goodwill impairment assessment included the following:

1. Understanding of management’s process for performing the goodwill impairment assessment and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias;
2. Assessing the appropriateness of the discounted cash flow model used;
3. Assessing the reasonableness of projected revenue and operating expenditure assumptions used to estimate the future cash flows of the CGU for the next five years against approved budgets, forecasts, future business plans and correlations with trading and clearing volumes;
4. Assessing the reliability of management’s projections by comparing budgets against actual results achieved in prior years;
5. Assessing the reasonableness of other significant assumptions being the terminal growth rate and the discount rate used in estimating value-in-use based on independent market data with the involvement of our valuation expert; and
6. Independently performing sensitivity analysis on the significant assumptions and evaluating the impact that reasonably possible changes could have on management’s goodwill impairment assessment.

Based on available evidence, we found the significant assumptions management adopted in relation to the goodwill impairment assessment to be supportable.

Key Audit Matters (Continued)

Control environment supporting key information technology systems

Nature of the Key Audit Matter

The Group operates securities and derivatives trading, clearing and settlement systems, which process significant volumes of transactions and market data. Trading, clearing and settlement fees, and depository, custody and nominee services fees generated from these transactions accounted for the majority of the Group's revenue. The completeness and accuracy of the fee revenue recognised rely heavily on the information technology ("IT") systems processing those transactions and data.

Key systems and related key controls are put in place by management over the data capture, processing and reporting of fee revenue. These include the core trading, clearing and settlement systems that capture and process transactions generating fee revenue and the financial accounting and reporting systems ("key systems").

As part of our audit, we focused on these key systems as the fee revenue reported in the Group's financial statements is highly dependent on (i) the proper functioning of these key systems, and (ii) the design and operating effectiveness of automated application controls and underlying IT general controls (including controls over cybersecurity) put in place by management. Such automated application controls include system logical access controls and controls over system automated calculations, system generated information and system interfaces. IT general controls include controls over access to programs and data, program changes, computer operations and program development.

How our audit addressed the Key Audit Matter

As part of our audit, we obtained an understanding of the end-to-end processes of the key systems that capture and process transactions generating fee revenue and their reporting in the Group's financial statements. Based on this understanding, we identified and evaluated the design of the key business process controls, including both manual and automated application controls, as well as the underlying IT general controls governing the associated IT systems and processes that we relied on in our audit.

Our audit procedures over the revenue streams that have a high dependency on IT systems included the following:

1. Assessing the control environment (including the IT governance framework, cybersecurity and IT incident management and IT general controls over the key systems) that support the processing of transactions to evaluate whether the system functionality, data and controls could be relied on throughout the audit. Our testing of IT general controls covered the design and operating effectiveness of controls over access to programs and data, program changes, computer operations and program development; and
2. Testing relevant key automated application controls over the capture, processing and reporting of transactions. Our procedures included the testing of controls over system logical access, system automated calculations, system generated information and system interfaces.

Based on the procedures performed, we considered that the control environment supporting the relevant IT systems maintained by the Group can be relied on for the purpose of our audit of revenue.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee of the Group assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Peter Po-ting Li.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 27 February 2025

Consolidated Income Statement

For the year ended 31 December 2024

	Note	2024 \$m	2023 \$m
Trading fees and trading tariffs	5(a)	7,189	6,081
Clearing and settlement fees		4,717	3,885
Stock Exchange listing fees	5(b)	1,484	1,523
Depository, custody and nominee services fees		1,146	1,276
Market data fees		1,086	1,098
Other revenue	5(c)	1,724	1,582
Revenue	5	17,346	15,445
Investment income		10,755	10,972
Interest rebates to Participants		(5,828)	(6,013)
Net investment income	6	4,927	4,959
Donation income of HKEX Foundation	7	67	88
Sundry income	8	34	24
Revenue and other income		22,374	20,516
Less: Transaction-related expenses	9	(332)	(247)
Revenue and other income less transaction-related expenses		22,042	20,269
Operating expenses			
Staff costs and related expenses	10	(3,886)	(3,564)
Information technology and computer maintenance expenses	11	(882)	(814)
Premises expenses		(138)	(134)
Product marketing and promotion expenses		(126)	(135)
Professional fees		(199)	(289)
HKEX Foundation charitable donations		(86)	(94)
Other operating expenses	12	(444)	(411)
		(5,761)	(5,441)
EBITDA (non-HKFRS measure)		16,281	14,828
Depreciation and amortisation		(1,402)	(1,443)
Operating profit	13	14,879	13,385
Finance costs	14	(114)	(135)
Share of profits of joint ventures		88	82
Profit before taxation		14,853	13,332
Taxation	17	(1,698)	(1,351)
Profit for the year		13,155	11,981
Profit attributable to:			
Shareholders of HKEX	46	13,050	11,862
Non-controlling interests	28(a)(i)	105	119
Profit for the year		13,155	11,981
Basic earnings per share	18(a)	\$10.32	\$9.37
Diluted earnings per share	18(b)	\$10.29	\$9.36

The notes on pages 145 to 230 are an integral part of these consolidated financial statements.

Details of dividends are set out in note 19 to the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	2024 \$m	2023 \$m
Profit for the year		13,155	11,981
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences of foreign subsidiaries		(107)	(16)
Cash flow hedges, net of tax	44(a)	(48)	(7)
Financial assets measured at fair value through other comprehensive income:			
– Changes in fair value, net of tax		79	129
– Loss on disposal reclassified to profit or loss, net of tax		48	–
Other comprehensive (loss)/income		(28)	106
Total comprehensive income		13,127	12,087
Total comprehensive income attributable to:			
Shareholders of HKEX		13,024	11,971
Non-controlling interests		103	116
Total comprehensive income		13,127	12,087

The notes on pages 145 to 230 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December 2024

	Note	At 31 Dec 2024			At 31 Dec 2023		
		Current \$m	Non-current \$m	Total \$m	Current \$m	Non-current \$m	Total \$m
Assets							
Cash and cash equivalents	20,21	134,365	–	134,365	125,107	–	125,107
Financial assets measured at fair value through profit or loss	20,22	6,901	657	7,558	6,357	604	6,961
Financial assets measured at fair value through other comprehensive income	20,23	47,562	3,142	50,704	18,250	–	18,250
Financial assets measured at amortised cost	20,24	42,082	1,528	43,610	74,984	1,665	76,649
Derivative financial instruments	26	67,747	–	67,747	58,127	–	58,127
Accounts receivable, prepayments and deposits	27	54,478	19	54,497	33,313	19	33,332
Tax recoverable		441	–	441	64	–	64
Interests in joint ventures	29	–	415	415	–	352	352
Goodwill and other intangible assets	30	–	19,605	19,605	–	19,279	19,279
Fixed assets	31	–	1,504	1,504	–	1,553	1,553
Right-of-use assets	32	–	1,174	1,174	–	1,484	1,484
Deferred tax assets	41(c)	–	9	9	–	21	21
Total assets		353,576	28,053	381,629	316,202	24,977	341,179
Liabilities and equity							
Liabilities							
Derivative financial instruments	26	67,863	–	67,863	58,100	–	58,100
Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants	20,33	188,857	–	188,857	176,165	–	176,165
Accounts payable, accruals and other liabilities	34	37,584	–	37,584	27,849	–	27,849
Deferred revenue	35	1,037	319	1,356	1,060	307	1,367
Taxation payable		1,321	–	1,321	639	–	639
Other financial liabilities	36	33	–	33	29	–	29
Participants' contributions to Clearing House Funds	20,37	27,124	–	27,124	21,955	–	21,955
Lease liabilities	38	260	1,034	1,294	270	1,334	1,604
Borrowings	39	382	70	452	382	65	447
Provisions	40	64	123	187	62	113	175
Deferred tax liabilities	41(c)	–	1,151	1,151	–	1,053	1,053
Total liabilities		324,525	2,697	327,222	286,511	2,872	289,383
Equity							
Share capital	42			31,955			31,946
Shares held for Share Award Scheme	42			(1,125)			(1,009)
Employee share-based compensation reserve	43			414			373
Hedging and revaluation reserves	44			(65)			(144)
Exchange reserve				(273)			(168)
Designated reserves	45			1,451			1,018
Reserve relating to written put options to non-controlling interests				(395)			(395)
Retained earnings	46			21,890			19,723
Equity attributable to shareholders of HKEX				53,852			51,344
Non-controlling interests	28(a)(i)			555			452
Total equity				54,407			51,796
Total liabilities and equity				381,629			341,179
Net current assets				29,051			29,691

The notes on pages 145 to 230 are an integral part of these consolidated financial statements.

Approved by the Board of Directors on 27 February 2025

Carlson TONG

Director

Bonnie Y CHAN

Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to shareholders of HKEX									
	Share capital and shares held for Share Award Scheme (note 42) \$m	Employee share-based compensation reserve (note 43) \$m	Hedging and revaluation reserves (note 44) \$m	Exchange reserve \$m	Designated reserves (note 45) \$m	Reserve relating to written put options to non-controlling interests \$m	Retained earnings (note 46) \$m	Total \$m	Non-controlling interests \$m	Total equity \$m
At 1 Jan 2023	31,000	346	(266)	(155)	686	(430)	18,547	49,728	371	50,099
Profit for the year	-	-	-	-	-	-	11,862	11,862	119	11,981
Other comprehensive income/(loss)	-	-	122	(13)	-	-	-	109	(3)	106
Total comprehensive income	-	-	122	(13)	-	-	11,862	11,971	116	12,087
Total transactions with shareholders of HKEX, recognised directly in equity:										
- 2022 second interim dividend at \$3.69 per share	-	-	-	-	-	-	(4,669)	(4,669)	-	(4,669)
- 2023 first interim dividend at \$4.50 per share	-	-	-	-	-	-	(5,695)	(5,695)	-	(5,695)
- Unclaimed HKEX dividends forfeited (note 34(a))	-	-	-	-	-	-	23	23	-	23
- Shares purchased for Share Award Scheme	(448)	-	-	-	-	-	-	(448)	-	(448)
- Vesting of shares of Share Award Scheme	385	(372)	-	-	-	-	(13)	-	-	-
- Employee share-based compensation benefits	-	399	-	-	-	-	-	399	-	399
- Transfer of reserves	-	-	-	-	332	-	(332)	-	-	-
- Redemption of written put options exercised by non-controlling interests	-	-	-	-	-	35	-	35	(35)	-
	(63)	27	-	-	332	35	(10,686)	(10,355)	(35)	(10,390)
At 31 Dec 2023	30,937	373	(144)	(168)	1,018	(395)	19,723	51,344	452	51,796
At 1 Jan 2024	30,937	373	(144)	(168)	1,018	(395)	19,723	51,344	452	51,796
Profit for the year	-	-	-	-	-	-	13,050	13,050	105	13,155
Other comprehensive income/(loss)	-	-	79	(105)	-	-	-	(26)	(2)	(28)
Total comprehensive income	-	-	79	(105)	-	-	13,050	13,024	103	13,127
Total transactions with shareholders of HKEX, recognised directly in equity:										
- 2023 second interim dividend at \$3.91 per share	-	-	-	-	-	-	(4,944)	(4,944)	-	(4,944)
- 2024 first interim dividend at \$4.36 per share	-	-	-	-	-	-	(5,513)	(5,513)	-	(5,513)
- Unclaimed HKEX dividends forfeited (note 34(a))	-	-	-	-	-	-	32	32	-	32
- Shares purchased for Share Award Scheme	(481)	-	-	-	-	-	-	(481)	-	(481)
- Vesting of shares of Share Award Scheme	374	(349)	-	-	-	-	(25)	-	-	-
- Employee share-based compensation benefits	-	390	-	-	-	-	-	390	-	390
- Transfer of reserves	-	-	-	-	433	-	(433)	-	-	-
	(107)	41	-	-	433	-	(10,883)	(10,516)	-	(10,516)
At 31 Dec 2024	30,830	414	(65)	(273)	1,451	(395)	21,890	53,852	555	54,407

The notes on pages 145 to 230 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 \$m	2023 \$m
Cash flows from principal operating activities			
Net cash inflow from principal operating activities (non-HKFRS measure)	47(a)	12,783	11,294
Cash flows from other operating activities			
Net (payments to)/redemption from external fund managers for (purchases)/sales of financial assets measured at fair value through profit or loss		(9)	206
Net cash inflow from operating activities		12,774	11,500
Cash flows from investing activities			
Payments for purchases of fixed assets and intangible assets		(1,604)	(1,386)
Net decrease/(increase) in financial assets of Corporate Funds:			
Decrease/(increase) in time deposits with original maturities more than three months		11,034	(4,810)
Increase in debt securities with remaining maturities within twelve months upon acquisition (short-term debt securities)		(4,173)	-
Proceeds received upon maturity of debt securities with remaining maturities more than twelve months upon acquisition (long-term debt securities)		-	502
Payments for purchases of long-term debt securities		(3,055)	(1,460)
Interest received from long-term debt securities		967	843
Dividend received from a joint venture		25	21
Net cash inflow/(outflow) from investing activities		3,194	(6,290)
Cash flows from financing activities			
Purchases of shares for Share Award Scheme		(481)	(448)
Payments of other finance costs		(54)	(69)
Dividends paid to shareholders of HKEX		(10,416)	(10,316)
Lease payments	47(b),47(c)		
– Capital elements		(255)	(307)
– Interest elements		(55)	(59)
Payment for written put options exercised by non-controlling interests	39	-	(51)
Net cash outflow from financing activities		(11,261)	(11,250)
Net increase/(decrease) in cash and cash equivalents		4,707	(6,040)
Cash and cash equivalents at 1 Jan		9,212	15,258
Exchange differences on cash and cash equivalents		(9)	(6)
Cash and cash equivalents at 31 Dec		13,910	9,212
Analysis of cash and cash equivalents			
Cash, bank balances and short-term investments of Corporate Funds	21	15,045	10,286
Less: Cash reserved for supporting Skin-in-the-Game and default fund credits of clearing houses	21(b)	(1,135)	(1,074)
		13,910	9,212

The notes on pages 145 to 230 are an integral part of these consolidated financial statements.

- (a) “Cash flows from principal operating activities” is a non-Hong Kong Financial Reporting Standard (non-HKFRS) measure used by management for monitoring cash flows of the Group (defined in note 1) and represents the cash flows generated from the trading and clearing operations of the four exchanges and five clearing houses and ancillary services of the Group. This non-HKFRS measure may not be comparable to similar measures presented by other companies. Cash flows from principal operating activities and cash flows from other operating activities together represent cash flows from operating activities as defined by Hong Kong Accounting Standard (HKAS) 7 Statement of Cash Flows.

Notes to the Consolidated Financial Statements

1. General Information

Hong Kong Exchanges and Clearing Limited (HKEX or the Company) and its subsidiaries (collectively, the Group) own and operate the only stock exchange and futures exchange in Hong Kong and their related clearing houses, a clearing house for clearing over-the-counter derivatives contracts in Hong Kong, an exchange and a clearing house for the trading and clearing of base and ferrous metals futures and options contracts operating in the United Kingdom (UK), and a commodity trading platform in the Mainland.

HKEX is a limited company incorporated and domiciled in Hong Kong. The address of its registered office is 8th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

These consolidated financial statements were approved for issue by the Board of Directors (Board) on 27 February 2025.

2. Material Accounting Policies

Apart from the accounting policies presented within the corresponding notes to the consolidated financial statements, other material accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board Listing Rules) and the applicable requirements of the Hong Kong Companies Ordinance (Chapter 622).

(b) Basis of preparation

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries and the Group's interests in joint ventures.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities measured at fair value.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates, and requires management to exercise its judgement when applying the Group's accounting policies. Areas involving significant estimates and judgement are disclosed in note 3.

These consolidated financial statements are presented in Hong Kong Dollar (HKD), which is the Company's functional and presentation currency.

2. Material Accounting Policies (continued)

(b) Basis of preparation (continued)

Adoption of new/revised HKFRSs

In 2024, the Group has adopted the following amendments to HKFRSs which are pertinent to the Group's operations and effective for accounting periods beginning on or after 1 January 2024:

Amendments to HKAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Presentation of Financial Statements: Non-current Liabilities with Covenants

The adoption of these amendments to HKFRSs did not have any material impact on the Group during the year ended 31 December 2024.

New/revised HKFRSs issued before 31 December 2024 but not yet effective and not early adopted

The Group has not applied the following new/revised HKFRSs which were issued before 31 December 2024 and are pertinent to its operations but not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 7 and HKFRS 9	Amendments to the Classification and Measurement of Financial Instruments ¹
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

1 Effective for accounting periods beginning on or after 1 January 2026

2 Effective for accounting periods beginning on or after 1 January 2027

The adoption of HKFRS 19, Amendments to HKFRS 7 and HKFRS 9 and Annual Improvements to HKFRS Accounting Standards – Volume 11 would not have any material impact on the Group.

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of financial performance of similar entities and provide more relevant information and transparency to users. These include:

- (i) all income and expenses in the consolidated income statement are required to be classified into one of the five categories, namely operating, investing, financing, income taxes, and discontinued operations;
- (ii) two newly-defined subtotals “operating profit” and “profit before financing and income taxes” are required to be presented in the consolidated income statement to increase comparability;
- (iii) management-defined performance measures (MPMs), which are often non-HKFRS measures (e.g., EBITDA), are required to be disclosed in a single note in the consolidated financial statements;
- (iv) enhanced guidance on the principles of aggregation and disaggregation of information is provided; and
- (v) operating profit subtotal is required to be used as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method, and each of interest income, interest expense and dividend income should be classified under a single category.

2. Material Accounting Policies (continued)

(b) Basis of preparation (continued)

New/revised HKFRSs issued before 31 December 2024 but not yet effective and not early adopted (continued)

The adoption of HKFRS 18 would not have any impact on the Group's profit attributable to shareholders. The Group is still in the process of assessing the impact of HKFRS 18 on the Group's consolidated financial statements, particularly with respect to the categorisation of income and expenses in the Group's consolidated income statement, the structure of the Group's consolidated income statement and consolidated statement of cash flows, and the additional disclosure required for MPMs.

There are no other new/revised HKFRSs not yet effective that are expected to have any material impact on the Group.

(c) Impairment of non-financial assets

Assets with an indefinite useful life, which include interests in joint ventures, goodwill and tradenames, are not subject to amortisation but are tested at least annually for impairment. Assets subject to amortisation are reviewed for impairment whenever there is any indication that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (i.e., the higher of an asset's fair value less costs to sell and value-in-use). Such impairment losses are recognised in the consolidated income statement. An impairment loss other than goodwill is reversed if the circumstances and events leading to the impairment cease to exist.

3. Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions concerning the future when the consolidated financial statements are prepared. The resulting accounting estimates may differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Goodwill and tradenames

The Group tests annually whether goodwill and tradenames have suffered any impairment in accordance with the accounting policy stated in note 30.

The recoverable amounts of relevant cash generating units (CGUs) and relevant group of CGUs have been determined based on value-in-use calculations, which are disclosed in note 30. These calculations require the use of estimates and significant judgement by management, including the future cash flows expected to arise from the CGUs, discount rates for calculating the present value and growth rates used to extrapolate cash flow projections beyond the financial forecasts approved by management.

Changes in facts and circumstances may result in revisions to estimates of recoverable amounts and to the conclusion as to whether an indication of impairment exists, which could affect the consolidated income statement in future years.

3. Critical Accounting Estimates and Assumptions (continued)

(b) Valuation of investments

The Group has a significant amount of investments that are not classified as Level 1 investments under HKFRS 13: Fair Value Measurement. Except for investments in minority stakes in unlisted companies which are valued by market-based approach (note 53(d)(i)), the valuations have been determined based on quotes from market makers, alternative pricing sources supported by observable inputs, latest transaction prices or redemption prices provided by fund administrators of investment funds.

At 31 December 2024, the financial assets that were not classified as Level 1 investments (excluding derivative financial instruments) under HKFRS 13 amounted to \$29,095 million (31 December 2023: \$8,045 million) which mainly comprised \$5,026 million (31 December 2023: \$5,698 million) of investments under investment funds and \$23,740 million (31 December 2023: \$1,954 million) of debt securities.

As the valuation of investments reflects movements in their estimated fair values, fair value gains or losses may fluctuate or reverse until the investments are sold, mature or are realised upon redemption. The potential impact of the fair value change of such investments on the Group's consolidated income statement and other components of equity is disclosed in note 53(a)(iv).

(c) Income taxes

The Group is subject to income taxes in the countries in which the Group operates. Judgement is required in determining the provision for income taxes and deferred taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for potential tax exposures based on its estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the year in which such determination is made.

Since the launch of Stock Connect in 2014, Northbound trading, clearing and portfolio fees (NB Fees) have been reported by the Group's subsidiaries as offshore sourced and non-taxable, whereas the related expenses are reported as non-deductible. As at 31 December 2024, the Inland Revenue Department of Hong Kong (IRD) has issued notices of additional assessments to two subsidiaries in connection with the offshore claim of the NB Fees amounting to \$255 million (31 December 2023: \$16 million).

After consultation with tax advisor, the subsidiaries have lodged objections and have applied to hold over the additional tax demanded. The IRD has agreed to holdover the additional tax demanded subject to the purchase of tax reserve certificates (TRCs). The purchase of TRCs does not prejudice the subsidiaries' tax positions. No additional tax provision has been made during the year in respect of the above additional assessments as the subsidiaries consider that the amounts are recoverable.

The subsidiaries have purchased tax reserve certificates of \$255 million (31 December 2023: \$16 million) and the amount is recorded under tax recoverable on the consolidated statement of financial position.

If the actual taxation charge differs from management's estimates, the additional tax payment made of \$255 million (31 December 2023: \$16 million) will be charged to the consolidated income statement in future years.

4. Operating Segments

Accounting Policy

Operating segments are reported in a manner consistent with the internal management reports that are used to make strategic decisions provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, is the Chief Executive Officer of HKEX. Information relating to segment assets and liabilities is not disclosed as such information is not regularly reported to the chief operating decision-maker.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Taxation charge/credit is not allocated to reportable segments.

The operations in each of the Group's reportable segments are as follows:

The **Cash** segment covers all equity products traded on the Cash Market platforms of The Stock Exchange of Hong Kong Limited (Stock Exchange) and those traded through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (Stock Connect); the clearing, settlement and custodian activities relating to these products and any other related activities. The major sources of revenue of the segment are trading fees, clearing and settlement fees, listing fees, depository, custody and nominee services fees and net investment income earned on the Margin Funds and Clearing House Funds relating to these products.

The **Equity and Financial Derivatives** segment refers to derivatives products traded on the Stock Exchange and Hong Kong Futures Exchange Limited (Futures Exchange); the clearing, settlement and custodian activities relating to these products and over-the-counter (OTC) derivatives contracts and other related activities. These include the provision and maintenance of trading and clearing platforms for a range of equity and financial derivatives products, such as stock and equity index futures and options, derivative warrants (DWs), callable bull/bear contracts (CBBCs) and warrants, and OTC derivatives contracts. The major sources of revenue are trading fees and trading tariffs, clearing and settlement fees, listing fees, depository, custody and nominee services fees and net investment income earned on the Margin Funds and Clearing House Funds relating to these products.

The **Commodities** segment refers to the operations of The London Metal Exchange (LME), which operates a global exchange in the UK, for the trading of base and ferrous metals futures and options contracts and the operations of its clearing house, LME Clear Limited (LME Clear). It also covers the operations of Qianhai Mercantile Exchange Co., Ltd. (QME), the commodity trading platform in Mainland China, and the commodities contracts traded on the Futures Exchange. The major sources of revenue of the segment are trading fees and clearing and settlement fees of commodity products, commodity market data fees, net investment income earned on the Margin Funds and Clearing House Funds relating to these products, and fees for ancillary operations.

The **Data and Connectivity** segment covers sales of market data relating to the Hong Kong Cash and Derivatives Markets, all services in connection with providing users with access to the platform and infrastructure of the Group and services provided by BayConnect Technology Company Limited (BayConnect). Its major sources of revenue are market data fees, network, terminal user, data line and software sub-license fees and hosting services fees.

"Corporate Items" is not a business segment but comprises central income (including net investment income of Corporate Funds and donation income of HKEX Foundation Limited (HKEX Foundation)) and central costs (including costs of central support functions that provide services to all operating segments, HKEX Foundation charitable donations and other costs not directly related to any operating segments).

4. Operating Segments (continued)

The chief operating decision-maker assesses the performance of the operating segments principally based on their EBITDA (defined below).

EBITDA is defined as earnings before interest expenses and other finance costs, taxation, depreciation and amortisation. It excludes the Group's share of results of the joint ventures and other non-recurring costs. EBITDA is a non-HKFRS measure used by management for monitoring business performance. It may not be comparable to similar measures presented by other companies.

An analysis by operating segment of the Group's EBITDA, profit before taxation and other selected financial information (including analysis of revenue by timing of revenue recognition) for the year, is set out as follows:

	2024					
	Cash \$m	Equity and Financial Derivatives \$m	Commodities \$m	Data and Connectivity \$m	Corporate Items \$m	Group \$m
Timing of revenue recognition:						
Point in time	7,696	2,870	2,176	110	12	12,864
Over time	1,424	653	386	2,012	7	4,482
Revenue	9,120	3,523	2,562	2,122	19	17,346
Net investment income	287	2,680	212	–	1,748	4,927
Donation income of HKEX Foundation	–	–	–	–	67	67
Sundry income	15	1	14	4	–	34
Revenue and other income	9,422	6,204	2,788	2,126	1,834	22,374
Less: Transaction-related expenses	(9)	(323)	–	–	–	(332)
Revenue and other income less transaction-related expenses	9,413	5,881	2,788	2,126	1,834	22,042
Operating expenses						
Staff costs and related expenses	(983)	(610)	(736)	(216)	(1,341)	(3,886)
Others	(261)	(281)	(478)	(218)	(637)	(1,875)
	(1,244)	(891)	(1,214)	(434)	(1,978)	(5,761)
Reportable segment EBITDA (non-HKFRS measure)	8,169	4,990	1,574	1,692	(144)	16,281
Depreciation and amortisation	(440)	(230)	(323)	(133)	(276)	(1,402)
Finance costs	(32)	(31)	(4)	(2)	(45)	(114)
Share of profits of joint ventures	86	2	–	–	–	88
Reportable segment profit before taxation	7,783	4,731	1,247	1,557	(465)	14,853
Other segment information:						
Interest income	397	4,668	4,107	–	1,393	10,565
Interest rebates to Participants	(110)	(1,823)	(3,895)	–	–	(5,828)
Other material non-cash item:						
Employee share-based compensation expenses	(92)	(70)	(34)	(16)	(178)	(390)

4. Operating Segments (continued)

2023						
	Cash \$m	Equity and Financial Derivatives \$m	Commodities \$m	Data and Connectivity \$m	Corporate Items \$m	Group \$m
Timing of revenue recognition:						
Point in time	6,488	2,760	1,636	104	7	10,995
Over time	1,425	692	362	1,963	8	4,450
Revenue	7,913	3,452	1,998	2,067	15	15,445
Net investment income	232	3,050	190	–	1,487	4,959
Donation income of HKEX Foundation	–	–	–	–	88	88
Sundry income	19	–	–	6	(1)	24
Revenue and other income	8,164	6,502	2,188	2,073	1,589	20,516
Less: Transaction-related expenses	(10)	(237)	–	–	–	(247)
Revenue and other income less transaction-related expenses	8,154	6,265	2,188	2,073	1,589	20,269
Operating expenses						
Staff costs and related expenses	(888)	(567)	(625)	(231)	(1,253)	(3,564)
Others	(239)	(295)	(583)	(207)	(553)	(1,877)
	(1,127)	(862)	(1,208)	(438)	(1,806)	(5,441)
Reportable segment EBITDA (non-HKFRS measure)	7,027	5,403	980	1,635	(217)	14,828
Depreciation and amortisation	(372)	(252)	(331)	(149)	(339)	(1,443)
Finance costs	(33)	(44)	(5)	(2)	(51)	(135)
Share of profits of joint ventures	80	2	–	–	–	82
Reportable segment profit before taxation	6,702	5,109	644	1,484	(607)	13,332
Other segment information:						
Interest income	326	4,807	4,403	–	1,305	10,841
Interest rebates to Participants	(94)	(1,706)	(4,213)	–	–	(6,013)
Other material non-cash item:						
Employee share-based compensation expenses	(89)	(58)	(35)	(25)	(192)	(399)

(a) Geographical information

The Group's revenue is derived from its operations in Hong Kong, the UK and Mainland China. Such information and the Group's non-current assets (excluding financial assets and deferred tax assets) by geographical location are detailed below:

	Revenue		Non-current assets	
	2024 \$m	2023 \$m	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Hong Kong (place of domicile)	14,666	13,320	4,760	4,949
United Kingdom	2,597	2,033	17,739	17,515
Mainland China	83	92	216	221
Others	–	–	2	2
	17,346	15,445	22,717	22,687

(b) Information about major customers

In 2024 and 2023, the revenue from the Group's largest customer amounted to less than 10 per cent of the Group's total revenue.

5. Revenue

Accounting Policy

Revenue excludes value added tax or other sales tax, and is recognised in the consolidated income statement on the following basis:

Trading fees and trading tariffs are recognised on a trade date basis.

Stock Exchange listing fees mainly comprise annual listing fees and initial listing fees. Annual listing fees are recognised on a straight-line basis over the period covered. Initial listing fees are recognised over time when the services are transferred to the listed companies or issuers of warrants, CBBCs and other securities.

Clearing and settlement fees arising from trades between Participants transacted on the Stock Exchange are recognised on the day following the trade day upon acceptance of the trades. Fees for clearing and settlement of trades transacted on the Shanghai Stock Exchange and Shenzhen Stock Exchange through Stock Connect (A-shares) are recognised on the trade day upon acceptance of the trades. Fees for clearing and settlement of trades in respect of base and ferrous metals futures and options contracts transacted on the LME are recognised on the trade match day. Fees for all other settlement transactions are recognised upon completion of the settlement.

Custody fees for securities held in the Central Clearing and Settlement System (CCASS) depository are calculated and accrued on a monthly basis. Portfolio fees for A-shares held or recorded in the CCASS depository, and portfolio fees for Hong Kong securities held by China Depository and Clearing Corporation Limited (ChinaClear) are calculated and accrued on a daily basis.

Income on registration and transfer fees for nominee services are calculated and accrued on the book close dates of the relevant stocks during the financial year.

Market data fees and other fees are recognised when the related services are rendered.

(a) Trading Fees and Trading Tariffs

	2024 \$m	2023 \$m
Equity securities traded on the Stock Exchange and through Stock Connect	3,423	2,769
DWs, CBBCs and warrants traded on the Stock Exchange	438	424
Futures and options contracts traded on the Stock Exchange and the Futures Exchange	1,916	1,822
Commodities contracts traded on the LME and QME	1,412	1,066
	7,189	6,081

5. Revenue (continued)

(b) Stock Exchange Listing Fees

	2024				2023			
	Equity		CBBCs, DWs & others	Total	Equity		CBBCs, DWs & others	Total
	Main Board	GEM			Main Board	GEM		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Annual listing fees	684	43	3	730	689	43	4	736
Initial and subsequent issue listing fees	135	4	610	749	147	7	628	782
Other listing fees	4	1	–	5	4	1	–	5
	823	48	613	1,484	840	51	632	1,523

(c) Other Revenue

	2024 \$m	2023 \$m
Network, terminal user, data line and software sub-license fees	826	788
Hosting services fees	391	350
Commodities stock levies and warehouse listing fees	67	39
Participants' subscription and application fees	84	76
Accommodation income (note (i))	67	80
Conversion agency fees	90	72
Sales of Trading Rights	8	12
LME financial over-the-counter booking fees	70	39
BayConnect sales and service revenue	82	88
Miscellaneous revenue	39	38
	1,724	1,582

(i) Accommodation income mainly comprises charges on Participants for depositing securities as alternatives to cash deposits of Margin Funds, or depositing currencies whose relevant bank deposit rates are negative, and charges imposed on Participants of LME Clear for cash collateral where the investment return on the collateral is below the benchmarked interest rates stipulated in the clearing rules of LME Clear.

(d) Revenue recognised in 2024 that was included in the deferred revenue balance at the beginning of the year amounted to \$1,060 million (2023: \$1,076 million).

6. Net Investment Income

Accounting Policy

Interest income on financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income, and interest rebates payable to Participants are recognised on a time apportionment basis using the effective interest method.

Gains and losses arising from changes in fair value of financial assets measured at fair value through profit or loss and derivative financial instruments are included under net investment income in the consolidated income statement.

On disposal of financial assets measured at fair value through other comprehensive income, any related balance within the revaluation reserve is reclassified to the consolidated income statement and included under net investment income.

	2024 \$m	2023 \$m
Gross interest income from financial assets measured at amortised cost	8,774	10,035
Gross interest income from financial assets measured at fair value through other comprehensive income	1,791	806
Interest rebates to Participants	(5,828)	(6,013)
Net interest income	4,737	4,828
Net losses on disposal of financial assets measured at fair value through other comprehensive income	(54)	–
Net gains/(losses) on financial assets mandatorily measured at fair value through profit or loss and derivative financial instruments:		
– investment funds	447	421
– other unlisted investments (note 53(d)(ii))	(62)	(253)
– foreign exchange swaps (notes (a) and 26(c))	(121)	(48)
	264	120
Others	(20)	11
Net investment income	4,927	4,959

- (a) As part of the Group's investment strategy, the Group enters into foreign exchange swaps for optimising foreign currency cash flows and yield enhancement while hedging the overall foreign exchange exposures.

During the year ended 31 December 2024, there was a net loss on foreign exchange swaps of \$121 million (2023: \$48 million). Such loss was more than offset by higher interest income generated, as well as savings in negative interest on Japanese Yen deposits.

7. Donation Income of HKEX Foundation

Accounting Policy

HKEX Foundation Limited is a charitable foundation controlled by HKEX (note 28(b)).

Donation income of HKEX Foundation is recognised when the right to receive such donation is established.

	2024 \$m	2023 \$m
Stock Code Balloting Scheme	66	87
Others	1	1
	67	88

- (a) The amount excludes \$23 million (2023: \$25 million) donation received from HKEX, which has been eliminated on consolidation.

8. Sundry Income

	2024 \$m	2023 \$m
Forfeiture of unclaimed dividends (note (a))	15	19
Others	19	5
	34	24

- (a) In accordance with CCASS Rule 1109, the Group exercised its forfeiture right to appropriate cash dividends of \$15 million (2023: \$19 million) held by HKSCC Nominees Limited, which had remained unclaimed for a period of more than seven years and recognised these as sundry income. The Group has, however, undertaken to honour all forfeited claims amounting to \$271 million at 31 December 2024 (31 December 2023: \$257 million) if adequate proof of entitlement is provided by the beneficial owner claiming any dividends forfeited.

9. Transaction-related Expenses

Accounting Policy

Transaction-related expenses comprise of license fees, bank charges and other costs which directly vary with trading and clearing transactions. They are presented below Revenue and other income to reflect the nature of such direct costs. They are expensed in the period in which they are incurred.

10. Staff Costs and Related Expenses

	2024 \$m	2023 \$m
Salaries and other short-term employee benefits	3,191	2,923
Employee share-based compensation benefits of Share Award Scheme (note 43)	390	399
Termination benefits	63	21
Retirement benefit costs (note (a)):		
– ORSO Plan	186	171
– MPF Scheme	4	4
– LME Pension Scheme	40	35
– PRC Retirement Schemes	11	10
– Other contribution plans	1	1
	3,886	3,564

(a) Retirement Benefit Costs

The Group has sponsored a defined contribution provident fund scheme (ORSO Plan) which is registered under the Occupational Retirement Schemes Ordinance (ORSO) and a Mandatory Provident Fund scheme (MPF Scheme) for the benefits of its employees in Hong Kong. The Group contributes 12.5 per cent of the employee's basic salary to the ORSO Plan if an employee contributes 5 per cent. If the employee chooses not to contribute, the Group will contribute 10 per cent of the employee's salary to the ORSO Plan. Contributions to the MPF Scheme are in accordance with the statutory limits prescribed by the MPF Ordinance. Forfeited contributions of the ORSO Plan for employees who leave before the contributions are fully vested are not used to offset existing contributions but are credited to a reserve account of that Plan, and are available for distribution to the members of the Plan at the discretion of the trustees.

For employees of LME and LME Clear, the Group has also sponsored a defined contribution pension scheme (LME Savings Plan). For employees who joined LME and LME Clear before 1 May 2014, the Group contributes 15 per cent to 17 per cent of the employee's basic salary to the LME Savings Plan. For employees who joined the LME and LME Clear on or after 1 May 2014, they are automatically enrolled into the LME Savings Plan on a matched contribution basis and may choose a personal contribution level ranging from 3 per cent to 5 per cent of their basic salaries, which is matched by the Group's contribution ranging from 6 per cent to 10 per cent of their basic salaries. Staff may choose to contribute more than 5 per cent of their basic salaries, but the Group's contribution is capped at 10 per cent, and staff may also opt-out of the LME Savings Plan if they wish. There are no forfeited contributions for the LME Savings Plan as the contributions are fully vested to the employees upon payment to the scheme.

Pursuant to the relevant laws and regulations in the People's Republic of China (PRC), the Group has joined defined contribution retirement schemes for the employees arranged by local government labour and social security authorities (PRC Retirement Schemes). The Group makes contributions to the retirement schemes at the applicable rates based on the amounts stipulated by the local government authorities. Upon retirement, the local government labour and social security authorities are responsible for the payment of the retirement benefits to the retired employees. In addition, the Group has made contributions for employees of other overseas offices subject to the relevant regulations in the countries in which the overseas offices operate.

Assets of the ORSO Plan, MPF Scheme, LME Savings Plan, PRC Retirement Schemes and contribution plans of other overseas subsidiaries are held separately from those of the Group and are independently administered and are not included in the consolidated statement of financial position.

The abolition of the Mandatory Provident Fund (MPF)-Long Service Payment (LSP) offsetting mechanism in Hong Kong does not have any financial impact to the Group as it is the Group's practice of not offsetting any MPF contribution against long service payment or severance payment.

11. Information Technology and Computer Maintenance Expenses

	2024 \$m	2023 \$m
Costs of services and goods:		
– consumed by the Group	810	741
– directly consumed by Participants	72	73
	882	814

12. Other Operating Expenses

	2024 \$m	2023 \$m
Bank charges	18	17
Communication expenses	6	7
Custodian and fund management related fees	30	33
Financial data subscription fees	59	55
Insurance	20	17
Loss on disposal of fixed assets	9	10
Non-executive directors' fees	24	24
Office demolition and relocation expenses	5	4
Provision for/(write back of provision for) impairment losses of receivables	4	(1)
Repairs and maintenance expenses	68	63
Security expenses	24	21
Travel expenses	44	46
Regulatory fees	27	24
Other miscellaneous expenses	106	91
	444	411

13. Operating Profit

	2024 \$m	2023 \$m
Operating profit is stated after charging/(crediting):		
Auditor's remuneration		
– audit fees	20	20
– other non-audit fees	3	4
Loss on disposal of fixed assets	9	10
Provision for/(write back of provision for) impairment losses of receivables	4	(1)
Net foreign exchange losses/(gains) on financial assets (excluding financial assets and financial liabilities measured at fair value through profit or loss)	20	(11)

14. Finance Costs

	2024 \$m	2023 \$m
Interest on borrowings (notes 39 and 47(b))	5	7
Interest on lease liabilities (note 47(b))	55	59
Banking facility commitment fees (note (a))	51	53
Negative interest on Japanese Yen deposits	3	16
	114	135

- (a) Bank facility commitment fees, that relate to liquidity support provided to the Group's clearing houses, are amortised to the consolidated income statement throughout the commitment periods.

15. Directors' Emoluments and Interests of Directors

All Directors, including two Executive Directors (HKEX Chief Executive Officer and ex-HKEX Chief Executive Officer), received emoluments during the years ended 31 December 2024 and 31 December 2023. The aggregate emoluments paid and payable to the Directors during the year were as follows:

	2024 \$'000	2023 \$'000
Executive Directors:		
Salaries and other short-term employee benefits	9,349	10,239
Performance cash incentive	8,000	14,040
Retirement benefit costs	8,027	1,250
	25,376	25,529
Employee share-based compensation benefits (note (a))	51,643	63,766
	77,019	89,295
Non-executive Directors:		
Fees	24,403	24,294
	24,403	24,294
	101,422	113,589

- (a) Employee share-based compensation benefits represent the fair value of share awards granted under the Share Award Scheme (Awarded Shares) on grant date (note 43) recognised in the consolidated income statement during the year.

15. Directors' Emoluments and Interests of Directors (continued)

- (b) The emoluments of all Directors, including HKEX Chief Executive Officer and ex-HKEX Chief Executive Officer who are ex-officio members, are set out below. The amounts represent emoluments paid or receivable in respect of their services as a director.

Name of Director	2024							Total \$'000
	Fees \$'000	Salary \$'000	Other benefits (note (i)) \$'000	Performance cash incentive \$'000	Retirement benefit costs (note (ii)) \$'000	Sub-total \$'000	Employee share-based compensation benefits \$'000	
Carlson Tong (note (iii))	3,937	-	-	-	-	3,937	-	3,937
Laura M Cha (note (iv))	1,541	-	-	-	-	1,541	-	1,541
Bonnie Y Chan (note (v))	-	7,544	94	8,000	754	16,392	6,291	22,683
Alejandro N Aguzin (note (vi))	-	1,667	44	-	7,273	8,984	45,352	54,336
Nicholas C Allen	2,926	-	-	-	-	2,926	-	2,926
Apurv Bagri	1,546	-	-	-	-	1,546	-	1,546
K P Chan (note (vii))	945	-	-	-	-	945	-	945
C H Cheah	1,707	-	-	-	-	1,707	-	1,707
Anna M M Cheung	1,620	-	-	-	-	1,620	-	1,620
Herbert P K Chia (note (viii))	191	-	-	-	-	191	-	191
Susan M F Chow Woo	1,955	-	-	-	-	1,955	-	1,955
Benjamin P C Hung (note (iv))	315	-	-	-	-	315	-	315
Nisa B W Y Leung	1,273	-	-	-	-	1,273	-	1,273
Hugo P H Leung	2,825	-	-	-	-	2,825	-	2,825
Joseph C K Yam	1,450	-	-	-	-	1,450	-	1,450
Peter K S Yan (note (ix))	742	-	-	-	-	742	-	742
Y Zhang	1,430	-	-	-	-	1,430	-	1,430
Total	24,403	9,211	138	8,000	8,027	49,779	51,643	101,422

15. Directors' Emoluments and Interests of Directors (continued)

(b) (continued)

Name of Director	2023							
	Fees \$'000	Salary \$'000	Other benefits (note (i)) \$'000	Performance cash incentive \$'000	Retirement benefit costs (note (ii)) \$'000	Sub-total \$'000	Employee share-based compensation benefits \$'000	Total \$'000
Laura M Cha	5,267	–	–	–	–	5,267	–	5,267
Alejandro N Aguzin	–	10,000	239	14,040	1,250	25,529	63,766	89,295
Nicholas C Allen	2,494	–	–	–	–	2,494	–	2,494
Apurv Bagri	1,360	–	–	–	–	1,360	–	1,360
C H Cheah	1,683	–	–	–	–	1,683	–	1,683
Anna M M Cheung	1,620	–	–	–	–	1,620	–	1,620
Susan M F Chow Woo	1,820	–	–	–	–	1,820	–	1,820
Rafael Gil-Tienda	591	–	–	–	–	591	–	591
Benjamin P C Hung	1,260	–	–	–	–	1,260	–	1,260
Nisa B W Y Leung	1,280	–	–	–	–	1,280	–	1,280
Hugo P H Leung	2,400	–	–	–	–	2,400	–	2,400
Carlson Tong	1,080	–	–	–	–	1,080	–	1,080
Joseph C K Yam	1,088	–	–	–	–	1,088	–	1,088
Stephen K W Yiu	921	–	–	–	–	921	–	921
Y Zhang	1,430	–	–	–	–	1,430	–	1,430
Total	24,294	10,000	239	14,040	1,250	49,823	63,766	113,589

Notes:

- (i) Other benefits included leave pay, insurance premium and club membership.
- (ii) Retirement benefit costs include a special payment of \$7,065,000 to Mr Aguzin on his retirement, and employer's contributions to provident fund. Employees who retire before normal retirement age are eligible for 18 per cent of the employer's contribution to the provident fund after completion of two years of service. The rate of vested benefit increases at an annual increment of 18 per cent thereafter reaching 100 per cent after completion of seven years of service.
- (iii) Appointment as a director effective from 26 April 2023 and appointment as the Chairman effective from 3 May 2024
- (iv) Retired on 24 April 2024
- (v) Ms Chan was appointed as HKEX Chief Executive Officer and Executive Director from 1 March 2024. The amounts disclosed above represent her remuneration from 1 March 2024 to 31 December 2024. Her total emoluments for 2024 amounted to \$27,121,000, comprising salary of \$9,054,000, other benefits of \$112,000, performance cash incentive of \$9,600,000, retirement benefit costs of \$905,000 and employee share-based compensation benefits of \$7,450,000.
- (vi) Retired on 29 February 2024
- (vii) Appointment effective from 24 April 2024
- (viii) Appointment effective from 29 October 2024
- (ix) Appointment effective from 24 April 2024 and ceased directorship on 28 October 2024

(c) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to HKEX's business to which HKEX was a party and in which a director of HKEX had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

16. Five Top-paid Employees

Two (2023: one) of the five top-paid employees were HKEX Executive Directors (HKEX Chief Executive Officer and ex-HKEX Chief Executive Officer) whose emoluments are disclosed in note 15. Details of the emoluments of the other three (2023: four) top-paid employees were as follows:

	2024 \$'000	2023 \$'000
Salaries and other short-term employee benefits	14,284	16,236
Performance cash incentive	20,592	21,044
Retirement benefit costs	1,256	1,221
	36,132	38,501
Employee share-based compensation benefits (note (a))	35,513	26,988
	71,645	65,489

- (a) Employee share-based compensation benefits represent the fair value of Awarded Shares on grant date (note 43) amortised to the consolidated income statement during the year.
- (b) The emoluments of these three (2023: four) employees, including share-based compensation benefits, were within the following bands:

	2024 Number of Employees	2023 Number of employees
\$14,000,001 – \$14,500,000	–	1
\$14,500,001 – \$15,000,000	1	1
\$16,000,001 – \$16,500,000	–	1
\$20,500,001 – \$21,000,000	–	1
\$24,500,001 – \$25,000,000	1	–
\$32,000,001 – \$32,500,000	1	–
	3	4

The above employees included senior executives who were also Directors of the subsidiaries during the years. No Directors of the subsidiaries waived any emoluments.

17. Taxation

Accounting Policy

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where HKEX and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. Provisions are established where appropriate on the basis of amounts expected to be paid to tax authorities.

(a) Taxation charge/(credit) in the consolidated income statement represented:

	2024 \$m	2023 \$m
Current tax – Hong Kong Profits Tax		
– Provision for the year	1,370	1,229
– Over provision in respect of prior years	(3)	(4)
	1,367	1,225
Current tax – Overseas Tax		
– Provision for the year	331	163
– Over provision in respect of prior years (note (ii))	(110)	(21)
	221	142
Total current tax (note (i))	1,588	1,367
Deferred tax (note 41(a))		
– Under provision in respect of prior years (note (ii))	118	–
– Origination and reversal of temporary differences	(8)	(16)
	110	(16)
Taxation charge	1,698	1,351

- (i) Hong Kong Profits Tax has been provided at the rate of 16.5 per cent (2023: 16.5 per cent) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit at the rates of taxation prevailing in the countries in which the Group operates, with the average corporation tax rate applicable to the subsidiaries in the UK being 25 per cent (2023: 23.5 per cent).
- (ii) The over provision of overseas current tax mainly arose from the full expense relief claim made in respect of certain qualifying intangible assets during the finalisation of tax return by our UK subsidiaries after further analysis has been conducted. As a result of this claim, there was a corresponding deferred tax charge to the consolidated income statement, reflecting the future disallowance for amortisation in future years.

17. Taxation (continued)

- (b) The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2024 \$m	2023 \$m
Profit before taxation	14,853	13,332
Tax calculated at domestic tax rates applicable to profits in the respective countries (note (i))	2,509	2,187
Income not subject to taxation	(998)	(991)
Expenses not deductible for taxation purposes	113	93
Change in deferred tax arising from unrecognised tax losses and other deferred tax adjustments	69	87
Under/(over) provision in respect of prior years	5	(25)
Taxation charge	1,698	1,351

- (i) The weighted average applicable tax rate was 16.9 per cent (2023: 16.4 per cent).
- (c) OECD Pillar Two model rules
- The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), and the Group applies the HKAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two Income Taxes. Under the rules, the Group is liable to pay a top-up tax for the difference between their Global Anti-Base Erosion (GloBE) effective tax rate per jurisdiction and the 15 per cent minimum rate. Of the various jurisdictions where the Group operates, Pillar Two legislation became applicable to our UK entities and Singapore branches from 1 January 2024 and 1 January 2025 respectively.

The top-up tax for the Group's UK entities was \$Nil in 2024 as they were able to take advantage of the Country-by-Country Reporting Transitional Safe Harbour given that the simplified effective tax rate of the UK entities was higher than 15 per cent during the year ended 31 December 2024.

The top-up tax for the Group's UK entities and Singapore branches is expected to be negligible in 2025 as they will be able to take advantage of the Country-by-Country Reporting Transitional Safe Harbour during the financial year 2025.

At 31 December 2024, Pillar Two legislation has not yet been substantially enacted in Hong Kong and the Mainland China. However, it is expected that Pillar Two legislation will be enacted in Hong Kong during the financial year 2025 with effective date set retrospectively from the financial year beginning on or after 1 January 2025.

The average effective tax rate of the Group's Hong Kong entities based on the accounting profit was approximately 10 per cent during the year ended 31 December 2024. Based on management's assessment, it is expected the weighted average effective tax rate for the Group's Hong Kong entities would increase to approximately 15 per cent when Pillar Two legislation is effective in 2025.

18. Earnings Per Share

The calculation of the basic and diluted earnings per share is as follows:

(a) Basic earnings per share

	2024	2023
Profit attributable to shareholders (\$m)	13,050	11,862
Weighted average number of shares in issue less shares held for Share Award Scheme (in '000)	1,264,482	1,265,463
Basic earnings per share (\$)	10.32	9.37

(b) Diluted earnings per share

	2024	2023
Profit attributable to shareholders (\$m)	13,050	11,862
Weighted average number of shares in issue less shares held for Share Award Scheme (in '000)	1,264,482	1,265,463
Effect of Awarded Shares (in '000)	3,218	2,346
Weighted average number of shares for the purpose of calculating diluted earnings per share (in '000)	1,267,700	1,267,809
Diluted earnings per share (\$)	10.29	9.36

19. Dividends

Accounting Policy

Interim dividends declared are recognised as liabilities in the consolidated financial statements in the period in which the dividends are approved by the directors.

	2024 \$m	2023 \$m
First interim dividend paid:		
\$4.36 (2023: \$4.50) per share	5,528	5,705
Less: Dividend for shares held by Share Award Scheme (note (a))	(15)	(10)
	5,513	5,695
Second interim dividend declared (note (b)):		
\$4.90 (2023: \$3.91) per share based on issued share capital at 31 Dec	6,212	4,957
Less: Dividend for shares held by Share Award Scheme at 31 Dec (note (a))	(19)	(13)
	6,193	4,944
	11,706	10,639

- (a) The results and net assets of The HKEX Employees' Share Award Scheme (Share Award Scheme) are included in HKEX's financial statements. Therefore, dividends for shares held by the Share Award Scheme were deducted from the total dividends.
- (b) The second interim dividend declared after 31 December was not recognised as a liability at 31 December as it had not been approved by the Board.

20. Financial Assets

Accounting Policy

The Group classifies its financial assets in the following measurement categories:

- those measured at fair value (either through profit or loss (note 22) or through other comprehensive income (note 23)); and
- those measured at amortised cost (note 24).

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets of Clearing House Funds and Margin Funds are classified as current assets as they will be liquidated whenever liquid funds are required.

Financial assets of Corporate Funds are classified as current assets unless they are expected to mature or be disposed of after twelve months from the end of the reporting period, in which case, they are included in non-current assets. For investment funds which have no maturity date, they are included in current assets unless they cannot be redeemed within twelve months from the end of the reporting period.

21. Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents comprise cash on hand, bank balances and other short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value (mainly reverse repurchase investments, time deposits and short-term debt securities), normally with original maturities of three months or less, or with remaining maturities of three months or less from the date of acquisition.

	At 31 Dec 2024				Total \$m
	Cash for A-shares (notes (a) and (c)) \$m	Corporate Funds (notes (b) and 25) \$m	Margin Funds (notes (c) and 33) \$m	Clearing House Funds (notes (c) and 37) \$m	
Cash on hand and balances and deposits with banks	2,175	12,447	41,414	13,689	69,725
Unlisted debt securities	–	–	–	1,472	1,472
Reverse repurchase investments	–	2,598	54,675	5,895	63,168
	2,175	15,045	96,089	21,056	134,365

21. Cash and Cash Equivalents (continued)

	At 31 Dec 2023				
	Cash for A-shares (notes (a) and (c)) \$m	Corporate Funds (notes (b) and 25) \$m	Margin Funds (notes (c) and 33) \$m	Clearing House Funds (notes (c) and 37) \$m	Total \$m
Cash on hand and balances and deposits with banks	2,733	7,956	31,614	13,061	55,364
Unlisted debt securities	–	–	–	611	611
Reverse repurchase investments	–	2,330	59,755	7,047	69,132
	2,733	10,286	91,369	20,719	125,107

- (a) Cash for A-shares includes:
- (i) Renminbi (RMB) cash prepayments received by Hong Kong Securities Clearing Company Limited (HKSCC) from its Clearing Participants for releasing their allocated A-shares on the trade day. Such prepayments will be used to settle HKSCC's Continuous Net Settlement (CNS) obligations payable on the next business day; and
 - (ii) Hong Kong Dollar/United States Dollar cash collateral received by HKSCC from its Clearing Participants for releasing their allocated A-shares on the trade day. Such collateral will be refunded to the Clearing Participants when they settle their RMB CNS obligations on the next business day.
- (b) At 31 December 2024, cash and cash equivalents of Corporate Funds of \$1,135 million (31 December 2023: \$1,074 million) (note 25(b)) were solely used to support Skin-in-the-Game and default fund credits of Clearing House Funds.
- (c) The cash and cash equivalents of Margin Funds, Clearing House Funds, Corporate Funds reserved for supporting Skin-in-the-Game and default fund credits of Clearing House Funds (note (b)), and Cash for A-shares are held for specific purposes and cannot be used by the Group to finance other activities. These balances are not included in cash and cash equivalents of the Group for cash flow purpose in the consolidated statement of cash flows.

22. Financial Assets Measured at Fair Value through Profit or Loss

Accounting Policy

Classification

Investments and other financial assets are classified under financial assets measured at fair value through profit or loss if they do not meet the conditions to be measured at fair value through other comprehensive income (note 23) or amortised cost (note 24). On initial recognition, the Group may irrevocably designate a financial asset as at fair value through profit or loss that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments in equity instruments that are not held for trading are classified under financial assets measured at fair value through profit or loss unless the Group has made an irrevocable election at the time of initial recognition to account for the investment at fair value through other comprehensive income.

Recognition and measurement

Purchases and sales of financial assets measured at fair value through profit or loss are recognised on the trade date. They are initially recognised at fair value with transaction costs recognised as expenses in the consolidated income statement and subsequently carried at fair value. Gains and losses arising from changes in fair value are included in the consolidated income statement in the period in which they arise.

Interest income is included in net fair value gains/(losses) from these financial assets.

Fair values of quoted investments are based on the most representative prices within the bid-ask spreads which are currently considered as the bid-prices. The investment funds are valued based on the latest available transaction price or redemption price for each fund, as determined by the fund administrator. For unlisted securities or financial assets without an active market, the Group establishes the fair value by using valuation techniques including the use of recent arm's length transactions, reference to recent market transactions, trading multiples and financial data of other comparable companies, and other instruments that are substantially the same and discounted cash flow analysis.

	Corporate Funds (note 25)	
	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
<u>Mandatorily measured at fair value</u>		
Investment funds:		
– listed outside Hong Kong	2,203	870
– unlisted	5,026	5,698
	7,229	6,568
Unlisted equity securities	329	393
	7,558	6,961
The expected recovery dates of the financial assets are analysed as follows:		
Within twelve months	6,901	6,357
More than twelve months	657	604
	7,558	6,961

23. Financial Assets Measured at Fair Value through Other Comprehensive Income

Accounting Policy

Classification

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets measured at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the consolidated income statement. Other changes in carrying amounts are recognised in other comprehensive income. On derecognition, the cumulative gains and losses previously recognised in other comprehensive income are reclassified to the consolidated income statement.

Fair values of quoted investments or investments with an active market are based on the most representative prices within the bid-ask spreads which are currently considered as the bid-prices. For unlisted securities or financial assets without an active market, the Group establishes the fair value by using valuation techniques including the use of recent arm's length transactions and dealer quotes for similar investments.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments measured at fair value through other comprehensive income. Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For financial assets measured at fair value through other comprehensive income, the Group recognised a provision for impairment losses equal to 12-month expected credit losses unless there has been a significant increase in credit risk of the financial assets since initial recognition, in which case the provision for impairment losses is measured at an amount equal to lifetime expected credit losses.

23. Financial Assets Measured at Fair Value through Other Comprehensive Income (continued)

Accounting Policy (continued)

Impairment (continued)

Expected credit losses are measured at each reporting date to reflect changes in the financial asset's credit risk since initial recognition.

In assessing whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when the financial asset is past due by 90 days or one or more credit impaired events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial asset's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial assets are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Any change in the expected credit loss amount is recognised as an impairment loss or reversal of impairment loss in the consolidated income statement, with a corresponding adjustment to the other comprehensive income.

23. Financial Assets Measured at Fair Value through Other Comprehensive Income (continued)

	At 31 Dec 2024			
	Corporate Funds (notes (b) and 25) \$m	Margin Funds (note 33) \$m	Clearing House Funds (note 37) \$m	Total \$m
Listed debt securities	1,983	5,414	–	7,397
Unlisted debt securities	3,915	31,721	7,671	43,307
	5,898	37,135	7,671	50,704
The expected recovery dates of the financial assets are analysed as follows:				
Within twelve months (note (c))	2,756	37,135	7,671	47,562
More than twelve months	3,142	–	–	3,142
	5,898	37,135	7,671	50,704
	At 31 Dec 2023			
	Corporate Funds (notes (b) and 25) \$m	Margin Funds (note 33) \$m	Clearing House Funds (note 37) \$m	Total \$m
Listed debt securities	–	6,057	–	6,057
Unlisted debt securities	–	9,790	2,403	12,193
	–	15,847	2,403	18,250
The expected recovery dates of the financial assets are analysed as follows:				
Within twelve months (note (c))	–	15,847	2,403	18,250

- (a) No provision for impairment loss was made on the financial assets held at 31 December 2024 and 31 December 2023 as they were considered to be of low credit risk and the expected credit loss was minimal. Debt securities held were of investment grade and had a weighted average credit rating of Aa2 (Moody's) (31 December 2023: Aa1 (Moody's)) with no history of default and there were no unfavourable current conditions and forecast of future economic conditions at the reporting dates.
- (b) At 31 December 2024, debt securities of Corporate Funds of \$945 million (31 December 2023: \$Nil) (note 25(b)) were solely used to support Skin-in-the-Game and default fund credits of Clearing House Funds.
- (c) Includes financial assets maturing after twelve months of \$13,220 million (31 December 2023: \$9,573 million) attributable to Margin Funds and \$1,558 million (31 December 2023: \$239 million) attributable to Clearing House Funds that could readily be liquidated to meet liquidity requirements of the Funds (note 53(b)).

24. Financial Assets Measured at Amortised Cost

Accounting Policy

Classification

Investments are classified under financial assets measured at amortised cost if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Accounts receivable and other deposits are also classified under this category (note 27).

Recognition and measurement

Financial assets measured at amortised cost are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method. The amortised cost is reduced by loss allowance for expected credit losses.

Interest income, foreign exchange gains and losses and impairment are recognised in the consolidated income statement. Any gains and losses on derecognition is recognised in the consolidated income statement.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets measured at amortised cost.

For accounts receivable due from customers, the Group applies the simplified approach permitted by HKFRS 9: Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Expected credit losses of receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial assets measured at amortised cost (including time deposits, debt instruments and other deposits), the Group recognises a provision for impairment losses equal to 12-month expected credit losses unless there has been a significant increase in credit risk of the financial assets since initial recognition, in which case the provision for impairment losses is measured at an amount equal to lifetime expected credit losses.

Expected credit losses are remeasured at each reporting date to reflect changes in the financial asset's credit risk since initial recognition. Any change in the expected credit loss amount is recognised as an impairment loss or reversal of impairment loss in the consolidated income statement, with a corresponding adjustment to the carrying amount through a loss allowance account.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that has previously been written off are recognised as a reversal of impairment in the consolidated income statement in the period in which the recovery occurs.

24. Financial Assets Measured at Amortised Cost (continued)

At 31 Dec 2024			
	Corporate Funds (notes (b) and 25) \$m	Margin Funds (note 33) \$m	Total \$m
Debt securities	3,929	3,290	7,219
Time deposits with original maturities over three months	4,361	31,941	36,302
Other financial assets	89	–	89
	8,379	35,231	43,610
The expected recovery dates of the financial assets are analysed as follows:			
Within twelve months	6,851	35,231	42,082
More than twelve months	1,528	–	1,528
	8,379	35,231	43,610
At 31 Dec 2023			
	Corporate Funds (notes (b) and 25) \$m	Margin Funds (note 33) \$m	Total \$m
Debt securities	2,067	–	2,067
Time deposits with original maturities over three months	15,403	59,084	74,487
Other financial assets	95	–	95
	17,565	59,084	76,649
The expected recovery dates of the financial assets are analysed as follows:			
Within twelve months	15,900	59,084	74,984
More than twelve months	1,665	–	1,665
	17,565	59,084	76,649

- (a) No provision for impairment loss was made on the financial assets held at 31 December 2024 and 31 December 2023 as they were considered to be of low credit risk and the expected credit loss was minimal. Debt securities held were of investment grade and had a weighted average credit rating of Aa3 (Moody's) (31 December 2023: A1 (Moody's)). Deposits were placed with the investment grade banks, licensed banks and restricted licence banks regulated by the Hong Kong Monetary Authority, and banks regulated by local banking regulators in the countries where the Group's subsidiaries operate. All these financial assets had no history of default and there were no unfavourable current conditions and forecast of future economic conditions at the reporting dates.
- (b) At 31 December 2024, no debt securities of Corporate Funds (31 December 2023: \$497 million) (note 25(b)) were solely used to support Skin-in-the-Game and default fund credits of HKSCC Guarantee Fund.
- (c) The fair values of financial assets maturing after twelve months are disclosed in note 53(d)(ii).

25. Corporate Funds

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Corporate Funds comprised the following instruments:		
Cash and cash equivalents (notes (b) and 21)	15,045	10,286
Financial assets measured at fair value through profit or loss (note 22)	7,558	6,961
Financial assets measured at fair value through other comprehensive income (notes (b) and 23)	5,898	–
Financial assets measured at amortised cost (notes (b) and 24)	8,379	17,565
	36,880	34,812

- (a) Financial assets held by the Group which are funded by share capital and funds generated from operations are classified as Corporate Funds (i.e., other than financial assets of Margin Funds, Clearing House Funds, Cash for A-shares, and derivative financial instruments).
- (b) At 31 December 2024, cash and cash equivalents of Corporate Funds of \$1,135 million (31 December 2023: \$1,074 million) and debt securities of Corporate Funds of \$945 million (31 December 2023: \$497 million) were solely used to support Skin-in-the-Game and default fund credits of Clearing House Funds (note 37(a)).

26. Derivative Financial Instruments

Accounting Policy

Derivative financial instruments include outstanding derivatives contracts of LME Clear, which acts as a central counterparty to the base and ferrous metals futures and options contracts traded on the LME, forward foreign exchange contracts and foreign exchange swaps. Derivatives are initially recognised at fair value on trade date and subsequently remeasured at their fair values. Except where outstanding derivatives contracts are held in the capacity as a central counterparty and derivatives which relate to qualifying cash flow hedges (note 44(a)), derivatives are categorised as held for trading with changes in fair value recognised in the consolidated income statement.

Derivative financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

26. Derivative Financial Instruments (continued)

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
<u>Mandatorily measured at fair value</u>		
Derivative financial assets:		
– base and ferrous metals futures and options contracts cleared through LME Clear (note (a))	67,629	58,097
– forward foreign exchange contracts held as cash flow hedging instruments (note (b))	–	4
– foreign exchange swaps (note (c))	118	26
	67,747	58,127
<u>Mandatorily measured at fair value</u>		
Derivative financial liabilities:		
– base and ferrous metals futures and options contracts cleared through LME Clear (note (a))	67,629	58,097
– forward foreign exchange contracts held as cash flow hedging instruments (note (b))	60	–
– foreign exchange swaps (note (c))	174	3
	67,863	58,100

- (a) The amounts represent the fair value of the outstanding base and ferrous metals futures and options contracts cleared through LME Clear that do not qualify for netting under HKAS 32 Financial Instruments: Presentation, where LME Clear is acting in its capacity as a central counterparty to the contracts traded on the LME.
- (b) Forward foreign exchange contracts have been designated as cash flow hedges for hedging foreign exchange risk of certain expenditure of LME and LME Clear. Details of such contracts are set out in note 44(a).
- (c) As part of the Group's investment strategy, the Group has entered into foreign exchange swaps for optimising foreign currency cash flows and yield enhancement while hedging the overall foreign exchange exposures of the Group. Net losses on foreign exchange swaps were recognised in the consolidated income statement under net investment income (note 6).

At 31 December 2024, total notional amount for outstanding foreign exchange swaps was \$77,302 million (31 December 2023: \$10,722 million).

- (d) The Group has also entered into certain forward foreign exchange contracts which have not been designated as cash flow hedges. At 31 December 2024, the fair value of such outstanding contracts was less than \$1 million (31 December 2023: \$Nil) and the notional amount of the outstanding contracts amounted to \$310 million (31 December 2023: \$Nil).

27. Accounts Receivable, Prepayments and Deposits

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Receivable from ChinaClear, SHCH and Exchange and Clearing Participants:		
– CNS money obligations receivable (note (a))	31,813	21,430
– transaction levy, stamp duty and fees receivable	1,083	664
– Settlement Reserve Fund and Settlement Guarantee Fund held by ChinaClear (note 33)	19,814	9,734
– Inter-CCP margin held by SHCH (note (b)):		
– satisfied by margin deposits collected from OTC Clear Clearing Participants (note 33)	571	130
– satisfied by Corporate Funds	257	113
	828	243
– others	25	5
Receivables for investment funds sold before 31 Dec	–	205
Other receivables, prepayments and deposits	982	1,095
Less: Provision for impairment losses of receivables (notes (c) and (d))	(48)	(44)
	54,497	33,332

- (a) Upon acceptance of Stock Exchange trades for settlement in CCASS under the CNS basis, HKSCC interposes itself between the HKSCC Clearing Participants as the settlement counterparty to the trades through novation. The CNS money obligations due by/to HKSCC Clearing Participants on the Stock Exchange trades are recognised as receivables and payables (note 34) when they are confirmed and accepted on the day after the trade day.

For a trade in A-shares transacted for Stock Exchange Participants, the rights and obligations of the parties to the trade will be transferred to ChinaClear, and a market contract between HKSCC and the relevant HKSCC Clearing Participants is created through novation. The CNS money obligations due by/to HKSCC Clearing Participants and ChinaClear are recognised as receivables and payables (note 34) when the trades are confirmed on the trade day.

- (b) Under Swap Connect, OTC Clear and Shanghai Clearing House (SHCH) are required to provide inter-central counterparties (inter-CCP) margin to each other to cover the potential loss arising from the default of the other party (note 33). Part of the inter-CCP margin provided by OTC Clear to SHCH is satisfied by margin deposits collected from OTC Clear Clearing Participants and the remaining balance is satisfied by Corporate Funds of OTC Clear.

27. Accounts Receivable, Prepayments and Deposits (continued)

(c) Expected credit losses

For accounts receivable, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the payment profiles of debtors and the corresponding historical credit losses experienced during the year. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. On that basis, the loss allowance for accounts receivable as at 31 December 2024 and 31 December 2023 was determined as follows:

	At 31 Dec 2024			Total
	Current or within 30 days past due	31 to 180 days past due	More than 180 days past due	
Expected loss rate	5%	12%	100%	
Gross carrying amount – accounts receivable subject to expected credit loss provision (\$m)	500	33	21	554
Loss allowance (\$m)	23	4	21	48

	At 31 Dec 2023			Total
	Current or within 30 days past due	31 to 180 days past due	More than 180 days past due	
Expected loss rate	4%	12%	100%	
Gross carrying amount – accounts receivable subject to expected credit loss provision (\$m)	672	20	18	710
Loss allowance (\$m)	24	2	18	44

For the remaining receivables and other deposits (excluding prepayments) amounting to \$53,714 million as of 31 December 2024 (31 December 2023: \$32,451 million), the expected credit loss was minimal as these receivables were mainly due from Participants which are subject to the Group's stringent financial requirements and admission criteria, compliance monitoring and risk management measures, these receivables had no recent history of default, part of the receivables were subsequently settled, and there was no unfavourable current conditions and forecast future economic conditions at the reporting dates.

27. Accounts Receivable, Prepayments and Deposits (continued)

- (d) The movements in provision for impairment losses of receivables were as follows:

	2024 \$m	2023 \$m
At 1 Jan	44	45
Provision for/(write back of provision for) loss allowance for receivables under other operating expenses	4	(1)
At 31 Dec	48	44

- (e) CNS money obligations receivable mature within two days after the trade date. The balance of Settlement Reserve Fund and Settlement Guarantee Fund with ChinaClear is rebalanced on a monthly basis, and the balance of inter-CCP margin held by SHCH is rebalanced on a daily basis. Fees receivable are due immediately or up to 60 days depending on the type of services rendered. The majority of the remaining accounts receivable, prepayments and deposits were due within three months.

28. Principal Subsidiaries and Controlled Structured Entities

Accounting Policy

Subsidiaries are entities (including structured entities (note (b))) over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

28. Principal Subsidiaries and Controlled Structured Entities (continued)

(a) Principal subsidiaries

HKEX had direct or indirect interests in the following principal subsidiaries:

Company	Place of incorporation and operation	Issued and fully paid up share/registered capital	Principal activities	Interest held by the Group	
				At 31 Dec 2024	At 31 Dec 2023
Direct principal subsidiaries:					
The Stock Exchange of Hong Kong Limited	Hong Kong	929 ordinary shares (\$929)	Operates the only Stock Exchange in Hong Kong	100%	100%
Hong Kong Futures Exchange Limited	Hong Kong	230 ordinary shares (\$28,750,000)	Operates a futures and options exchange in Hong Kong	100%	100%
Hong Kong Securities Clearing Company Limited	Hong Kong	4 ordinary shares (\$1,060,000,002)	Operates a clearing house for securities traded on the Stock Exchange and those traded through Stock Connect, and the central securities depository, and provides custody and nominee services for eligible securities listed in Hong Kong and Mainland China	100%	100%
OTC Clearing Hong Kong Limited (OTC Clear) (note (i))	Hong Kong	24,459 ordinary shares (\$1,636,301,781) 5,117 non-voting ordinary shares (\$518,206,540)	Operates a clearing house for over-the-counter derivatives	84%	84%
HKFE Clearing Corporation Limited (HKCC)	Hong Kong	3,766,700 ordinary shares (\$831,010,000)	Operates a clearing house for derivatives contracts traded on the Futures Exchange	100%	100%
The SEHK Options Clearing House Limited (SEOCH)	Hong Kong	4,000,000 ordinary shares (\$271,000,000)	Operates a clearing house for stock options contracts traded on the Stock Exchange in Hong Kong	100%	100%
Indirect principal subsidiaries:					
The London Metal Exchange	United Kingdom	100 ordinary shares of £1 each	Operates an exchange for the trading of base and ferrous metals futures and options contracts	100%	100%
LME Clear Limited	United Kingdom	107,500,001 ordinary shares of £1 each	Operates a clearing house for base and ferrous metals futures and options contracts	100%	100%
Qianhai Mercantile Exchange Co., Ltd. (QME) (note (i))	Mainland China	RMB400,000,000	Operates a commodity trading platform in Mainland China	90%	90%

The above table lists the subsidiaries of the Group which, in the opinion of its directors, principally affect the results or financial position of the Group.

28. Principal Subsidiaries and Controlled Structured Entities (continued)

(a) Principal subsidiaries (continued)

(i) Subsidiaries with non-controlling interests

At 31 December 2024, the Group held 84 per cent (31 December 2023: 84 per cent) interest in OTC Clear, while the remaining 16 per cent (31 December 2023: 16 per cent) interest was held by non-controlling interests. The non-controlling interests do not have voting rights at general meetings of OTC Clear.

QME is a limited company established in Mainland China. At 31 December 2024, the Group held 90 per cent (31 December 2023: 90 per cent) interest in QME, while the remaining 10 per cent (31 December 2023: 10 per cent) interest was held by non-controlling interests.

BayConnect is a limited company established in Mainland China. At 31 December 2024, the Group held 51 per cent (31 December 2023: 51 per cent) interest in BayConnect, while the remaining 49 per cent (31 December 2023: 49 per cent) interest was held by non-controlling interests.

Set out below is the financial information related to the non-controlling interests of each subsidiary:

	OTC Clear		QME		BayConnect	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Amounts allocated to non-controlling interests:						
Profit/(loss) for the year	120	134	(13)	(16)	(2)	1
Other comprehensive income/(loss)	–	–	3	1	(5)	(4)
Total comprehensive income/(loss)	120	134	(10)	(15)	(7)	(3)
	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Accumulated non-controlling interests	511	391	(81)	(71)	125	132

No summarised financial information of OTC Clear, QME and BayConnect is presented as the non-controlling interests are not material to the Group.

(ii) Significant restrictions

Cash and savings deposits are held by subsidiaries in Mainland China and are subject to exchange control restrictions. The carrying amount of these restricted assets in the consolidated statement of financial position at 31 December 2024 was \$168 million (31 December 2023: \$228 million).

(b) Controlled structured entities

HKEX controls two structured entities which operate in Hong Kong, particulars of which are as follows:

Structured entity	Principal activities
The HKEX Employees' Share Award Scheme (HKEX Employee Share Trust)	Purchases, administers and holds HKEX shares for the Share Award Scheme for the benefit of eligible HKEX employees (note 43)
HKEX Foundation Limited	Charitable foundation

HKEX has the power to direct the relevant activities of the HKEX Employee Share Trust and HKEX Foundation Limited and it has the ability to use its power over the entities to affect its exposure to returns. Therefore, they are considered as controlled structured entities of the Group.

29. Interests in Joint Ventures

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Share of net assets of joint ventures	415	352

(a) Details of the joint ventures were as follows:

Name	Place of business and country of incorporation	Principal activities	% of ownership interest	
			At 31 Dec 2024	At 31 Dec 2023
China Exchanges Services Company Limited (CESC)	Hong Kong	Development of index-linked and equity derivatives products	33%	33%
Bond Connect Company Limited (BCCL)	Hong Kong	Provision of support services related to Bond Connect	40%	40%

CESC is a joint venture established by HKEX, the Shanghai Stock Exchange and the Shenzhen Stock Exchange, with an aim of developing financial products and related services. CESC is a strategic investment for the Group, it is expected to enhance the competitiveness of Hong Kong, and it aims to promote the development of Mainland China's capital markets and the internationalisation of the Group.

BCCL is a joint venture established by HKEX and China Foreign Exchange Trade System (CFETS), and provides support services related to Bond Connect. BCCL is a strategic investment of the Group as it provides services to facilitate the trading of Bond Connect, which enhances HKEX's position in the fixed income market and expands the mutual market programme from equity into bonds.

Set out below is the measurement method and the carrying amounts of the two joint ventures:

Name	Measurement method	Carrying amount	
		At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
CESC	Equity	42	40
BCCL	Equity	373	312
		415	352

The two joint ventures are private companies and no quoted market prices are available for their shares.

No summarised financial information of CESC and BCCL is presented as the joint ventures are not material to the Group.

30. Goodwill and Other Intangible Assets

Accounting Policy

Goodwill

Goodwill arising on the acquisition of subsidiaries is carried at cost as established at the date of acquisition less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each CGU, or group of CGUs, that is expected to benefit from the synergies of the combination. Each CGU or group of CGUs to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes (i.e., operating segment level).

Goodwill is not amortised but impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

The Group's accounting policy for impairment is described in note 2(c).

Tradenames

Tradenames acquired in a business combination are recognised at fair value at the acquisition date. The fair value is based on the discounted estimated royalty payments that are expected to be avoided as a result of the tradenames being owned.

Tradenames arising from the acquisition of LME entities have indefinite useful lives and are carried at cost less accumulated impairment losses, if any.

Tradenames are reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment.

Customer relationships

Customer relationships acquired in a business combination are recognised initially at fair value at the acquisition date. The fair value is determined using the multi-period excess earnings method, whereby the asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows. Subsequently, the customer relationships are carried at cost (i.e., the initial fair value) less accumulated amortisation and impairment losses, if any. Amortisation is calculated using the straight-line method over the expected lives of the customer relationships, which are determined to be 8 to 25 years.

30. Goodwill and Other Intangible Assets (continued)

Accounting Policy (continued)

Computer software systems

Development costs that are directly attributable to the design, building and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets if the related software does not form an integral part of the hardware on which it operates (i.e., system software without which the related hardware can still operate) and when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use it;
- There is an ability to use the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised in the consolidated income statement as incurred. Development costs previously recognised in the consolidated income statement are not recognised as an asset in a subsequent period.

Qualifying software system development expenditure and related directly attributable costs capitalised as intangible assets are amortised when they are available for use. They are amortised at rates sufficient to write off their costs net of residual values over their estimated useful lives of three to ten years on a straight-line basis. The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. From 1 January 2024, the estimated useful lives of trading and clearing software systems were revised from “three to five years” to “three to ten years” to better reflect the useful lives of the assets. The financial impact of such change in accounting estimate was insignificant for the year ended 31 December 2024.

Costs incurred in configuring or customising software in a cloud computing arrangement can only be recognised as intangible assets if the activities create an intangible asset that the Group controls and the intangible asset meets the recognition criteria. Those costs that do not result in intangible assets are expensed when service is delivered, unless they are incurred for customising the cloud-based software which the promises are not distinct to the cloud computing arrangement, where such costs are amortised over the contract terms of the cloud computing arrangement.

The Group’s accounting policy for impairment is described in note 2(c).

30. Goodwill and Other Intangible Assets (continued)

	Other Intangible Assets				Total \$m
	Goodwill \$m	Tradenames \$m	Customer relationships \$m	Software systems \$m	
Cost:					
At 1 Jan 2023	13,367	897	3,150	6,587	24,001
Exchange differences	4	–	–	(7)	(3)
Additions	–	–	–	1,123	1,123
Disposals	–	–	–	(36)	(36)
At 31 Dec 2023	13,371	897	3,150	7,667	25,085
At 1 Jan 2024	13,371	897	3,150	7,667	25,085
Exchange differences	(74)	(5)	(16)	(27)	(122)
Additions	–	–	–	1,272	1,272
Disposals	–	–	–	(35)	(35)
At 31 Dec 2024	13,297	892	3,134	8,877	26,200
Accumulated amortisation:					
At 1 Jan 2023	–	–	1,317	3,716	5,033
Exchange differences	–	–	–	(4)	(4)
Amortisation	–	–	132	681	813
Disposals	–	–	–	(36)	(36)
At 31 Dec 2023	–	–	1,449	4,357	5,806
At 1 Jan 2024	–	–	1,449	4,357	5,806
Exchange differences	–	–	(8)	(15)	(23)
Amortisation	–	–	137	710	847
Disposals	–	–	–	(35)	(35)
At 31 Dec 2024	–	–	1,578	5,017	6,595
Net book value:					
At 31 Dec 2024	13,297	892	1,556	3,860	19,605
At 31 Dec 2023	13,371	897	1,701	3,310	19,279
Cost of software systems under development included above:					
At 31 Dec 2024	–	–	–	2,210	2,210
At 31 Dec 2023	–	–	–	1,933	1,933

Amortisation of \$847 million (2023: \$813 million) is included in “depreciation and amortisation” in the consolidated income statement.

Tradenames are regarded as having indefinite useful lives and there is no foreseeable limit to the period over which they are expected to generate cash flows for the Group as it is expected that their values will not be reduced through usage and there are no legal or similar limits on the period for their use.

30. Goodwill and Other Intangible Assets (continued)

Impairment tests for CGUs containing goodwill and intangible assets with indefinite useful lives

Goodwill and tradenames that arose on the acquisition of subsidiaries are allocated to and monitored by management at the operating segment level, which comprises CGUs, or groups of CGUs that are expected to benefit from synergies of combination with the acquired businesses. A summary of the allocation of goodwill and tradenames to these operating segments is as follows:

	At 31 Dec 2024		At 31 Dec 2023	
	Goodwill \$m	Tradenames \$m	Goodwill \$m	Tradenames \$m
Commodities segment	13,192	892	13,262	897
Data and Connectivity segment	105	–	109	–
	13,297	892	13,371	897

The Commodities segment comprises the operations of the LME for the trading of base and ferrous metals futures and options contracts in the UK and the operations of its clearing house, LME Clear (UK commodities CGU), and the operations of QME in Mainland China (China commodities CGU). As the China commodities CGU is still considered at development stage, its valuation has not been taken into account in determining the recoverable amount of the Commodities segment at 31 December 2024.

The recoverable amount of each CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated terminal growth rates stated below. The key assumptions, EBITDA margins, growth rates and discount rates used for value-in-use calculations are as follows:

	At 31 Dec 2024		At 31 Dec 2023	
	Commodities segment	Data and Connectivity segment	Commodities segment	Data and Connectivity segment
EBITDA margin (average of next five years)	56%	28%	55%	28%
Growth rate	3%	3%	3%	3%
Discount rate	8%	13%	8%	13%

Management determined the EBITDA margins based on past performance, expectations regarding market development, and the business model the entity undertakes. The growth rates do not exceed the long-term average growth rate for the business in the markets in which each of the CGUs currently operates. The discount rates reflect specific risks relating to each CGU.

The recoverable amounts of the operating segments based on the estimated value-in-use calculations were higher than their carrying amounts (including goodwill and tradenames) at 31 December 2024 and 31 December 2023. Accordingly, no provision for impairment loss for goodwill or tradenames is considered necessary.

If the LME trading and clearing fees in the forecast period were 23 per cent lower than forecast, or the discount rate adopted was increased to 11 per cent, the recoverable amount of the Commodities segment would be lower than its carrying amount. Except for this, any reasonably possible changes in the key assumptions used in the value-in-use assessment would not affect management's view on impairment at 31 December 2024.

31. Fixed Assets

Accounting Policy

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses.

Tangible fixed assets are depreciated when they are available for use. They are depreciated at rates sufficient to write off their costs net of expected residual values over their estimated useful lives on a straight-line basis. The residual values and useful lives are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The useful lives of major categories of fixed assets are as follows:

Leasehold buildings	Up to 35 years or remaining lives of the leases if shorter
Leasehold improvements	Over the remaining lives of the leases but not exceeding 10 years
Computer trading and clearing systems	
– hardware and software	3 to 10 years
Other computer hardware and software	3 to 5 years
Furniture, equipment and motor vehicles	3 to 5 years
Data centre facilities and equipment	3 to 20 years

From 1 January 2024, the estimated useful lives of computer trading and clearing software were revised from “three to five years” to “three to ten years” to better reflect the useful lives of the assets. The financial impact of such change in accounting estimate was insignificant for the year ended 31 December 2024.

Qualifying software expenditure and related directly attributable costs are capitalised and recognised as a fixed asset if the software forms an integral part of the hardware on which it operates (i.e., operating system software without which the related hardware cannot operate).

Subsequent costs and qualifying development expenditure incurred after the completion of a system are included in the asset’s carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with that item will flow to the Group and the cost of the item can be measured reliably.

The Group’s accounting policy for impairment is described in note 2(c).

31. Fixed Assets (continued)

	Leasehold buildings \$m	Computer trading and clearing systems \$m	Other computer hardware and software \$m	Data centre facilities and equipment \$m	Leasehold improvements, furniture, equipment and motor vehicles \$m	Total \$m
Cost:						
At 1 Jan 2023	708	1,161	756	660	1,235	4,520
Exchange differences	–	(2)	–	–	(1)	(3)
Additions	–	69	143	15	31	258
Disposals	–	(8)	(3)	(2)	(137)	(150)
At 31 Dec 2023	708	1,220	896	673	1,128	4,625
At 1 Jan 2024	708	1,220	896	673	1,128	4,625
Exchange differences	–	(2)	(2)	–	(2)	(6)
Additions	–	48	114	15	68	245
Disposals	–	(33)	(162)	–	(42)	(237)
At 31 Dec 2024	708	1,233	846	688	1,152	4,627
Accumulated depreciation:						
At 1 Jan 2023	288	951	477	287	877	2,880
Exchange differences	–	(2)	–	–	(1)	(3)
Depreciation	23	71	77	44	120	335
Disposals	–	(8)	(3)	(2)	(127)	(140)
At 31 Dec 2023	311	1,012	551	329	869	3,072
At 1 Jan 2024	311	1,012	551	329	869	3,072
Exchange differences	–	(2)	(1)	–	(2)	(5)
Depreciation	23	57	91	44	69	284
Disposals	–	(33)	(161)	–	(34)	(228)
At 31 Dec 2024	334	1,034	480	373	902	3,123
Net book value:						
At 31 Dec 2024	374	199	366	315	250	1,504
At 31 Dec 2023	397	208	345	344	259	1,553
Cost of fixed assets in the course of construction included above:						
At 31 Dec 2024	–	112	135	–	66	313
At 31 Dec 2023	–	69	109	1	81	260

Depreciation of \$284 million (2023: \$335 million) is included in “depreciation and amortisation” in the consolidated income statement.

32. Right-of-use Assets

Accounting Policy

For an asset leased by the Group, the right-of-use asset is initially measured at cost (which comprises the initial measurement of lease liabilities, initial direct costs, reinstatement costs, any payments made at or before the commencement date less any lease incentives received), and subsequently at cost less any accumulated depreciation and impairment losses. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group has applied judgement to determine the lease term of some lease contracts which includes renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

	Lease premium for land \$m	Properties \$m	Information technology facilities \$m	Equipment and motor vehicles \$m	Total \$m
At 1 Jan 2023	16	1,532	55	1	1,604
Additions of leases	–	171	–	5	176
Modification of leases	–	(1)	–	–	(1)
Depreciation	–	(282)	(12)	(1)	(295)
At 31 Dec 2023	16	1,420	43	5	1,484
At 1 Jan 2024	16	1,420	43	5	1,484
Exchange differences	–	(1)	–	–	(1)
Additions of leases	–	143	–	–	143
Reassessment of leases	–	(181)	–	–	(181)
Depreciation	(1)	(257)	(12)	(1)	(271)
At 31 Dec 2024	15	1,124	31	4	1,174

- (a) Lease premium for land represents prepaid lease payment for a medium-term lease in Hong Kong. In addition, the Group leases various properties, information technology facilities, office equipment and motor vehicles through lease contracts. These contracts are expected to expire within 6 years.
- (b) Depreciation of \$271 million (2023: \$295 million) is included in “depreciation and amortisation” in the consolidated income statement.

33. Margin Deposits, Mainland Security and Settlement Deposits, and Cash Collateral from Participants

Accounting Policy

The obligation to refund the Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants is disclosed under current liabilities. Non-cash collateral received from Participants is not recognised on the consolidated statement of financial position.

Margin Funds are established by cash received or receivable from Participants in respect of margin deposits, Mainland security and settlement deposits, and cash collateral of the five clearing houses to cover their open positions. Part of the Mainland security and settlement deposits is used by HKSCC to satisfy its obligations as a clearing participant of ChinaClear in respect of trades transacted through Stock Connect. Under Swap Connect, OTC Clear and SHCH are required to provide inter-CCP margin to each other to cover the potential loss arising from the default of the other party, and OTC Clear satisfies such obligations by using part of margin deposits collected from its Participants. These funds are held in segregated accounts of the respective clearing houses for this specified purpose and cannot be used by the Group to finance any other activities.

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants comprised:		
HKCC Clearing Participants' margin deposits	60,030	62,513
HKSCC Clearing Participants' margin deposits, Mainland security and settlement deposits, and cash collateral	29,679	18,227
LME Clear Clearing Participants' margin deposits	65,788	67,905
OTC Clear Clearing Participants' margin deposits	15,699	14,914
OTC Clear inter-CCP margin from SHCH	755	237
SEOCH Clearing Participants' margin deposits	16,906	12,369
	188,857	176,165
The margin deposits, Mainland security and settlement deposits, and cash collateral were invested in the following instruments for managing the obligations of the Margin Funds (note 20):		
Cash and cash equivalents (note 21)	96,089	91,369
Financial assets measured at fair value through other comprehensive income (note 23)	37,135	15,847
Financial assets measured at amortised cost (note 24)	35,231	59,084
Settlement Reserve Fund and Settlement Guarantee Fund held by ChinaClear (note 27)	19,814	9,734
Inter-CCP margin held by SHCH (note 27)	571	130
Margin receivable from Participants	17	1
	188,857	176,165

34. Accounts Payable, Accruals and Other Liabilities

Accounting Policy

Financial liabilities (other than derivative financial instruments (note 26) and financial guarantee contracts (note 36)) are initially recognised at fair value, which is then treated as their cost after initial recognition, and subsequently carried at amortised cost using the effective interest method.

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Payable to ChinaClear and Exchange and Clearing Participants:		
– CNS money obligations payable (note 27(a))	33,988	24,137
– HKD/USD cash collateral for A-shares (note 21(a)(ii))	–	26
– others	587	604
Transaction levy payable to the SFC	154	110
Levies payable to the Accounting and Financial Reporting Council	40	37
Unclaimed dividends (note (a))	539	487
Stamp duty payable to the Collector of Stamp Revenue	742	523
Cash collateral received for reverse repurchase investments	–	464
Other payables, accruals and deposits received	1,534	1,461
	37,584	27,849

- (a) Unclaimed dividends represent dividends declared by listed companies, including HKEX, but not yet claimed by their shareholders. During the year, cash dividends of listed companies other than HKEX held by HKSCC Nominees Limited which had remained unclaimed for a period of more than seven years amounting to \$15 million (2023: \$19 million) were forfeited and recognised as sundry income (note 8) and dividends declared by HKEX which were unclaimed over a period of six years amounting to \$32 million (2023: \$23 million) were forfeited and transferred to retained earnings in accordance with HKEX's Articles of Association (note 46).
- (b) CNS money obligations payable mature within two days after the trade date. The majority of the remaining accounts payable, accruals and other liabilities would mature within three months.

35. Deferred Revenue

Accounting Policy

Deferred revenue, or “contract liability” under HKFRS 15, is recognised when the Group receives consideration (or the amount is due) from the customers before the Group transfers goods or services to the customers.

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Deferred revenue arising from unsatisfied performance obligations	1,356	1,367
Analysed as:		
Non-current liabilities	319	307
Current liabilities	1,037	1,060
	1,356	1,367

36. Other Financial Liabilities

Accounting Policy

Financial guarantee contracts are initially recognised at fair value, and subsequently at the higher of the amount determined in accordance with the expected credit loss model and the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15: Revenue from Contracts with Customers.

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Financial liabilities of Clearing House Funds (note 37)	13	9
Financial liabilities of Corporate Funds:		
Financial guarantee contract (note (a))	20	20
	33	29

- (a) The amount represents the carrying value of a financial guarantee provided by the Group to the Collector of Stamp Revenue, details of which are disclosed in note 49(b).

37. Clearing House Funds

Accounting Policy

Clearing Participants' cash contributions to Clearing House Funds are included under current liabilities. Non-cash collateral received from Clearing Participants is not recognised on the consolidated statement of financial position.

Clearing House Funds, or default funds, are established under the Clearing House Rules. Assets contributed by the Clearing Participants and the Group are held by the respective clearing houses (together with the accumulated income less related expenses for the clearing houses in Hong Kong) expressly for the purpose of ensuring that the respective clearing houses are able to fulfil their counterparty obligations in the event that one or more of the Clearing Participants fail to meet their obligations to the clearing houses. The HKSCC Guarantee Fund also provides resources to enable HKSCC to discharge its liabilities and obligations if defaulting Clearing Participants deposit defective securities into CCASS. The amounts earmarked for contribution to the Rates and FX Guarantee Resources of OTC Clear and its accumulated investment income was also included in Clearing House Funds for presentation purpose. These funds are held in segregated accounts of the respective clearing houses for this specified purpose and cannot be used by the Group to finance any other activities. Contributions by the clearing houses to their respective default funds (Skin-in-the-Game), together with default fund credits granted to HKSCC and HKCC Participants, are included in Corporate Funds.

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
The Clearing House Funds comprised:		
Clearing Participants' cash contributions	27,124	21,955
Contribution to OTC Clear Rates and FX Guarantee Resources	156	156
Clearing House Funds reserves (note 45)	1,434	1,002
	28,714	23,113
The Clearing House Funds were invested in the following instruments for managing the obligations of the Funds (note 20):		
Cash and cash equivalents (note 21)	21,056	20,719
Financial assets measured at fair value through other comprehensive income (note 23)	7,671	2,403
Less: Other financial liabilities of Clearing House Funds (note 36)	(13)	(9)
	28,714	23,113
The Clearing House Funds comprised the following Funds:		
HKCC Reserve Fund	6,074	4,779
HKSCC Guarantee Fund	6,382	3,262
LME Clear Default Fund	8,728	7,814
OTC Clear Rates and FX Guarantee Fund	6,056	5,588
OTC Clear Rates and FX Guarantee Resources	191	183
SEOCH Reserve Fund	1,283	1,487
	28,714	23,113

- (a) At 31 December 2024, the Skin-in-the-Game, together with default fund credits granted to HKSCC and HKCC Participants (note 53(c)), amounted to \$2,080 million (31 December 2023: \$1,571 million), and were included in Corporate Funds (note 25(b)).

38. Lease Liabilities

Accounting Policy

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. The lease liability subsequently increases by the interest cost on the lease liability and is reduced by lease payments made. Each lease payment is allocated between the principal and interest.

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Total lease liabilities	1,294	1,604
Analysed as:		
Non-current liabilities	1,034	1,334
Current liabilities	260	270
	1,294	1,604

Some lease contracts include an option to renew for an additional period after the end of the initial contract term. The Group assesses at the lease commencement date the likelihood of exercising the extension options, and only include those reasonably certain to be exercised in the measurement of lease liabilities.

39. Borrowings

Accounting Policy

The potential cash payments related to put options issued by HKEX for the non-voting ordinary shares of a subsidiary held by non-controlling interests are accounted for as financial liabilities under borrowings, which are initially recognised at present value of amount payable by HKEX to acquire the shares held by non-controlling interests with a corresponding charge directly to equity under "reserve relating to written put options to non-controlling interests".

The written put option financial liabilities are subsequently measured at amortised cost. The interest charge arising is recorded under finance costs in the consolidated income statement.

When written put options are exercised by the non-controlling interests, the amount of non-controlling interests allocated to HKEX is credited directly to equity under "reserve relating to written put options to non-controlling interests".

When dividends are paid by the subsidiary, the amount of written put options financial liabilities is reduced by the amount of dividends received by non-controlling interests, with a corresponding credit to equity under "reserve relating to written put options to non-controlling interests".

The written put option liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

39. Borrowings (continued)

	Written put options to non-controlling interests	
	2024 \$m	2023 \$m
At 1 Jan	447	491
Redemption of written put options exercised by non-controlling interests	–	(51)
Interest expenses (note 14)	5	7
At 31 Dec	452	447
Analysed as:		
Non-current liabilities	70	65
Current liabilities	382	382
	452	447

The amounts were repayable as follows:

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Within one year	382	382
After two years but within five years	70	65
	452	447

At 31 December 2024 and 31 December 2023, 5,117 non-voting ordinary shares had been issued by OTC Clear at a total consideration of \$518 million. As part of the arrangement, put options were written by HKEX to the non-controlling interests to sell part or all of their non-voting ordinary shares in OTC Clear to HKEX at the initial subscription prices less accumulated dividends received by the non-controlling interests. The put options are exercisable by the non-controlling interests at any time following the date falling five years after the shares were issued if the non-controlling interests can demonstrate to HKEX that they have used reasonable endeavours for at least three months to find a suitable purchaser for their shares at a price equal to or more than their fair market values. The carrying amount of written put options represents the present value of the amount payable by HKEX to acquire the shares held by non-controlling interests at the date at which the written put options first become exercisable.

During 2023, HKEX purchased 427 non-voting ordinary shares at a consideration of \$51 million upon exercise of the written put options by the non-controlling interests.

At 31 December 2024, \$382 million of the written put options were exercisable (31 December 2023: \$382 million) and the remaining \$70 million of the options will become exercisable (31 December 2023: \$65 million) in December 2027.

40. Provisions

Accounting Policy

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period.

	Reinstatement costs \$m	Employee benefit costs \$m	Total \$m
At 1 Jan 2024	113	62	175
Provision for the year	14	170	184
Over provision for prior years	(4)	–	(4)
Amount used during the year	–	(159)	(159)
Amount paid during the year	–	(9)	(9)
At 31 Dec 2024	123	64	187
Analysed as:			
Non-current liabilities	123	–	123
Current liabilities	–	64	64
	123	64	187

- (a) The provision for reinstatement costs represents the estimated costs of restoring the leased office premises to their original state upon the expiry of the leases. The leases are expected to expire within 6 years.
- (b) The provision for employee benefit costs represents unused annual leave that has been accumulated at the end of the reporting period. It is expected to be fully utilised in the coming twelve months.

41. Deferred Taxation

Accounting Policy

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except that deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets and liabilities related to Pillar Two income taxes are not recognised.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences or the current tax losses can be utilised.

41. Deferred Taxation (continued)

- (a) The movements on the net deferred tax liabilities/(assets) were as follows:

	Accelerated tax depreciation		Intangible assets ¹		Tax losses		Employee benefits		Leases		Financial assets		Total	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m
At 1 Jan	432	395	649	680	(10)	(11)	(14)	(15)	–	(1)	(25)	(29)	1,032	1,019
Exchange differences	–	–	(5)	–	–	–	–	–	–	–	–	(1)	(5)	(1)
Charged/(credited) to the consolidated income statement (note 17(a))	147	37	(33)	(31)	–	1	(6)	1	(4)	1	6	(25)	110	(16)
Charged to other comprehensive income	–	–	–	–	–	–	–	–	–	–	5	30	5	30
At 31 Dec	579	432	611	649	(10)	(10)	(20)	(14)	(4)	–	(14)	(25)	1,142	1,032

1 Intangible assets comprise customer relationships and tradenames.

- (b) The Group had unrecognised tax losses of \$1,987 million at 31 December 2024 (31 December 2023: \$1,968 million) that may be carried forward for offsetting against future taxable income. Tax losses of Mainland entities amounting to \$692 million (31 December 2023: \$752 million) will expire 5 years after the losses were incurred, and the remaining tax losses have no expiry date and can be carried forward indefinitely.
- (c) Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to tax levied by the same taxation authority on the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Deferred tax assets	(9)	(21)
Deferred tax liabilities	1,151	1,053
	1,142	1,032

- (d) The analysis of deferred tax (assets)/liabilities is as follows:

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Deferred tax assets		
Amounts to be recovered after more than 12 months	(4)	(3)
Amounts to be recovered within 12 months	(5)	(18)
	(9)	(21)
Deferred tax liabilities		
Amounts to be settled after more than 12 months	1,127	1,033
Amounts to be settled within 12 months	24	20
	1,151	1,053
Net deferred tax liabilities	1,142	1,032

42. Share Capital and Shares Held for Share Award Scheme

Accounting Policy

Where HKEX shares are acquired by the Share Award Scheme from the market, the total consideration of shares paid (including any directly attributable incremental costs) is presented as Shares held for Share Award Scheme and deducted from total equity.

Upon vesting, the related costs of the vested Awarded Shares and shares acquired from reinvesting dividends (dividend shares) are credited to Shares held for Share Award Scheme, with a corresponding decrease in employee share-based compensation reserve for Awarded Shares, and decrease in retained earnings for dividend shares.

Issued and fully paid – ordinary shares with no par:

	Number of shares '000	Number of shares held for Share Award Scheme ¹ '000	Share capital \$m	Shares held for Share Award Scheme \$m	Total \$m
At 1 Jan 2023	1,267,837	(2,406)	31,918	(918)	31,000
Shares purchased for Share Award Scheme (note (a))	–	(1,764)	–	(448)	(448)
Vesting of shares of Share Award Scheme (note (b))	–	878	28	357	385
At 31 Dec 2023	1,267,837	(3,292)	31,946	(1,009)	30,937
At 1 Jan 2024	1,267,837	(3,292)	31,946	(1,009)	30,937
Shares purchased for Share Award Scheme (note (a))	–	(1,627)	–	(481)	(481)
Vesting of shares of Share Award Scheme (note (b))	–	980	9	365	374
At 31 Dec 2024	1,267,837	(3,939)	31,955	(1,125)	30,830

1 Excluding shares vested but not yet transferred to awardees of 56,483 shares at 31 December 2024 (31 December 2023: 61,896 shares)

- (a) During the year, the Share Award Scheme (note 43) acquired 1,627,461 HKEX shares (2023: 1,763,793 shares) through purchases on the open market. The total amount paid to acquire the shares during the year was \$481 million (2023: \$448 million).
- (b) During the year, a total of 979,877 HKEX shares (2023: 878,256 shares) were vested. The total cost of the vested shares was \$365 million (2023: \$357 million). In 2024, \$9 million (2023: \$28 million) was credited to share capital in respect of vesting of certain shares whose fair values were higher than the costs.

43. Employee Share-based Arrangements

Accounting Policy

The Group operates the Share Award Scheme (the Scheme), which is an equity-settled share-based compensation plan under which Awarded Shares are granted to employees of the Group (including the Executive Director) as part of their remuneration package.

The fair value of the Awarded Shares is determined by reference to the cost of purchase of the Awarded Shares, or the market value of the shares on grant date. The amount to be expensed as share-based compensation expenses is determined by reference to the fair value of the Awarded Shares granted. The total expense is recognised over the relevant vesting periods, with a corresponding credit to an employee share-based compensation reserve under equity.

The Group revises its estimates of the number of Awarded Shares that are expected to ultimately vest based on the vesting conditions at the end of each reporting period. Any resulting adjustment to the cumulative amount recognised in prior years is charged/credited to employee share-based compensation expense in the current year, with a corresponding adjustment to the employee share-based compensation reserve.

The movements of employee share-based compensation reserve were as follows:

	2024 \$m	2023 \$m
At 1 Jan	373	346
Employee share-based compensation benefits (note 10)	390	399
Vesting of shares of Share Award Scheme	(349)	(372)
At 31 Dec	414	373

The Scheme allows shares to be granted to employees of the Group, including the Executive Director (Employee Share Awards).

The amounts of shares awarded to eligible employees and/or selected senior executives (Awarded Sum) are approved by the Board. Pursuant to the Scheme, the Scheme's trustee, based on the Board's recommendation, applies forfeited or unallocated HKEX Shares held under the Scheme and HKEX shares that have been purchased from the market to satisfy the Awarded Shares for allocation to the selected employees. Before vesting, the Awarded Shares are held by the trust set up by the Scheme.

Further shares are derived from dividends payable on the Awarded Shares held in the Scheme from reinvesting dividends (dividend shares), and are allocated to the awardees on a pro rata basis and have the same vesting periods as the related Awarded Shares.

43. Employee Share-based Arrangements (continued)

(a) Employee Share Awards

Employee Share Awards vest progressively over the vesting period after the awards are granted, provided that the relevant awardee (i) remains employed by the Group (ii) is made redundant or (iii) is deemed to be a “good leaver”, and Employee Share Awards vest immediately if the relevant awardee dies or suffers from permanent disability. Share Awards granted prior to 1 January 2023 are vested immediately on the date of retirement of the awardees, while Share Awards granted on or after 1 January 2023 are vested in accordance with the original vesting schedule. Unless otherwise determined by the Board, the Remuneration Committee or the Chief Executive Officer, the vesting period of Employee Share Awards granted is three years, and the shares will be vested in two equal tranches from the second to the third year after the shares are granted.

For awardees who do not meet the vesting criteria, the unvested shares are forfeited. The forfeited shares are held by the trust set up by the Scheme.

Details of Awarded Shares awarded during 2023 and 2024

Date of award	Number of Awarded Shares awarded	Average fair value per share \$	Vesting period ends
27 Feb 2023	1,032,050 ^{1,2}	328.89	8 Dec 2024 – 8 Dec 2025
9 Mar 2023	274	341.08	8 Dec 2024 – 8 Dec 2025
22 Mar 2023	1,693	332.73	1 Sep 2023 – 1 Sep 2026
17 Nov 2023	163	287.07	2 Feb 2024 – 2 Feb 2026
17 Nov 2023	586	287.07	17 Nov 2023 – 4 Sep 2024
17 Nov 2023	2,058	287.07	17 Nov 2023 – 15 Nov 2026
17 Nov 2023	14,095	287.07	31 Dec 2023 – 31 Dec 2026
30 Nov 2023	2,498	279.02	1 Mar 2024 – 1 Mar 2026
4 Mar 2024	1,681,512 ^{2,3}	251.39	8 Dec 2025 – 8 Dec 2026
8 Mar 2024	4,731	236.60	15 Jan 2026 – 15 Jan 2027
21 May 2024	1,576	284.65	21 May 2024 – 10 Mar 2027
30 May 2024	60,215 ²	274.93	24 May 2026 – 24 May 2027
18 Jul 2024	2,889	242.29	30 Sep 2025 – 30 Sep 2026
18 Jul 2024	2,850	242.29	15 Feb 2025 – 15 Mar 2028

1 170,171 shares were awarded by re-granting the forfeited or unallocated shares held by the Scheme on 27 February 2023.

2 88,041, 130,744 and 60,215 shares were awarded to ex-HKEX Chief Executive Officer on 27 February 2023, 4 March 2024 and 30 May 2024 respectively.

3 34,023 shares were awarded to HKEX Chief Executive Officer on 4 March 2024.

In addition to above, total Awarded Shares amounting to \$433 million were also granted to selected employees in December 2024. At 31 December 2024, the shares had not been awarded to the employees.

Details of Awarded Shares (excluding dividend shares) vested during 2023 and 2024

During the year, 916,692 HKEX shares (2023: 837,299 shares) were vested at an aggregate fair value of \$349 million (2023: \$372 million), of which 15,479 shares were for the HKEX Chief Executive Officer and 86,322 shares were for ex-HKEX Chief Executive Officer (2023: 148,179 shares for ex-HKEX Chief Executive Officer).

The total cost of these vested shares was \$348 million (2023: \$344 million). In 2024, \$9 million (2023: \$28 million) was credited to share capital in respect of vesting of certain shares whose fair values were higher than the costs, and \$8 million (2023: \$Nil) was charged to retained earnings in respect of vesting of certain shares whose fair values were lower than the costs.

43. Employee Share-based Arrangements (continued)

(b) Summary of Awarded Shares awarded and dividend shares

Movements in number of Awarded Shares awarded and dividend shares

	2024	2023
Number of Awarded Shares and dividend shares:		
Outstanding at 1 Jan	1,544,797	1,367,905
Awarded ¹	1,753,773	1,053,417
Forfeited	(90,240)	(55,425)
Vested	(916,692)	(837,299)
Dividend shares:		
– allocated to awardees	110,095	58,739
– allocated to awardees but subsequently forfeited	(2,945)	(1,583)
– vested ²	(63,185)	(40,957)
Outstanding at 31 Dec	2,335,603	1,544,797

1 Weighted average fair value per share was \$252.16 (2023: \$328.11).

2 In 2024, 63,185 dividend shares (2023: 40,957 shares), of which 1,116 shares were for the HKEX Chief Executive Officer and 6,440 shares were for the ex-HKEX Chief Executive Officer (2023: 6,677 shares for the ex-HKEX Chief Executive Officer), at a cost of \$17 million (2023: \$13 million) were vested.

Remaining vesting periods of Awarded Shares awarded and dividend shares outstanding at 31 December

	At 31 Dec 2024		At 31 Dec 2023	
	Remaining vesting period	Number of Awarded Shares and dividend shares outstanding	Remaining vesting period	Number of Awarded Shares and dividend shares outstanding
Shares awarded in:				
2020	–	–	0.11 year	5,100
2021	–	–	0.04 year to 0.92 year	12,948
2022	0.03 year to 1.00 year	65,835	0.03 year to 2.00 years	455,949
2023	0.09 year to 2.00 years	470,898	0.09 year to 3.00 years	1,021,485
2024	0.04 year to 3.20 years	1,705,590	–	–
Dividend shares	0.03 year to 3.20 years	93,280	0.03 year to 2.67 years	49,315
		2,335,603		1,544,797

(c) Total number of shares held by Share Award Scheme

	At 31 Dec 2024	At 31 Dec 2023
Number of Awarded Shares and dividend shares (note (b))	2,335,603	1,544,797
Forfeited or unallocated shares ¹	1,603,701	1,746,923
Number of shares held by Share Award Scheme ² (note 42)	3,939,304	3,291,720

1 The shares will be granted to eligible employees in future.

2 Excluding shares vested but not yet transferred to awardees of 56,483 shares at 31 December 2024 (31 December 2023: 61,896 shares).

44. Hedging and Revaluation Reserves

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Hedging reserve (note (a))	(45)	3
Revaluation reserve (note (b))	(20)	(147)
	(65)	(144)

(a) Hedging reserve

Accounting Policy

The Group may designate bank balances and forward foreign exchange contracts as hedges of foreign exchange risks associated with the cash flows of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The changes in the fair value relating to the effective portion of hedging instruments that are designated and qualified as cash flow hedges is recognised in other comprehensive income and accumulated in hedging reserve in equity. The gains or losses relating to the ineffective portion are recognised immediately in the consolidated income statement.

Amounts accumulated in hedging reserve are reclassified to the consolidated income statement in the periods when the hedged item is recognised in the consolidated income statement. Where the hedged item subsequently results in the recognition of a non-financial asset, the amounts accumulated in hedging reserve are included within the initial measurement of the cost of the asset.

44. Hedging and Revaluation Reserves (continued)

(a) Hedging reserve (continued)

The movements of hedging reserve were as follows:

	2024 \$m	2023 \$m
At 1 Jan	3	10
Cash flow hedges:		
– net fair value (losses)/gains of hedging instruments recognised in other comprehensive income	(57)	27
– reclassified from other comprehensive income to operating expenses	(7)	(36)
– deferred tax credited to other comprehensive income	16	2
	(48)	(7)
At 31 Dec	(45)	3

- (i) The functional currencies of LME and LME Clear are United States Dollars (USD). To hedge the foreign currency exposure of their expenditures payable in Pound sterling (GBP), these entities have designated forward foreign exchange contracts as cash flow hedges for hedging the foreign exchange risk of their staff costs and related expenses and information technology and computer maintenance expenses.

Further details of the forward foreign exchange contracts that have been designated as cash flow hedge of the Group's highly probable forecast transactions at the end of the reporting period are as follows:

	At 31 Dec 2024	At 31 Dec 2023
Carrying amount – (liability)/asset (\$m)	(60)	4
Notional amount	GBP131m	GBP113m
Maturity date	0-12 months	0-12 months
Hedge ratio	1:1	1:1
Change in value of outstanding hedging instruments since inception of the hedge – (loss)/gain (\$m)	(60)	4
Change in value of hedged item used to determine hedge ineffectiveness (\$m)	60	(4)
Weighted average hedged rate for outstanding hedging instruments (GBP vs USD)	1.31	1.27

- (ii) The total amounts arising from ineffective cash flow hedges recognised in the consolidated income statement of the Group during the year were less than \$1 million (2023: less than \$1 million).

(b) Revaluation reserve

	2024 \$m	2023 \$m
At 1 Jan	(147)	(276)
Changes in fair value of financial assets measured at fair value through other comprehensive income	94	161
Loss on disposal of financial assets measured at fair value through other comprehensive income	54	–
Deferred tax on financial assets measured at fair value through other comprehensive income	(21)	(32)
At 31 Dec	(20)	(147)

45. Designated Reserves

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Clearing House Funds reserves (notes (a) and 37)	1,434	1,002
PRC statutory reserve (note (b))	17	16
	1,451	1,018

(a) Clearing House Funds reserves

	HKCC Reserve Fund reserve \$m	HKSCC Guarantee Fund reserve \$m	OTC Clear Rates and FX Guarantee Fund reserve \$m	OTC Clear Rates and FX Guarantee Resources reserve \$m	SEOCH Reserve Fund reserve \$m	Total \$m
At 1 Jan 2023	251	175	110	18	117	671
Surplus of net investment income net of expenses of Clearing House Funds transfer from retained earnings (note 46)	22	93	194	9	13	331
At 31 Dec 2023	273	268	304	27	130	1,002
At 1 Jan 2024	273	268	304	27	130	1,002
Surplus of net investment income net of expenses of Clearing House Funds transfer from retained earnings (note 46)	25	137	247	8	15	432
At 31 Dec 2024	298	405	551	35	145	1,434

(b) PRC statutory reserve

	2024 \$m	2023 \$m
At 1 Jan	16	15
Transfer from retained earnings (note 46)	1	1
At 31 Dec	17	16

Pursuant to relevant PRC laws, each of the subsidiaries in Mainland China is required to appropriate 10 per cent of its net profit to a non-distributable statutory reserve until such reserve reaches 50 per cent of the subsidiary's registered capital. The statutory reserve can be utilised, upon approval by the shareholders of the subsidiary, to offset accumulated losses or to increase the paid-in capital of the subsidiary, provided that the balance of the reserve after transfer to paid-up capital is not less than 25 per cent of the subsidiary's registered capital.

46. Retained Earnings

	2024 \$m	2023 \$m
At 1 Jan	19,723	18,547
Profit attributable to shareholders	13,050	11,862
Transfer to Clearing House Funds reserves (note 45(a))	(432)	(331)
Transfer to PRC statutory reserve (note 45(b))	(1)	(1)
Dividends:		
2023/2022 second interim dividend	(4,944)	(4,669)
2024/2023 first interim dividend	(5,513)	(5,695)
Unclaimed HKEX dividends forfeited (note 34(a))	32	23
Vesting of shares of Share Award Scheme	(25)	(13)
At 31 Dec	21,890	19,723

47. Notes to the Consolidated Statement of Cash Flows

(a) Reconciliation of profit before taxation to net cash inflow from principal operating activities

	2024 \$m	2023 \$m
Profit before taxation	14,853	13,332
Adjustments for:		
Net interest income	(4,737)	(4,828)
Net fair value gains on financial assets mandatorily measured at fair value through profit or loss and derivative financial instruments	(264)	(120)
Finance costs	114	135
Depreciation and amortisation	1,402	1,443
Employee share-based compensation benefits	390	399
Share of profits of joint ventures	(88)	(82)
Other non-cash adjustments	(2)	(5)
Net (increase)/decrease in financial assets of Margin Funds	(12,557)	51,898
Net increase/(decrease) in financial liabilities of Margin Funds	12,692	(51,737)
Net increase in Clearing House Fund financial assets	(5,605)	(1,070)
Net increase in Clearing House Fund financial liabilities	5,173	739
Decrease in cash prepayments and collateral for A-shares	558	77
Increase in Corporate Funds used for supporting Skin-in-the-Game and default fund credits	(509)	(273)
Increase in Corporate Funds transferred to SHCH as inter-CCP margin	(144)	(113)
Net increase in foreign exchange derivative contracts	–	(62)
Increase in accounts receivable, prepayments and deposits	(10,687)	(8,231)
Increase in other liabilities	9,824	8,754
Net cash inflow from principal operations	10,413	10,256
Interest received from short-term debt securities, time deposits and cash and cash equivalents	9,523	9,998
Interest paid to Participants	(5,828)	(6,013)
Cash paid for foreign exchange swaps	(42)	–
Income tax paid	(1,283)	(2,947)
Net cash inflow from principal operating activities (non-HKFRS measure)	12,783	11,294

47. Notes to the Consolidated Statement of Cash Flows (continued)

(b) Reconciliation of liabilities arising from financing activities

	Borrowings \$m	Lease liabilities \$m
At 1 Jan 2023	491	1,745
Additions of leases	–	159
Modification of leases	–	(1)
Interest on borrowings (note 14)	7	–
Interest on lease liabilities (note 14)	–	59
Cash flows		
– Payments of capital elements of lease liabilities	–	(307)
– Payments of interest elements of lease liabilities	–	(59)
– Payment for written put options exercised by non-controlling interests (note 39)	(51)	–
Exchange differences	–	8
At 31 Dec 2023	447	1,604
At 1 Jan 2024	447	1,604
Additions of leases	–	129
Reassessment of leases	–	(181)
Interest on borrowings (note 14)	5	–
Interest on lease liabilities (note 14)	–	55
Cash flows		
– Payments of capital elements of lease liabilities	–	(255)
– Payments of interest elements of lease liabilities	–	(55)
Exchange differences	–	(3)
At 31 Dec 2024	452	1,294

(c) Cash outflow for leases

Amounts for leases included in the consolidated statement of cash flow comprise the following:

	2024 \$m	2023 \$m
Within financing cash flows	(310)	(366)
Total lease rental paid	(310)	(366)

48. Commitments

Commitments in respect of capital expenditures

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Contracted but not provided for:		
– fixed assets	26	14
– intangible assets	196	157
Authorised but not contracted for:		
– fixed assets	662	505
– intangible assets	818	879
	1,702	1,555

49. Contingent Liabilities and Contingent Assets

Accounting Policy

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable or when the amount of obligation becomes reliably measurable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It is not recognised but is disclosed in the consolidated financial statements where an inflow of economic benefits is probable. It is recognised when the realisation of income is virtually certain.

At 31 December 2024, the Group's material contingent liabilities and contingent assets were as follows:

- (a) The Group had a contingent liability in respect of potential calls to be made by the SFC to replenish all or part of compensation less recoveries paid by the Unified Exchange Compensation Fund established under the repealed Securities Ordinance up to an amount not exceeding \$71 million (31 December 2023: \$71 million). Up to 31 December 2024, no calls had been made by the SFC in this connection.
- (b) The Group had undertaken to indemnify the Collector of Stamp Revenue against any underpayment of stamp duty by its Participants of up to \$200,000 for each Participant (note 36(a)). In the unlikely event that all of its 536 trading Participants (31 December 2023: 574) covered by the indemnity at 31 December 2024 defaulted, the maximum liability of the Group under the indemnity would amount to \$107 million (31 December 2023: \$115 million).
- (c) HKEX had given an undertaking in favour of HKSCC to contribute up to \$50 million in the event of HKSCC being wound up while it is a wholly-owned subsidiary of HKEX or within one year after HKSCC ceases to be a wholly-owned subsidiary of HKEX, for payment of the liabilities of HKSCC contracted before HKSCC ceases to be a wholly-owned subsidiary of HKEX, and for the costs of winding up.

49. Contingent Liabilities and Contingent Assets (continued)

(d) Material litigation

The LME and LME Clear were named as defendants in two judicial review claims filed in the English High Court (the Court) in 2022 (the Proceedings) and three related claims filed in the Court in 2023. The total claims amount to approximately US\$600 million.

The Proceedings sought to challenge the LME's decision to cancel the claimants' alleged trades in nickel contracts executed on or after 00:00 UK time on 8 March 2022. The claimants have alleged that this was unlawful on public law grounds and/or constituted a violation of their human rights.

On 29 November 2023, the Court gave judgment in the LME and LME Clear's favour on all grounds, and ordered the claimants to pay the LME and LME Clear's costs of the Proceedings, which are to be assessed by the Court if not agreed with the claimants.

One of the claimants, Elliott Associates L.P. and Elliott International L.P. (Elliott), sought and was granted permission to appeal to the Court of Appeal (the Appeal). The Appeal was heard by the Court of Appeal in July 2024. Judgment in respect of the Appeal was handed down by the Court of Appeal in October 2024, in which the Court of Appeal found in the LME and LME Clear's favour and dismissed the Appeal. The Supreme Court has refused permission for Elliott to appeal the Appeal outcome further. This effectively brings an end to the Proceedings.

The three related claims issued in March 2023 were stayed, pending the final determination of the Proceedings. Following the Supreme Court's decision refusing to give Elliott permission to appeal, the stays of the Human Rights Act (HRA) claims were released on 11 February 2025, and the HRA claimants now have the option of proceeding or discontinuing their claims. The limitation period for similar damages claims under the HRA has now expired.

In light of the judgments of the Court and the Court of Appeal, all rights of appeal against which have now been exhausted following the decision of the Supreme Court, no provision is required in the consolidated financial statements of the Group.

The claimants made an interim payment of GBP5 million to the LME and LME Clear to cover part of their costs of the Proceedings in April 2024, and Elliott has made an interim payment of GBP1.06 million in respect of the LME and LME Clear's costs of the Appeal in October 2024. The final amount with respect to recovery of costs of the Proceedings and the Appeal will be assessed by the Court if not agreed with the claimants in respect of the Proceedings and Elliott in respect of the Appeal. As a consequence, the Group has not recognised any further recovery of costs as receivables in the consolidated financial statements as at 31 December 2024.

50. Connected Transactions and Material Related Party Transactions

(a) Connected transactions and related party transactions

Certain Directors of HKEX may be directors and/or shareholders of (i) Exchange Participants of the Stock Exchange, Futures Exchange, the LME and QME (Exchange Participants) and Clearing Participants of HKSCC, HKCC, SEOCH, LME Clear and OTC Clear (Clearing Participants); (ii) companies listed on the Stock Exchange; and (iii) Exchange Participants for buying shares on behalf of HKSCC. Securities and derivatives contracts traded by, and fees levied on, these Exchange Participants and Clearing Participants, fees levied on these listed companies, fees paid to these Exchange Participants for buying shares on behalf of HKSCC and interest rebates payable to Clearing Participants on their collateral are all undertaken in the ordinary course of business of the Group on the standard terms and conditions applicable to all other Exchange Participants, Clearing Participants, listed companies and Exchange Participants for buying shares on behalf of HKSCC.

(b) Material related party transactions

In addition to the above and those disclosed elsewhere in these consolidated financial statements, the Group entered into the following material related party transactions:

(i) Key management personnel compensation

	2024 \$m	2023 \$m
Salaries and other short-term employee benefits	229	211
Employee share-based compensation benefits	159	143
Retirement benefit costs	17	9
	405	363

(ii) Post-retirement benefit plans

The Group has sponsored an ORSO Plan and the LME Pension Scheme as its post-retirement benefit plans (note 10(a)).

(iii) Save as aforesaid, the Group has entered into other transactions in the ordinary course of business with companies that are related parties but the amounts were immaterial.

51. Pledges of Assets

LME Clear receives securities and gold bullion as non-cash collateral for margins posted by its Clearing Participants. The total fair value of this non-cash collateral was US\$2,522 million (HK\$19,591 million) at 31 December 2024 (31 December 2023: US\$3,748 million (HK\$29,266 million)). LME Clear is obliged to return this non-cash collateral upon request when the Clearing Participants' collateral obligations have been substituted with cash collateral or otherwise discharged. LME Clear is permitted to sell or pledge such collateral in the event of the default of a Clearing Participant. Any non-cash collateral lodged at central securities depositories or custodians is subject to a lien or pledge for the services they provide in respect of the collateral held.

LME Clear also holds securities as collateral in respect of its investments in overnight triparty reverse repurchase agreements under which it is obliged to return equivalent securities to the counterparties at maturity of the reverse repurchase agreements. The fair value of this collateral was US\$7,928 million (HK\$61,584 million) at 31 December 2024 (31 December 2023: US\$9,095 million (HK\$71,019 million)). Such non-cash collateral, together with certain financial assets amounting to US\$1,774 million (HK\$13,783 million) at 31 December 2024 (31 December 2023: US\$1,102 million (HK\$8,604 million)), have been pledged to LME Clear's investment agents and custodian banks under security arrangements for the settlement and depository services they provide in respect of the collateral and investments held.

Non-cash collateral is not recorded on the consolidated statement of financial position of the Group.

52. Capital Management

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
- To support the Group's stability and growth;
- To provide capital for the purpose of strengthening the Group's risk management capability; and
- To ensure that the Group's regulated entities comply with their respective regulatory capital requirements.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and shareholder returns. The Group takes into consideration the expected capital requirements and capital efficiency, regulatory capital requirements of its regulated entities, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group has a number of regulated entities that are subject to regulatory capital requirements set by the respective regulators. The regulatory capital requirements of the Group's subsidiaries at 31 December 2024 are summarised as follows:

Subsidiaries	Regulatory authority	Regulatory capital requirements
Stock Exchange, Futures Exchange	SFC, Hong Kong	Maintain at all times net current assets funded by equity sufficient to cover each subsidiary's projected total operating expenses for at least the following six months of \$2,016 million (31 December 2023: \$1,896 million), and net current assets funded by equity or long-term loans from HKEX sufficient to cover its projected total operating expenses for at least the following twelve months of \$4,032 million (31 December 2023: \$3,792 million).
HKSCC, HKCC, SEOCH, OTC Clear	SFC, Hong Kong	Maintain at all times liquid net assets funded by equity (i.e., liquid assets of Corporate Funds (excluding those solely used to support Skin-in-the-Game and default fund credits of Clearing House Funds) minus non-current liabilities) sufficient to cover each subsidiary's projected total operating expenses for at least the following six months of \$876 million (31 December 2023: \$916 million), and net current assets funded by equity or long-term loans from HKEX (excluding those solely used to support Skin-in-the-Game and default fund credits of Clearing House Funds) sufficient to cover its projected total operating expenses for at least the following twelve months of \$1,752 million (31 December 2023: \$1,833 million).
LME	The Financial Conduct Authority, UK	Maintain at all times net capital and liquid financial resources of at least the costs of orderly closure plus a risk based capital charge, amounting to US\$99 million (HK\$765 million) (31 December 2023: HK\$829 million).
LME Clear	Bank of England, UK	Maintain cash or highly liquid financial instruments with minimal market and credit risk, amounting to US\$115 million (HK\$893 million) (31 December 2023: HK\$857 million), plus 10 per cent minimum reporting threshold of US\$12 million (HK\$89 million) (31 December 2023: HK\$86 million) and US\$29 million (HK\$223 million) (31 December 2023: HK\$215 million) financial resources available to set off losses in the event of default (Skin-in-the-Game). Capital resources must be in the form of share capital, retained earnings and reserves, reduced by intangible assets and retained losses.

At 31 December 2024, the Group had set aside \$4,000 million (31 December 2023: \$4,000 million) of shareholders' funds for the purpose of supporting the risk management regime of the clearing houses in their roles as central counterparties, of which \$2,160 million (31 December 2023: \$2,160 million) had been injected into HKSCC, HKCC and SEOCH as share capital.

52. Capital Management (continued)

All regulated entities of the Group had adequate capital to meet their regulatory requirements at 31 December 2024 and 31 December 2023.

The Group adopts a dividend policy of providing shareholders with regular dividends with a normal target payout ratio of 90 per cent of the Group's profit of the year (excluding the financial results of HKEX Foundation Limited) and it may also offer a scrip dividend alternative to shareholders if considered appropriate. The consideration of share capital issued under the scrip dividend scheme (if any), together with the 10 per cent of the profit not declared as dividends, are retained as capital of the Group for future use.

The Group monitors capital on the basis of its gross gearing ratio (i.e., gross debt divided by adjusted capital) and net gearing ratio (i.e., net debt divided by adjusted capital). For this purpose, the Group defines gross debt as the total borrowings (excluding lease liabilities), net debt as gross debt less cash and cash equivalents of Corporate Funds (excluding those reserved for supporting Skin-in-the-Game and default fund credits of Clearing House Funds), and adjusted capital as all components of equity attributable to shareholders of HKEX other than designated reserves. The Group's strategy is to maintain the ratios at less than 50 per cent.

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Borrowings (note 39)	452	447
Less:		
Cash and cash equivalents of Corporate Funds (note 21)	15,045	10,286
Less: Amounts reserved for supporting Skin-in-the-Game and default fund credits of Clearing House Funds (note 21(b))	(1,135)	(1,074)
	13,910	9,212
Net debt (note (a))	–	–
Equity attributable to shareholders of HKEX	53,852	51,344
Less: Designated reserves (note 45)	(1,451)	(1,018)
Adjusted capital	52,401	50,326
Gross gearing ratio	1%	1%
Net gearing ratio	0%	0%

- (a) Net debt is zero when the amount of cash and cash equivalents of Corporate Funds (excluding those reserved for supporting Skin-in-the-Game and default fund credits of Clearing House Funds) is higher than gross debt.

53. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), liquidity risk and credit risk. The Group's overall risk management programme seeks to manage against the unpredictability of financial markets and to minimise potential adverse effects on the Group's performance.

(a) Market risk

Nature of risk

Market risk is the risk of loss arising from movements in observable market variables such as foreign exchange rates, equity prices and interest rates. The Group is exposed to market risk primarily through its financial assets and financial liabilities (including borrowings and lease liabilities). The Group is also exposed to credit-contingent market risk arising from the default of Clearing Participants, which is further elaborated under credit risk (note (c)).

Risk management

The Group's investment policy is to prudently invest all funds managed by the Group in a manner which will satisfy liquidity requirements, safeguard financial assets and manage risks while optimising return on investments within regulatory constraints and within the risk appetite and risk control framework approved by the Board.

Investment and fund management by HKEX and the Group's subsidiaries is governed by the HKEX Group Investment Policies, which are approved by the Board and reviewed regularly. Investment restrictions and guidelines set out in the Investment Policies form an integral part of risk control. Fund-specific restrictions and guidelines are set according to the investment objectives of each fund (i.e., Corporate Funds, Clearing House Funds, Margin Funds and Cash for A-shares). Specific limits are set to control risks where applicable (e.g., permissible asset type, asset allocation, liquidity, credit requirement, counterparty concentration, tenor, foreign exchange exposures, interest rate risks and stress loss limits under extreme but plausible conditions) of the investments.

A portion of the Corporate Funds is invested in externally-managed investment funds (External Portfolio) under the Externally-Managed Investment Policy, which sets out the investment objectives, principles, governance processes and approach for managing investment activities of the External Portfolio. The policy includes an asset allocation policy which aims to preserve and enhance the return of the External Portfolio by investing in a diverse mix of asset classes whose returns are not highly correlated to each other over time to mitigate portfolio volatility and asset class concentration risk. The policy also defines the risk-return parameters for the External Portfolio and restrictions to be observed, and the governance structure on selection and monitoring of fund managers. The fund managers of the investment funds are selected based on their performance track records and areas of expertise, and each should be financially strong and stable. Specific risk management framework is set for the External Portfolio, including permissible asset type, asset allocation, expected annualised volatility, expected risk-adjusted returns and liquidity requirements.

The Investment Committee, comprised of Non-executive Directors of HKEX, assists the Board on portfolio management and monitors the risk and performance of HKEX's investments. A Treasury team in the Finance Division is dedicated to the day-to-day management and investment of the internally-managed funds, and monitor the performance of the External Portfolio.

53. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk

Nature of risk

Foreign exchange risk is the risk that the value or cash flows of an asset, liability or forecast transaction denominated in foreign currency (i.e., a currency other than the functional currency of the entity to which the transactions relate) will fluctuate because of changes in foreign exchange rates. The functional currency of the Hong Kong and the Mainland entities are either HKD or Renminbi (RMB) and the functional currency of the LME entities is USD. Foreign exchange risks arise mainly from the Group's investments and bank deposits in currencies other than HKD and USD and its GBP expenditure for the LME entities.

Risk management

The Group manages its foreign exchange rate risks by setting limits of net long or short unhedged positions of each individual foreign currency.

Forward foreign exchange contracts and foreign currency bank deposits may be used to hedge the currency exposure of the Group's non-HKD and non-USD assets and liabilities and highly probable forecast transactions to mitigate risks arising from fluctuations in exchange rates. In particular, the LME entities may designate forward foreign exchange contracts as cash flow hedges for hedging the foreign exchange risk of certain operating expenses and intangible assets.

Foreign exchange swaps are used for optimising foreign currency cash flows and yield enhancement while hedging the overall foreign exchange exposures of the Group.

Under the Investment Policies, investment in non-HKD financial instruments is subject to the following restrictions:

For internally-managed Corporate Funds, Clearing House Funds, Margin Funds and Cash for A-shares, the net long or short position of each individual foreign currency (i.e., the net open position (NOP)) is monitored. Except for the Group's strategic investment in minority stakes of unlisted companies, the NOP exposures of USD, RMB and other foreign currencies should generally be kept within the limits as stipulated in the Investment Policies.

For LME Clear, investments of the Margin Fund and Default Fund will generally be in the currency in which cash was received.

53. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Exposure

The following table details the Group's financial assets and financial liabilities denominated in a currency other than the functional currency of the entity to which they relate and the net open foreign currency positions (i.e., gross positions less forward foreign exchange contracts, foreign exchange swaps and other offsetting exposures (hedges)) at 31 December presented in HKD equivalents.

		At 31 Dec 2024			At 31 Dec 2023		
		Gross open position \$m	Hedges ³ \$m	Net open position \$m	Gross open position \$m	Hedges ³ \$m	Net open position \$m
Financial assets ¹	EUR	6,227	(6,193)	34	2,455	(2,431)	24
	GBP	4,753	(4,380)	373	3,078	(2,699)	379
	JPY	14,847	(14,843)	4	1,593	(1,588)	5
	RMB	37,122	(37,060)	62	26,351	(26,040)	311
	USD	16,811	(15,261)	1,550	8,191	(7,810)	381
	Others	3	(1)	2	2	(1)	1
Financial liabilities ²	EUR	(3,475)	3,475	–	(2,586)	2,586	–
	GBP	(4,728)	4,383	(345)	(3,067)	2,699	(368)
	JPY	(13,508)	13,508	–	(5,798)	5,798	–
	RMB	(38,661)	38,646	(15)	(20,328)	20,324	(4)
	USD	(4,617)	4,531	(86)	(6,126)	6,018	(108)
	Others	(2)	1	(1)	(2)	1	(1)
Total net open positions for the Group	EUR			34			24
	GBP			28			11
	JPY			4			5
	RMB			47			307
	USD			1,464			273
	Others			1			–
				1,578			620

1 Financial assets comprised cash and cash equivalents, base metals derivatives contracts, financial assets measured at fair value through other comprehensive income, financial assets measured at amortised cost, and accounts receivable and deposits.

2 Financial liabilities comprised margin deposits, Mainland security and settlement deposits, and cash collateral from Participants, Participants' contributions to Clearing House Funds, base metals derivatives contracts, borrowings, lease liabilities, and accounts payable and other liabilities.

3 The amounts include foreign exchange swaps for optimising foreign currency cash flows and yield enhancement while hedging the overall foreign exposure of the Group (note 26(c)).

In addition, at 31 December 2024, the LME entities have entered into certain forward foreign exchange contracts amounting to GBP131 million (31 December 2023: GBP113 million) and designated as cash flow hedges for hedging the foreign currency risk of their operating expenses (note 44(a)).

53. Financial Risk Management (continued)

(a) Market risk (continued)

(ii) Equity and commodity price risk

Nature of risk

The Group is exposed to equity price risk from equity investments in investment funds held as part of the External Portfolio. The Group is also exposed to equity price risk on the investments in minority stakes in unlisted companies (note 53(d)(i)).

The movements of fair value of base and ferrous metals futures and options contracts cleared through LME Clear would not have any financial impact on the Group's results as the assets and liabilities will move by the same amount and fully offset each other.

Risk management

The Group sets a strategic asset allocation for the External Portfolio, which defines and controls the allocation to equity investments. The Group selects fund managers after an extensive assessment of the underlying funds, their strategy and the overall quality of the fund managers, and the performance of the funds is monitored on a monthly basis, or on an ad hoc basis during adverse market conditions.

(iii) Interest rate risk

Nature of risk

There are two types of interest rate risk:

- Fair value interest rate risk – the risk that the value of a financial instrument will fluctuate because of changes in market interest rates; and
- Cash flow interest rate risk – the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to both fair value and cash flow interest rate risks as the Group has significant assets and liabilities (including borrowings) which are interest-bearing.

Risk management

The Group manages its interest rate risks by monitoring the interest rate impact on quarterly earnings per share. Limits are also set for tenor of the investments under the internally managed funds.

Exposure

The following tables present the carrying value and highest and lowest contractual interest rates of the financial assets held by the Group (excluding investments in investment funds, zero-coupon Exchange Fund Bills, and bank deposits held at savings and current accounts) at 31 December:

	Fixed rate financial assets		Floating rate financial assets	
	At 31 Dec 2024	At 31 Dec 2023	At 31 Dec 2024	At 31 Dec 2023
Carrying value (\$m)	96,135	103,713	76,898	81,028
Highest contractual interest rates	5.03%	5.93%	5.90%	6.79%
Lowest contractual interest rates	1.25%	1.72%	2.40%	3.54%

53. Financial Risk Management (continued)

- (a) Market risk (continued)
 (iv) Sensitivity analysis

Investments other than investment funds

The Group performs sensitivity analysis to identify and measure foreign exchange risk and interest rate risks of the Group's investments other than investment funds.

Foreign exchange risk

The following table indicates the instantaneous change in the Group's profit after tax (and retained earnings) and other components of equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between HKD and USD would only move within the limits undertaken by the Hong Kong Monetary Authority.

	At 31 Dec 2024			At 31 Dec 2023		
	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings \$m	Effect on other components of equity \$m	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings \$m	Effect on other components of equity \$m
GBP	5%	1	48	5%	<1	43
	(5%)	(1)	(48)	(5%)	<(1)	(43)
RMB	5%	2	–	5%	15	–
	(5%)	(2)	–	(5%)	(15)	–
USD	1%	15	–	1%	3	–
	(1%)	(15)	–	(1%)	(3)	–

The analysis above represents an aggregation of the instantaneous effects on each of the group entities' profit after tax and other comprehensive income measured in the respective functional currencies, translated into HKD at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

Interest rate risk

At 31 December 2024, it is estimated that a general increase/decrease of 50 basis points (31 December 2023: 75 basis points) in interest rates, with all other variables held constant, would have increased/decreased the Group's profit after tax and retained earnings by approximately \$149 million (31 December 2023: \$242 million). Other components of equity would have decreased/increased by approximately \$111 million (31 December 2023: \$85 million) in response to the general increase/decrease in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained earnings) and other components of the equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to remeasure those financial instruments which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and retained earnings) is estimated as an annualised impact on interest expense or income of such a change in interest rates.

53. Financial Risk Management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

Investment funds

At 31 December, the fair value of the Group's External Portfolio by strategy employed was as follows:

Strategy	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Public Equities	92	1,071
Diversifiers ¹	4,337	4,096
Government Bonds and Mortgage-backed Securities ²	2,800	1,401
Total	7,229	6,568
Number of investment funds	31	34

1 Diversifiers comprise Absolute Return and Multi-Sector Fixed Income asset classes.

2 Include money market funds.

The Group monitors market risk exposures of the External Portfolio through a stress testing limit framework to control the potential market risk loss of the portfolio under stressed market conditions over a quarter's earnings cycle. The stress testing applied by the Group estimates potential extreme losses through a set of stress scenarios derived from historical stress events (such as the Asian Financial Crisis in 1997, the Great Financial Crisis in 2008, etc.). The Group monitors the External Portfolio's limit utilisation monthly, and there was no limit breach during 2024 and 2023.

To illustrate the sensitivity of the External Portfolio's market value as a result of potential market moves, the Group also calculates a 1-year Value at Risk (VaR) estimation for the External Portfolio at a 95 per cent confidence interval. The VaR calculation is a statistical estimation of the potential changes in the market value of the External Portfolio over a 1-year period based on returns and volatilities observed historically. The 95 per cent confidence interval implies that the 1-year loss for the External Portfolio could be equal to or larger than the VaR estimation once in every 20 years on average. As of 31 December 2024, the estimated 1-year VaR was 0.3 per cent (31 December 2023: 4.9 per cent), implying the market value of the External Portfolio could potentially change by approximately \$22 million (2023: \$322 million) in the next year.

The 1-year VaR is a statistical measure of the historical risks and has limitations associated with the assumptions employed. Historical simulation assumes that actual observed historical changes in the respective investment fund's monthly performance reflect possible future changes. This implies that the approach is vulnerable to sudden changes in market behaviour. In addition, it does not cover stressed market events, nor does it represent the Group's forecast of the External Portfolio's future returns.

53. Financial Risk Management (continued)

(b) Liquidity risk

Nature of risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset, and it results from amount and maturity mismatches of assets and liabilities.

Risk management

The Group employs projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required and monitoring the working capital of the Group to ensure that all liabilities due and known funding requirements could be met.

Investments are kept sufficiently liquid to meet operational needs and regulatory requirements, and possible liquidity requirements of the Clearing House Funds and Margin Funds. The Group sets liquidity metrics for Corporate Funds, Clearing House Funds and Margin Funds. In particular, Clearing House Funds and Corporate Funds solely used for supporting the Skin-in-the Game and default fund credits of Clearing House Funds are invested in overnight deposits, reverse repurchase investments or Exchange Fund Bills issued by the Hong Kong Monetary Authority and should be available on a daily basis.

As recognized clearing houses, the Group's clearing houses have to observe the liquidity requirements laid down in Principles for Financial Market Infrastructures (PFMI requirements) issued by the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO). In particular, the clearing houses conduct daily liquidity stress testing that covers a number of potential stress scenarios, and sufficient liquidity has to be set aside to cover such stress testing.

Banking facilities have been put in place for contingency purposes. At 31 December 2024, the Group's total available banking facilities for its daily operations amounted to \$25,771 million (31 December 2023: \$25,912 million), which included \$18,847 million (31 December 2023: \$18,972 million) of committed banking facilities and \$6,500 million (31 December 2023: \$6,500 million) of repurchase facilities. In addition, the Group has arranged a new committed banking facility of \$5,000 million in 2024 for certain periods of the year which needs higher liquidity requirements to cover operational needs and stress testing, and committed banking facilities totalling \$2,500 million were put in place to provide support to qualifying market participants during the initial implementation of Severe Weather Trading arrangement from September 2024 to December 2024.

The Group also put in place foreign exchange facilities for its daily clearing operations and for the RMB Equity Trading Support Facility to support the trading of RMB stocks listed on the Stock Exchange. At 31 December 2024, the total amount of such facilities was \$32,378 million (31 December 2023: \$33,852 million).

In addition, the Group has arranged contingency banking facilities amounting to RMB13,000 million (HK\$13,755 million) (31 December 2023: RMB13,000 million (HK\$14,256 million)) for settling payment obligations to ChinaClear should there be events that disrupt normal settlement arrangements for Stock Connect.

53. Financial Risk Management (continued)

(b) Liquidity risk (continued)

Exposure

The Group is not exposed to liquidity risk on the outstanding base and ferrous metals futures and options contracts cleared through LME Clear. Accordingly, they are not included in the analyses for financial assets and financial liabilities in the tables below.

The tables below analyse the Group's non-derivative financial assets into the relevant maturity buckets based on the following criteria:

- investments held under the investment funds are allocated taking into account the redemption notice periods, lock-up periods and redemption restrictions;
- the expected amounts, subject to costs to liquidate that are expected to be immaterial, that could be realised from debt securities, bank deposits and cash and cash equivalents within one month to meet cash outflows on financial liabilities if required are allocated to the up to 1-month bucket;
- investments in minority stakes in unlisted companies are allocated to the >5 years bucket;
- accounts receivable are allocated based on their due dates; and
- other financial assets are allocated based on their contractual maturity dates or the expected dates of disposal.

	At 31 Dec 2024					
	Up to 1 month \$m	>1 month to 3 months \$m	>3 months to 1 year \$m	>1 year to 5 years \$m	>5 years \$m	Total \$m
Cash and cash equivalents	134,365	–	–	–	–	134,365
Financial assets measured at fair value through profit or loss	3,842	1,809	1,250	328	329	7,558
Financial assets measured at fair value through other comprehensive income	50,704	–	–	–	–	50,704
Financial assets measured at amortised cost	43,521	–	–	81	8	43,610
Accounts receivable and deposits ¹	54,195	25	–	–	–	54,220
Total non-derivative financial assets	286,627	1,834	1,250	409	337	290,457

	At 31 Dec 2023					
	Up to 1 month \$m	>1 month to 3 months \$m	>3 months to 1 year \$m	>1 year to 5 years \$m	>5 years \$m	Total \$m
Cash and cash equivalents	125,107	–	–	–	–	125,107
Financial assets measured at fair value through profit or loss	3,270	2,016	1,071	211	393	6,961
Financial assets measured at fair value through other comprehensive income	18,250	–	–	–	–	18,250
Financial assets measured at amortised cost	76,554	–	–	88	7	76,649
Accounts receivable and deposits ¹	33,090	27	–	–	–	33,117
Total non-derivative financial assets	256,271	2,043	1,071	299	400	260,084

1 Amounts exclude prepayments of \$277 million (31 December 2023: \$215 million).

53. Financial Risk Management (continued)

(b) Liquidity risk (continued)

Exposure (continued)

The table below analyses the Group's non-derivative financial liabilities at 31 December into relevant maturity buckets based on their contractual maturity dates. The amounts disclosed in the tables are the contractual undiscounted cash flows and represent the earliest date the Group can be required to pay.

	At 31 Dec 2024					Total \$m
	Up to 1 month \$m	>1 month to 3 months \$m	>3 months to 1 year \$m	>1 year to 5 years \$m	>5 years \$m	
Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants	188,857	–	–	–	–	188,857
Accounts payable, accruals and other liabilities	37,448	14	120	2	–	37,584
Other financial liabilities:						
Other financial liabilities of Clearing House Funds	10	3	–	–	–	13
Other financial liabilities of Corporate Funds:						
Financial guarantee contract (maximum amount guaranteed) (note 49(b))	107	–	–	–	–	107
Participants' contributions to Clearing House Funds	26,672	407	45	–	–	27,124
Borrowings:						
Written put options to non-controlling interests	–	–	382	85	–	467
Lease liabilities	30	47	233	1,030	90	1,430
Total non-derivative financial liabilities	253,124	471	780	1,117	90	255,582

	At 31 Dec 2023					Total \$m
	Up to 1 month \$m	>1 month to 3 months \$m	>3 months to 1 year \$m	>1 year to 5 years \$m	>5 years \$m	
Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants	176,165	–	–	–	–	176,165
Accounts payable, accruals and other liabilities	27,713	16	118	2	–	27,849
Other financial liabilities:						
Other financial liabilities of Clearing House Funds	9	–	–	–	–	9
Other financial liabilities of Corporate Funds:						
Financial guarantee contract (maximum amount guaranteed) (note 49(b))	115	–	–	–	–	115
Participants' contributions to Clearing House Funds	21,486	422	47	–	–	21,955
Borrowings:						
Written put options to non-controlling interests	–	–	382	85	–	467
Lease liabilities	33	52	243	1,120	341	1,789
Total non-derivative financial liabilities	225,521	490	790	1,207	341	228,349

53. Financial Risk Management (continued)

(b) Liquidity risk (continued)

Exposure (continued)

As at 31 December 2024, the maximum gross nominal values of outstanding forward foreign exchange contracts and foreign exchange swaps held by the Group were \$1,643 million (31 December 2023: \$1,120 million) and \$77,302 million (31 December 2023: \$10,722 million) respectively. The table below analyses the Group's outstanding foreign exchange derivative contracts as at 31 December (which include all contracts regardless of whether they had gains or losses at the end of reporting period) that would be settled on a gross basis into relevant maturity buckets based on their remaining contractual maturity dates. The amounts disclosed in the table are contractual undiscounted cash flows, which are different from the carrying amount (i.e., market value) in the consolidated statement of financial position.

	At 31 Dec 2024			
	Up to 1 month \$m	>1 month to 3 months \$m	>3 months to 1 year \$m	Total \$m
Forward foreign exchange contracts				
– outflows	105	215	1,323	1,643
– inflows	100	206	1,277	1,583
Foreign exchange swaps				
– outflows	35,763	25,740	15,799	77,302
– inflows	35,779	25,686	15,781	77,246

	At 31 Dec 2023			
	Up to 1 month \$m	>1 month to 3 months \$m	>3 months to 1 year \$m	Total \$m
Forward foreign exchange contracts				
– outflows	89	184	843	1,116
– inflows	89	184	847	1,120
Foreign exchange swaps				
– outflows	10,699	–	–	10,699
– inflows	10,722	–	–	10,722

(c) Credit risk

Nature of risk

The Group is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. It arises primarily from the Group's investments and accounts receivable. Impairment provisions are made against the Group's investments and accounts receivable based on the accounting policy set out in notes 23 and 24.

The Group is also exposed to clearing and settlement risk, as the clearing houses of the Group act as the counterparties to eligible trades concluded on the Stock Exchange, the Futures Exchange, the over-the-counter market, and the LME through the novation of the obligations of the buyers and sellers. HKSCC is also responsible for the good title to the securities deposited and accepted in the CCASS depository. As a result, the Group has considerable market risk and credit risk since the Participants' ability to honour their obligations in respect of their trades and securities deposited may be adversely impacted by economic conditions. If the Participants default on their obligations on settlement or there are defects in the title of securities deposited and accepted in the CCASS depository, the Group could be exposed to potential risks not otherwise accounted for in these consolidated financial statements.

53. Financial Risk Management (continued)

(c) Credit risk (continued)

Risk management – Investment and accounts receivable risk

The Group limits its exposure to credit risk by rigorously selecting the counterparties (i.e., deposit-takers, bond issuers, debtors and fund managers) and by diversification. All investments (excluding those held by the investment funds under the External Portfolio) were governed by the Group Credit Limit for Settlement and Investments framework. Under the framework, specific limits are set on an investment portfolio level, on a single counterparty level and on a geographical level. The investment portfolio is subject to a maximum portfolio expected loss limit, each investment counterparty is subject to a minimum investment grade rating, each investment is subject to maximum concentration limit per counterparty and the total investment in each country is subject to maximum concentration limit per country. Fund managers of investment funds under the External Portfolio are financially strong and stable, and their selections are approved by the Investment Manager Approved Framework under the External-Managed Investment Policy.

At 31 December 2024, the investments in debt securities held by the Group (excluding those held by the investment funds) were of investment grade and had a weighted average credit rating of Aa3 (Moody's) (31 December 2023: Aa2 (Moody's)). Deposits are placed only with the investment grade banks, licensed banks and restricted licence banks regulated by the Hong Kong Monetary Authority, and banks regulated by local banking regulators in the countries where the Group's subsidiaries operate. LME entities invest a significant portion of cash in reverse repurchase investments, where high quality assets are held against such investments as collateral.

The Group mitigates its exposure to risks relating to accounts receivable from its Participants by requiring the Participants to meet the Group's established financial requirements and criteria for admission as Participants.

Risk management – Clearing and settlement risk

The Group mitigates its exposure to clearing and settlement-related risks by requiring its Participants to meet the Group's established financial requirements and criteria for admission as Participants, monitoring compliance with risk management measures such as imposing position limits and requiring Clearing Participants and other clearing house participants to deposit margins, Mainland security and settlement deposits, and cash collateral and contribute to the Clearing House Funds set up by the Group's five clearing houses. HKSCC also retains recourse against those Participants whose securities are deposited and accepted in the CCASS depository.

Under the Margin Fund and Guarantee Fund arrangements, generally, each HKSCC Clearing Participant is granted by HKSCC a Margin Credit of \$5 million and a Dynamic Contribution Credit of \$1 million, and each HKCC Clearing Participant is granted a Dynamic Contribution Credit of HKCC Reserve Fund of \$1 million. If a HKSCC or HKCC Clearing Participant defaults and any loss arises, HKSCC will absorb the default loss up to the Margin Credit and Dynamic Contribution Credit utilised by the defaulting HKSCC Clearing Participant, after deducting its collateral and Guarantee Fund contribution maintained with HKSCC, and HKCC will absorb the default loss up to the Dynamic Contribution Credit utilised by the defaulting HKCC Clearing Participant, after deducting its collateral and Reserve Fund contribution maintained with HKCC. After the initial losses, HKSCC is required to absorb further losses after the HKSCC Guarantee Fund reserve and the Guarantee Fund contribution (excluding the Dynamic Contribution portion) of non-defaulting HKSCC Clearing Participants are depleted, and HKCC is required to absorb further losses after the HKCC Reserve Fund reserve and the Reserve Fund contribution (excluding the Dynamic Contribution portion) of non-defaulting HKCC Clearing Participants are depleted. The amount of losses borne by HKSCC and HKCC will be calculated on a pro rata basis with reference to the non-defaulting HKSCC and HKCC Clearing Participants' Dynamic Contributions and Dynamic Contribution Credits granted by HKSCC and HKCC respectively.

53. Financial Risk Management (continued)

(c) Credit risk (continued)

Risk management – Clearing and settlement risk (continued)

At 31 December 2024, HKSCC had 558 Clearing Participants (31 December 2023: 587) and the total amounts of Margin Credit and Dynamic Contribution Credit utilised by HKSCC Clearing Participants amounted to \$847 million (31 December 2023: \$763 million), while HKCC had 133 Clearing Participants (31 December 2023: 139) and the total amount of Dynamic Contribution Credit utilised by HKCC Clearing Participants amounted to \$81 million (31 December 2023: \$79 million).

The HKSCC Margin Credit and Dynamic Contribution Credit and the HKCC Dynamic Contribution Credit are supported by the \$4,000 million of shareholders' funds set aside by the HKEX Group for risk management purpose, of which \$1,060 million and \$830 million were injected into HKSCC and HKCC respectively.

Exposure

At 31 December, the maximum exposure to credit risk of the financial assets of the Group was equal to their carrying amounts. The maximum exposure to credit risk of the financial guarantee contract issued by the Group was as follows:

	At 31 Dec 2024		At 31 Dec 2023	
	Carrying amount in consolidated statement of financial position \$m	Maximum exposure to credit risk \$m	Carrying amount in consolidated statement of financial position \$m	Maximum exposure to credit risk \$m
Financial guarantee contract				
Undertaking to indemnify the Collector of Stamp Revenue (note 49(b))	(20)	107	(20)	115

Collateral held for mitigating credit risk

Certain securities, cash deposits and non-cash collateral are being held by the Group to mitigate the Group's exposure to credit risk. The financial effect of the collateral, which is capped by the amount receivable from each counterparty, was as follows:

	At 31 Dec 2024		At 31 Dec 2023	
	Carrying amount in consolidated statement of financial position \$m	Collateral held for mitigating credit risk \$m	Carrying amount in consolidated statement of financial position \$m	Collateral held for mitigating credit risk \$m
Accounts receivable and deposits ¹	54,220	7,163	33,117	7,444
Fair value of base and ferrous metals futures and options contracts cleared through LME Clear	67,629	67,629	58,097	58,097
Reverse repurchase investments	63,168	63,168	69,132	69,132

¹ Amounts exclude prepayments of \$277 million (31 December 2023: \$215 million).

53. Financial Risk Management (continued)

(d) Fair values of financial assets and financial liabilities

(i) Financial assets and financial liabilities carried at fair value

At 31 December 2024 and 31 December 2023, no non-financial assets or liabilities were carried at fair values.

The following tables present the carrying value of financial assets and financial liabilities measured at fair value according to the levels of the fair value hierarchy defined in HKFRS 13: Fair Value Measurement, with the fair value of each financial asset and financial liability categorised based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair values measured using valuation techniques in which all significant inputs other than quoted prices included within Level 1 are directly or indirectly based on observable market data.
- Level 3: fair values measured using valuation techniques in which any significant input is not based on observable market data.

Recurring fair value measurements:	At 31 Dec 2024				At 31 Dec 2023			
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Financial assets								
Financial assets measured at fair value through profit or loss:								
– investment funds	2,203	5,026	–	7,229	870	5,698	–	6,568
– equity securities	–	–	329	329	–	–	393	393
Financial assets measured at fair value through other comprehensive income:								
– debt securities	26,964	23,740	–	50,704	16,296	1,954	–	18,250
Derivative financial instruments:								
– base and ferrous metals futures and options contracts cleared through LME Clear	–	67,629	–	67,629	–	58,097	–	58,097
– forward foreign exchange contracts	–	–	–	–	–	4	–	4
– foreign exchange swaps	–	118	–	118	–	26	–	26
	29,167	96,513	329	126,009	17,166	65,779	393	83,338
Financial liabilities								
Derivative financial instruments:								
– base and ferrous metals futures and options contracts cleared through LME Clear	–	67,629	–	67,629	–	58,097	–	58,097
– forward foreign exchange contracts	–	60	–	60	–	–	–	–
– foreign exchange swaps	–	174	–	174	–	3	–	3
	–	67,863	–	67,863	–	58,100	–	58,100

53. Financial Risk Management (continued)

(d) Fair values of financial assets and financial liabilities (continued)

(i) Financial assets and financial liabilities carried at fair value (continued)

During 2024 and 2023, there were no transfers of instruments between Level 1 and Level 2 or transfer into or out of Level 3.

Level 2 fair values of investment funds, debt securities, base and ferrous metals futures and options contracts, and foreign exchange derivative contracts have been determined based on quotes from market makers, funds administrators or alternative pricing sources supported by observable inputs. The most significant input are market interest rates, market prices of metals, market foreign exchange rates, net asset values and latest redemption prices or transaction prices of the respective investment funds.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Fair value measurements using significant unobservable inputs (Level 3)

	2024 \$m	2023 \$m
At 1 Jan	393	654
Losses recognised in consolidated income statement under net investment income (note 6)	(62)	(253)
Losses recognised in other comprehensive income	(2)	(8)
At 31 Dec	329	393
Total losses recognised in the consolidated income statement for assets held at 31 Dec	(62)	(253)

At 31 December 2024, the Group held minority stakes in three unlisted investments – Fusion Bank Limited, Huakong TsingJiao Information Science (Beijing) Limited, and Guangzhou Futures Exchange.

Fusion Bank Limited is a virtual bank in Hong Kong with a license granted by the Hong Kong Monetary Authority. The company offers a variety of banking services including savings, time deposits, loans, local fund transfers and foreign exchange.

Huakong TsingJiao Information Science (Beijing) Limited is a data technology company, which specialises in the research and development of multi-party computation technologies, allowing collaborative data analysis without revealing private data during the computation and analysis process.

Guangzhou Futures Exchange is an exchange in the Greater Bay Area focusing on serving the real economy and green development initiatives. Since its set up in 2021, the exchange has successfully launched its three products, industrial silicon, lithium carbonate and polycrystalline silicon futures and options, and will continue to work with market participants to contribute to green and low carbon transformation and development.

As these investments are not traded in an active market, these investments are classified as Level 3 investments. Valuations are prepared on bi-annually basis, at each interim and annual reporting date. The assumptions and inputs to the valuation model, valuation techniques and valuation results are reviewed and approved by management.

At 31 December 2024, the total fair value of the three investments was \$329 million (31 December 2023: \$393 million). Market-based approach has been adopted to determine their fair values, which are estimated based on the analysis of the investments' financial position, operating results and prospects, and by reference to trading multiples and financial data of other comparable companies.

53. Financial Risk Management (continued)

(d) Fair values of financial assets and financial liabilities (continued)

(ii) Fair values of financial assets and financial liabilities not reported at fair values

Summarised in the following table are the carrying amounts and fair values of long-term financial assets and financial liabilities not presented in the consolidated statement of financial position at their fair values, except for lease liabilities where disclosure of fair values is not required. These assets and liabilities were classified under Level 2 in the fair value hierarchy.

	At 31 Dec 2024		At 31 Dec 2023	
	Carrying amount in consolidated statement of financial position \$m	Fair value \$m	Carrying amount in consolidated statement of financial position \$m	Fair value \$m
Assets				
Financial assets measured at amortised cost:				
– debt securities maturing over one year ¹	1,439	1,443	1,570	1,593
– other financial assets maturing over one year ²	89	67	95	74
Liabilities				
Borrowings:				
– written put options to non-controlling interests ³	452	455	447	452
Financial guarantee to the Collector of Stamp Revenue ⁴	20	35	20	30

1 The fair values are provided by a reputable independent financial institution.

2 The fair values are based on cash flows discounted using Hong Kong Government bond rates of a tenor similar to the contractual maturity of the respective assets, adjusted by an estimated credit spread. The discount rates used ranged from 3.96 per cent to 5.21 per cent at 31 December 2024 (31 December 2023: 3.61 per cent to 4.61 per cent).

3 The fair values are based on cash flows discounted using the prevailing market interest rates for loans with similar credit rating and similar tenor of the respective loans. The discount rates used was 4.58 per cent at 31 December 2024 (31 December 2023: 4.26 per cent).

4 The fair values are based on the fees charged by financial institutions for granting such guarantees discounted to perpetuity using a ten-year Hong Kong Government bond rate, adjusted by an estimated credit spread, but capped at the maximum exposure of the financial guarantee. The discount rate used was 4.06 per cent at 31 December 2024 (31 December 2023: 4.80 per cent).

The carrying amounts of short-term financial assets and receivables (e.g., accounts receivable, financial assets measured at amortised cost and cash and cash equivalents) and short-term payables (e.g., accounts payable and other liabilities) approximated their fair values, and accordingly no disclosure of the fair values of these items is presented.

53. Financial Risk Management (continued)

(e) Offsetting financial assets and financial liabilities

Accounting Policy

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

For base and ferrous metals futures and options contracts cleared through LME Clear, the asset and liability positions of LME Clear arising through its activities as a central counterparty are matched. Therefore, the same amounts are recorded for both assets and liabilities with the fair value gains and losses recognised, but offset, in the consolidated income statement.

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's consolidated statement of financial position; or
 - are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the consolidated statement of financial position.
- (i) Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

Type of financial instruments	At 31 Dec 2024					
	Gross amounts \$m	Gross amounts set off in the consolidated statement of financial position \$m	Net amounts presented in the consolidated statement of financial position ³ \$m	Related amounts not offset in the consolidated statement of financial position		Net amounts \$m
				Amounts subject to master netting arrangements \$m	Cash collateral \$m	
Financial assets:						
CNS money obligations receivable ¹	536,824	(505,011)	31,813	(4,384)	(2,277)	25,152
Base and ferrous metals futures and options contracts cleared through LME Clear ²	1,487,638	(1,420,009)	67,629	(46,000)	(21,629)	–
Other accounts receivable from Participants, ChinaClear, information vendors and hosting services customers, net of provision for impairment losses	21,345	–	21,345	–	(878)	20,467
Total	2,045,807	(1,925,020)	120,787	(50,384)	(24,784)	45,619
Financial liabilities:						
CNS money obligations payable ¹	538,999	(505,011)	33,988	(4,327)	–	29,661
Base and ferrous metals futures and options contracts cleared through LME Clear ²	1,487,638	(1,420,009)	67,629	(46,000)	–	21,629
Other payable to ChinaClear	57	–	57	(57)	–	–
Total	2,026,694	(1,925,020)	101,674	(50,384)	–	51,290

53. Financial Risk Management (continued)

(e) Offsetting financial assets and financial liabilities (continued)

(i) Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements (continued)

	At 31 Dec 2023					
		Gross amounts set off in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position ³	Related amounts not offset in the consolidated statement of financial position		
Type of financial instruments	Gross amounts \$m	\$m	\$m	Amounts subject to master netting arrangements \$m	Cash collateral \$m	Net amounts \$m
Financial assets:						
CNS money obligations receivable ¹	259,093	(237,663)	21,430	(3,727)	(5,264)	12,439
Base and ferrous metals futures and options contracts cleared through LME Clear ²	1,189,427	(1,131,330)	58,097	(44,730)	(13,367)	–
Other accounts receivable from Participants, ChinaClear, information vendors and hosting services customers, net of provision for impairment losses	10,415	–	10,415	(1,657)	(339)	8,419
Total	1,458,935	(1,368,993)	89,942	(50,114)	(18,970)	20,858
Financial liabilities:						
CNS money obligations payable ¹	261,800	(237,663)	24,137	(5,369)	–	18,768
Base and ferrous metals futures and options contracts cleared through LME Clear ²	1,189,427	(1,131,330)	58,097	(44,730)	–	13,367
Other payable to ChinaClear	15	–	15	(15)	–	–
Total	1,451,242	(1,368,993)	82,249	(50,114)	–	32,135

- 1 HKSCC currently has a legally enforceable right to set off certain CNS money obligations receivable and payable relating to the same Clearing Participant and it intends to settle on a net basis.
- 2 LME Clear has a legally enforceable right to set off open positions of certain contracts within an individual member's account for those contracts settling on the same date and it intends to settle on a net basis.
- 3 For the net amounts of CNS money obligations receivable or payable and net fair value of base and ferrous metals futures and options contracts (i.e., after set-off), other accounts receivable and other payable due from/to customers, they do not meet the criteria for offsetting in the consolidated statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default of the customers. In addition, the Group does not intend to settle the balances on a net basis.

53. Financial Risk Management (continued)

(e) Offsetting financial assets and financial liabilities (continued)

- (ii) The tables below reconcile the “net amounts of financial assets and financial liabilities presented in the consolidated statement of financial position”, as set out above, to the “accounts receivable, prepayments and deposits”, “accounts payable, accruals and other liabilities” and “derivative financial instruments” presented in the consolidated statement of financial position.

	Accounts receivable, prepayments and deposits		Derivative financial instruments (assets)	
	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Net amount of financial assets after offsetting as stated above:				
– CNS money obligations receivable	31,813	21,430	–	–
– Other accounts receivable from Participants, ChinaClear, information vendors and hosting services customers, net of provision for impairment losses	21,345	10,415	–	–
– Base and ferrous metals futures and options contracts cleared through LME Clear	–	–	67,629	58,097
Financial assets not in scope of offsetting disclosures	1,062	1,272	118	30
Prepayments	277	215	–	–
Amounts presented in the consolidated statement of financial position	54,497	33,332	67,747	58,127

	Accounts payable, accruals and other liabilities		Derivative financial instruments (liabilities)	
	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Net amount of financial liabilities after offsetting as stated above:				
– CNS money obligations payable	33,988	24,137	–	–
– Other payable to ChinaClear	57	15	–	–
– Base and ferrous metals futures and options contracts cleared through LME Clear	–	–	67,629	58,097
Financial liabilities not in scope of offsetting disclosures	3,539	3,697	234	3
Amounts presented in the consolidated statement of financial position	37,584	27,849	67,863	58,100

54. Statement of Financial Position and Reserve Movements of HKEX

Accounting Policy

In HKEX's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, if necessary. The results of subsidiaries are accounted for by HKEX on the basis of dividends received and receivable.

Investment in a subsidiary is tested for impairment upon receiving a dividend from that subsidiary if the dividend exceeds the total comprehensive income of the subsidiary concerned in the period the dividend is declared or if the carrying amount of the subsidiary in HKEX's statement of financial position exceeds the carrying amount of the subsidiary's net assets.

The financial statements of the controlled special purpose entity, The HKEX Employees' Share Award Scheme, are included in HKEX's financial statements.

Written put options to non-controlling interests initially recognised at fair value are accounted for as an increase in investments in subsidiaries with a corresponding credit to financial liabilities at fair value through profit or loss. Subsequent changes in fair value of the financial liabilities are recognised in HKEX's income statement. Upon exercise of written put options by the non-controlling interests, the investments in subsidiaries are adjusted for the consideration payable to the non-controlling interests and the decrease in the financial liabilities at fair value at profit or loss. Written put options to non-controlling interests are included under financial liabilities at fair value through profit or loss on the statement of financial position.

54. Statement of Financial Position and Reserve Movements of HKEX (continued)

Statement of Financial Position of HKEX

	At 31 Dec 2024			At 31 Dec 2023		
	Current \$m	Non-current \$m	Total \$m	Current \$m	Non-current \$m	Total \$m
Assets						
Cash and cash equivalents	1,615	–	1,615	1,232	–	1,232
Financial assets measured at fair value through profit or loss	6,901	593	7,494	6,357	441	6,798
Financial assets measured at fair value through other comprehensive income	1,809	3,143	4,952	–	–	–
Financial assets measured at amortised cost	3,508	1,516	5,024	6,504	1,653	8,157
Derivative financial instruments	210	–	210	10	–	10
Accounts receivable, prepayments and deposits	127	19	146	307	19	326
Amounts due from subsidiaries	1,518	3,923	5,441	1,231	11,817	13,048
Interests in joint ventures	–	114	114	–	114	114
Intangible assets	–	501	501	–	435	435
Fixed assets	–	345	345	–	333	333
Right-of-use assets	–	1,072	1,072	–	1,370	1,370
Investments in subsidiaries	–	23,694	23,694	–	16,931	16,931
Total assets	15,688	34,920	50,608	15,641	33,113	48,754
Liabilities and equity						
Liabilities						
Financial liabilities at fair value through profit or loss	229	–	229	267	–	267
Derivative financial instruments	232	–	232	10	–	10
Accounts payable, accruals and other liabilities	824	–	824	704	–	704
Amounts due to subsidiaries	1,652	–	1,652	642	–	642
Taxation payable	362	–	362	358	–	358
Other financial liabilities	11	–	11	11	–	11
Lease liabilities	233	936	1,169	238	1,215	1,453
Provisions	53	101	154	52	97	149
Deferred tax liabilities	–	95	95	–	80	80
Total liabilities	3,596	1,132	4,728	2,282	1,392	3,674
Equity						
Share capital			31,955			31,946
Shares held for Share Award Scheme			(1,125)			(1,009)
Employee share-based compensation reserve			414			373
Revaluation reserve			13			–
Merger reserve			694			694
Retained earnings			13,929			13,076
Equity attributable to shareholders of HKEX			45,880			45,080
Total liabilities and equity			50,608			48,754
Net current assets			12,092			13,359

Approved by the Board of Directors on 27 February 2025

Carlson TONG
Director

Bonnie Y CHAN
Director

54. Statement of Financial Position and Reserve Movements of HKEX (continued)

(a) Reserve movements of HKEX

	Employee share-based compensation reserve \$m	Revaluation reserve \$m	Merger reserve \$m	Retained earnings \$m
At 1 Jan 2023	346	–	694	12,637
Profit attributable to shareholders	–	–	–	10,793
2022 second interim dividend at \$3.69 per share	–	–	–	(4,669)
2023 first interim dividend at \$4.50 per share	–	–	–	(5,695)
Unclaimed HKEX dividends forfeited	–	–	–	23
Vesting of shares of Share Award Scheme	(372)	–	–	(13)
Employee share-based compensation benefits	399	–	–	–
At 31 Dec 2023	373	–	694	13,076
At 1 Jan 2024	373	–	694	13,076
Profit attributable to shareholders	–	–	–	11,303
Other comprehensive income	–	13	–	–
2023 second interim dividend at \$3.91 per share	–	–	–	(4,944)
2024 first interim dividend at \$4.36 per share	–	–	–	(5,513)
Unclaimed HKEX dividends forfeited	–	–	–	32
Vesting of shares of Share Award Scheme	(349)	–	–	(25)
Employee share-based compensation benefits	390	–	–	–
At 31 Dec 2024	414	13	694	13,929

Shareholder Information

Financial Calendar 2025

Announce 2024 final results	27 February
2025 AGM	30 April
Announce 2025 first quarter results	April
Announce 2025 interim results	August
Announce 2025 third quarter results	November

For Shareholders to Attend and Vote at 2025 AGM

Latest time to lodge transfer documents for registration with HKEX's registrar	At 4:30 pm on 24 April 2025
Closure of HKEX's Register of Members	25 to 30 April 2025 (both dates inclusive)
Record date	30 April 2025

Dividend Policy

HKEX adopts a dividend policy of providing Shareholders with regular dividends. In general, HKEX will declare/propose dividends semi-annually when the Board approves the interim results and the annual results.

In determining the appropriate amount of dividend, the Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and shareholder returns by considering:

- the expected capital requirements and capital efficiency;
- regulatory capital requirements of its regulated entities;
- prevailing and projected profitability;
- projected operating cash flows; and
- projected capital expenditures and strategic investment opportunities.

The normal target payout ratio is 90 per cent of the Group's profit attributable to Shareholders of the year, excluding the financial results of HKEX Foundation.

2024 Dividends

First interim dividend	\$4.36 per share
Second interim dividend	\$4.90 per share
Dividend payout ratio	90 per cent *

* Based on the Group's profit attributable to Shareholders for the year ended 31 December 2024, excluding the financial results of HKEX Foundation

The second interim dividend for 2024 will be payable wholly in cash in Hong Kong dollars.

The 2024 first and second interim dividends are in line with HKEX's dividend policy.

Key Dates for 2024 Second Interim Dividend

Ex-dividend date	12 March 2025
Latest time to lodge transfer documents for registration with HKEX's registrar	At 4:30 pm on 13 March 2025
Closure of HKEX's Register of Members	14 to 17 March 2025 (both dates inclusive)
Record date	17 March 2025
Despatch of dividend warrants	26 March 2025

RMB Counter

HKEX has launched a RMB counter for trading of HKEX shares under the HKD-RMB Dual Counter Model.

As the RMB counter is offered for secondary market trading and settlement of HKEX shares only, no physical certificate deposit or withdrawal service is provided for RMB-traded Shares.

RMB-traded Shares and HKD-traded Shares are of the same class of shares in the share capital of HKEX and are interchangeable from one counter to another. They rank equally in all respects, including in relation to dividends, distributions and voting. Shareholders holding HKD-traded Shares and Shareholders holding RMB-traded Shares have identical shareholders' rights and enjoy the same treatment under all corporate actions of HKEX.

More information about trading and settlement of RMB-traded Shares and HKD-traded Shares under the HKD-RMB Dual Counter Model is available in the Our Services (Trading) section of the HKEX Market website.

Share Information

HKEX shares are listed on the Stock Exchange and are eligible for Southbound Trading under Stock Connect. HKEX is currently a constituent stock of the HSI and a number of sustainability indices as disclosed on the HKEX Group website [IR](#).

Listing

As at 31 December 2024	
• Number of issued shares	1,267,836,895 shares
• Market capitalisation	\$374 billion
Board lot size	100 shares

	HKD Counter	RMB Counter
Stock code	388	80388
English stock short name	HKEX	HKEX-R
Chinese stock short name	香港交易所	香港交易所-R
Bloomberg	388 HK Equity	80388 HK Equity
Reuters	0388.HK	80388.HK
ISIN	HK0388045442	HK0000931664
SEDOL1	6267359 HK	-

American Depositary Receipt

Ticker Symbol	HKXCY
CUSIP	43858F109

HKEX Share Price Performance vs HSI in 2024



Shareholding Distribution as at 31 December 2024 (based on HKEX's Register of Members)

Size of shareholding	Number of Shareholders	% of Shareholders	Number of shares held	% of HKEX ¹ shares in issue
1 – 1,000	2,416	52.5	990,436	0.1
1,001 – 5,000	1,344	29.2	3,305,295	0.3
5,001 – 10,000	318	6.9	2,355,795	0.2
10,001 – 100,000	412	9.0	12,634,800	1.0
100,001 and above	112	2.4	1,248,550,569	98.5
Total	4,602	100.0	1,267,836,895	100.0

¹ Percentage is for reference only, and may not add up to the total due to rounding.

Details about HKEX's major Shareholders are disclosed in the Corporate Governance Report contained in this Annual Report.

Electronic Communication

This Annual Report is printed in English and Chinese, and is available in the Investor Relations (Regulatory Disclosure) section of the HKEX Group website [IR](#) and HKEXnews website.

The Investor Relations (Shareholder Services) section of the HKEX Group website [IR](#) sets out details of HKEX's arrangements for the dissemination of HKEX corporate communications.

Shareholders are encouraged to access HKEX's corporate communications electronically via the HKEX Group website to help protect the environment. Shareholders may at any time change their choice of language or means of receiving HKEX's corporate communications with not less than seven days' notice to HKEX's registrar, by completing and submitting the relevant Request Form(s) which is/are available for download from the Investor Relations (Shareholder Services) section of the HKEX Group website [IR](#) or by submitting the online request form by scanning the QR code below.



QR code of online request form for Shareholders

HKEX's Registrar – Computershare Hong Kong Investor Services Limited

For corporate communications:

By post: 17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

By email: hkex.ecom@computershare.com.hk

For transfer of shares:

Address: Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Tel: +852 2862 8555

Fax: +852 2865 0990

Registration for News Alerts

Shareholders who would like to be notified when HKEX publishes its corporate communications on the HKEXnews website can register for the News Alerts service in the Market Data section of the HKEX Market website. Further information about Shareholder communications can be found in the Corporate Governance Report contained in this Annual Report.

Feedback on Annual Report

HKEX values feedback on this Annual Report as well as its reporting of the Group's financial and governance performance. Shareholders may give their comments via the online form at www.hkexgroup.com/Investor-Relations/Regulatory-Disclosure/Regulatory-Reports or email at ssd@hkex.com.hk.

Glossary

2024 AGM • AGM held on 24 April 2024 at 4:30 pm at the HKEX Connect Hall on the 1st Floor, One and Two Exchange Square, Central, Hong Kong

2025 AGM • AGM to be held on 30 April 2025

ADT • Average daily turnover value

ADV • Average daily volume (in number of contracts/lots)

AGM(s) • HKEX's annual general meeting(s)

Awarded Shares • Shares awarded under the Share Award Scheme

BayConnect • BayConnect Technology Company Limited

BBS • Bronze Bauhinia Star

Board • HKEX's board of directors

Bond Connect • A mutual bond market access programme between Hong Kong and Mainland China, under which Northbound trading enables overseas investors to invest in the China Interbank Bond Market, and Southbound trading enables Mainland institutional investors to invest in offshore bonds through the Hong Kong bond market

Cash Market • HKEX's securities related business excluding stock options

CBAM • Carbon Border Adjustment Mechanism

CBBCs • Callable Bull/Bear Contracts

CCASS • Central Clearing and Settlement System

CCP • Central counterparty

Chief Executive Officer or CEO • HKEX's Chief Executive

ChinaClear • China Securities Depository and Clearing Corporation Limited

CNH • Offshore RMB traded outside Mainland China

CNS • Continuous Net Settlement

Commodities Market • Commodities related business of HKFE, the LME Group and QME

Corporate Governance Code • Refers to Appendix C1 to the Main Board Listing Rules

CP(s) • Clearing Participant(s)

CSR • Corporate Social Responsibility

Derivatives Market • HKEX's derivatives related business including stock options

Director(s) • HKEX's director(s)

DWs • Derivative warrants

Elected Directors • Directors elected by the Shareholders at general meetings

EP(s) • Exchange Participant(s)

ESG • Environmental, Social and Governance

ETF(s) • Exchange Traded Fund(s)

ETP(s) • Exchange Traded Product(s), which include(s) ETFs and L&I Products

EU • European Union

Euro • The official currency of the Eurozone

Exchange or SEHK or Stock Exchange • The Stock Exchange of Hong Kong Limited

External Portfolio • Externally-managed investment funds

FCA • Financial Conduct Authority

FIC • Fixed income and currency

Financial Secretary • Financial Secretary of the HKSAR

Futures Exchange or HKFE • Hong Kong Futures Exchange Limited

GBM • Grand Bauhinia Medal

GBS • Gold Bauhinia Star

GEM Listing Rules • Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited

Government • HKSAR Government

Government Appointed Director(s) • Director(s) appointed by the Financial Secretary pursuant to Section 77 of the SFO

Greater Bay Area • Guangdong-Hong Kong-Macao Greater Bay Area

Group or HKEX Group • HKEX and its subsidiaries

Headline ADT • ADT of equity products, DWs, CBBCs and warrants traded on the Stock Exchange

HGCL • HKEX Global Commodities Limited (formerly named HKEX Investment (UK) Limited)

HKCC • HKFE Clearing Corporation Limited

HKD-traded Shares • Shares of HKEX, which are traded under the HKD counter

HKEX Foundation or the Foundation • HKEX Foundation Limited

HKEX or the Company • Hong Kong Exchanges and Clearing Limited

HKEX Group website • www.hkexgroup.com

HKEX Market website • www.hkex.com.hk

HKEXnews website • www.hkexnews.hk

HKEX Websites • HKEX Group website and HKEX Market website

HKEX's Articles • HKEX's Articles of Association

HKFRS(s) • Hong Kong Financial Reporting Standard(s)

HKICPA • Hong Kong Institute of Certified Public Accountants

HK SAR or Hong Kong SAR • Hong Kong Special Administrative Region of the People's Republic of China

HKSCC • Hong Kong Securities Clearing Company Limited

HSCEI • Hang Seng China Enterprises Index

HSI • Hang Seng Index

INED(s) • Independent Non-executive Director(s) of HKEX

IPO(s) • Initial Public Offering(s)

Iron Ore Futures • TSI Iron Ore Fines 62 per cent Fe CFR China Futures

IFC • International financial centre

IFRS • International Financial Reporting Standards

IFRS S2 • IFRS S2 Climate-related Disclosures

ISIN • International Securities Identification Number

ISSB • International Sustainability Standards Board

IT • Information Technology

JP • Justice of the Peace

JPY • Japanese Yen

L&I Products • Leveraged and Inverse Products

LGBTQ+ • Lesbian, gay, bisexual and transgender and queer plus

Listing Committee • Listing Committee of the Main Board and GEM

Listing Rule(s) • Main Board Listing Rules and GEM Listing Rules

LME • The London Metal Exchange

LME Clear • LME Clear Limited

LME Group • HGCL, LMEH, LME and LME Clear

LMEH • LME Holdings Limited

LMEmercury • LME Clear's clearing system which enables its Members to view their risk positions in real time

London Metal Mini Futures • London Aluminium/ Zinc/Copper/Nickel/Tin/Lead Mini Futures

LSEG • London Stock Exchange Group plc

Main Board Listing Rules • Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

MH • Medal of Honour

MiFID II • Markets in Financial Instruments Directive II

MiFIR • Markets in Financial Instruments Regulation

Model Code • Model Code for Securities Transactions by Directors of Listed Issuers, Appendix C3 to the Main Board Listing Rules

MOU(s) • Memorandum or Memoranda of Understanding

MSCI • MSCI Inc.

Northbound Trading or Stock Connect

Northbound • Hong Kong and overseas investors trading in eligible securities that are listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange through Stock Connect

OECD • The Organisation for Economic Co-operation and Development

OTC • Over-the-counter

OTC Clear • OTC Clearing Hong Kong Limited

PFMI • “Principles for financial market infrastructures” published by the Committee on Payment and Settlement Systems (now known as the Committee on Payments and Market Infrastructures) and the International Organization of Securities Commissions

PRC • The People’s Republic of China

QME • Qianhai Mercantile Exchange Co., Ltd.

REITs • Real Estate Investment Trusts

RMB • Renminbi

RMB-traded Shares • Shares of HKEX, which are traded under the RMB counter

SEOCH • The SEHK Options Clearing House Limited

SFC • Securities and Futures Commission

SFO • Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

Shanghai-Hong Kong Stock Connect • A mutual market access programme that links the stock markets in Shanghai and Hong Kong, enabling investors in Hong Kong and Mainland China to trade and settle shares listed on the other market via the exchange and clearing house in their home market

Shareholder(s) • HKEX’s shareholder(s)

Share Award Scheme or the Scheme • The HKEX Employees’ Share Award Scheme and the HKEX Employees’ Share Award 2023 Scheme

Shenzhen-Hong Kong Stock Connect • A mutual market access programme that links the stock markets in Shenzhen and Hong Kong, enabling investors in Hong Kong and Mainland China to trade and settle shares listed on the other market via the exchange and clearing house in their home market

Southbound Trading or Stock Connect

Southbound • Mainland investors trading in eligible securities that are listed on the Stock Exchange through Stock Connect

SPAC • Special Purpose Acquisition Companies

Stock Connect • Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

Swap Connect • A mutual market access programme that provides Hong Kong and international investors access to the onshore interest rate swap market through a Northbound channel

UK • United Kingdom

US • United States of America

US\$/USD • United States dollar

\$/HK\$/HKD • Hong Kong dollar

\$bn/bn • Hong Kong dollar in billion/billion

\$m • Hong Kong dollar in million

£/GBP • Pound sterling

1H, 2H • First half, second half (of the year)

Q1, Q2, Q3, Q4 • First quarter, second quarter, third quarter, fourth quarter (of the year)

Hong Kong Exchanges and Clearing Limited

8/F, Two Exchange Square,
8 Connaught Place, Central, Hong Kong
T (852) 2522 1122 F (852) 2295 3106
info@hkex.com.hk

hkexgroup.com | hkex.com.hk