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香港交易及結算所有限公司
HONG KONG EXCHANGES AND CLEARING LIMITED

(Incorporated in Hong Kong with limited liability)
Stock Codes: 388 (HKD Counter) and 80388 (RMB Counter)

(Financial figures in this announcement are expressed in Hong Kong dollar (HKD) unless otherwise stated)

2024 FINAL RESULTS, DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

STRATEGIC AND FINANCIAL HIGHLIGHTS

Bonnie Y Chan, Chief Executive Officer said:

“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.”

Strategic & 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

Annual Results

Financial Highlights

- HKEX reported the Group's best ever revenue and other income and profit in 2024.
- 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 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 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 was \$13,050 million, 10 per cent higher than 2023.

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-HKFERS 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)	150.1⁴	108.3	39%
ADT of Southbound Trading of Stock Connect ¹ (\$bn)	48.2⁴	31.1	55%
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	830⁴	742	12%
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	720⁴	612	18%
Chargeable ADV ³ of metals contracts traded on the LME ('000 lots)	664	562	18%
ADT of Northbound Bond Connect (RMBbn)	41.6⁴	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

¹ For the purposes of this announcement, 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-HKFERS measures used by management for monitoring business performance and may not be comparable to similar measures presented by other companies.

Comparison of Q4 2024 with Q4 2023 Results

Financial Highlights

- 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 were up 6 per cent, attributable to higher staff costs and IT costs.
- EBITDA margin was 75 per cent, 7 percentage points higher than Q4 2023.
- 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)	231.0⁴	108.4	113%
ADT of Southbound Trading of Stock Connect ¹ (\$bn)	78.1⁴	28.0	179%
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	870⁴	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

Comparison of Q4 2024 with Q3 2024 Results

Financial Highlights

- 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 were up 17 per cent, attributable to higher staff costs, and seasonal increases in other operating expenses.
- EBITDA margin was 75 per cent, 1 percentage point higher than Q3 2024.
- 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, CBBCs 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)	231.0⁴	110.3	109%
ADT of Southbound Trading of Stock Connect ¹ (\$bn)	78.1⁴	39.6	97%
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	870⁴	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

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 announcement.

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 will be available on the HKEX Group website together with the 2024 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 Results Announcement 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

CHIEF EXECUTIVE OFFICER'S REVIEW

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 Results Announcement 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

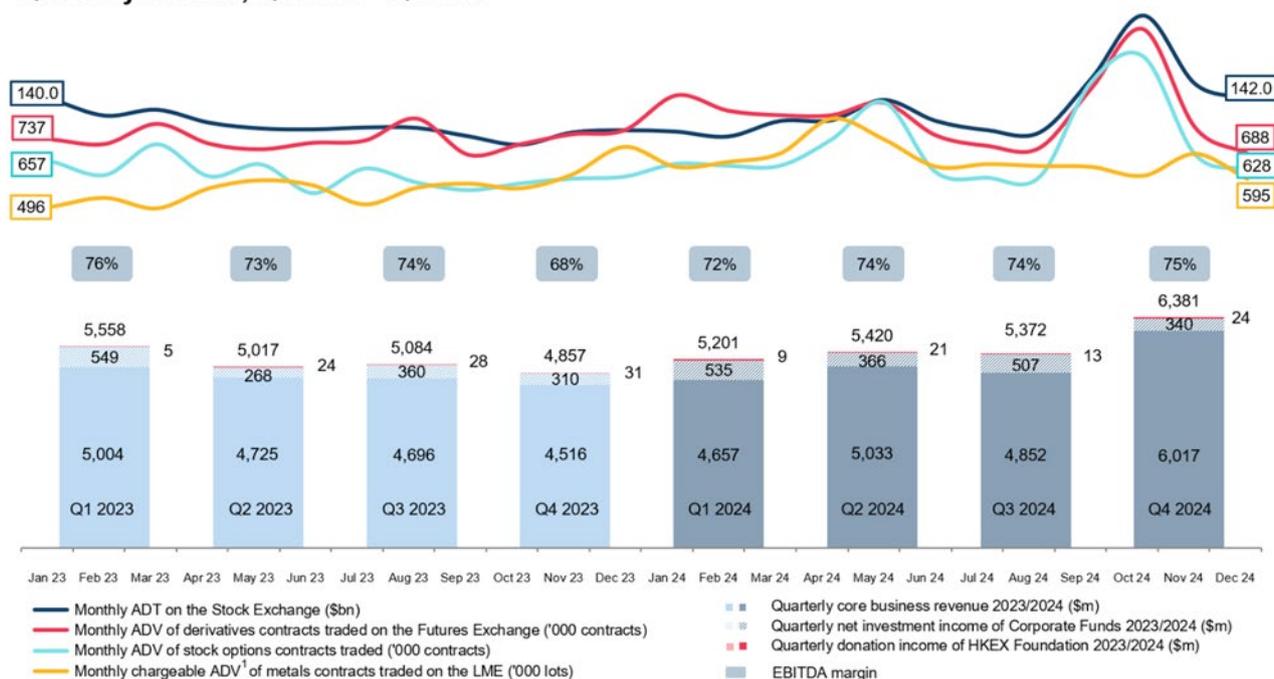
Director and Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Quarterly Results, Q1 2023 – Q4 2024



1 Chargeable ADV excludes administrative trades (Admin Trades).

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.

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

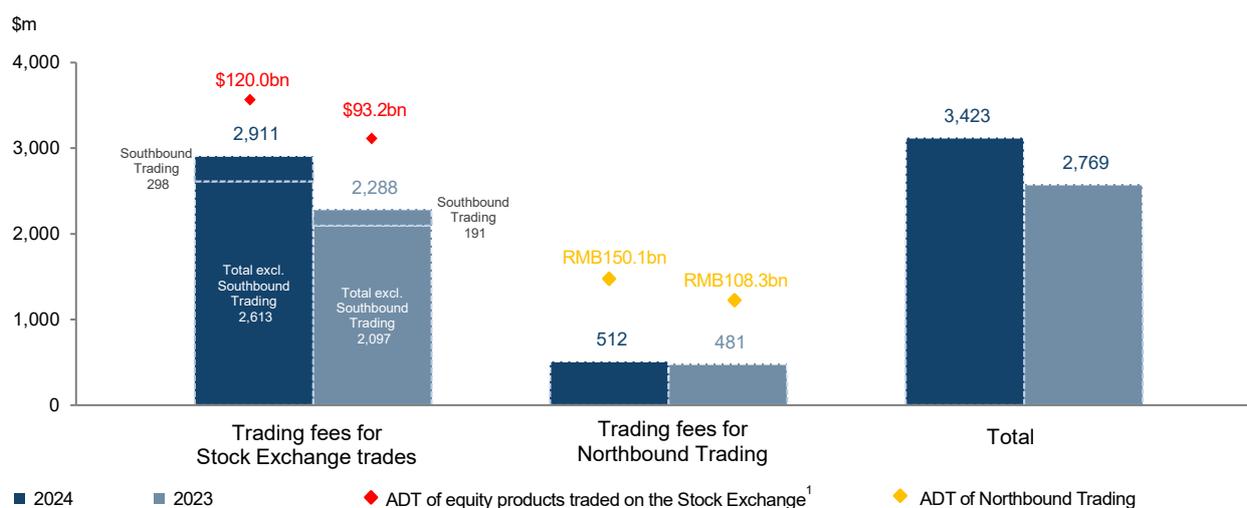
	2024 \$m	2023 \$m	Change
Trading fees ¹	3,423	2,769	24%
Clearing and settlement fees ¹	3,621	2,943	23%
Stock Exchange listing fees ¹	888	908	(2%)
Depository, custody and nominee services fees ¹	1,056	1,179	(10%)
Other revenue and sundry income	147	133	11%
	9,135	7,932	15%
Net investment income	287	232	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

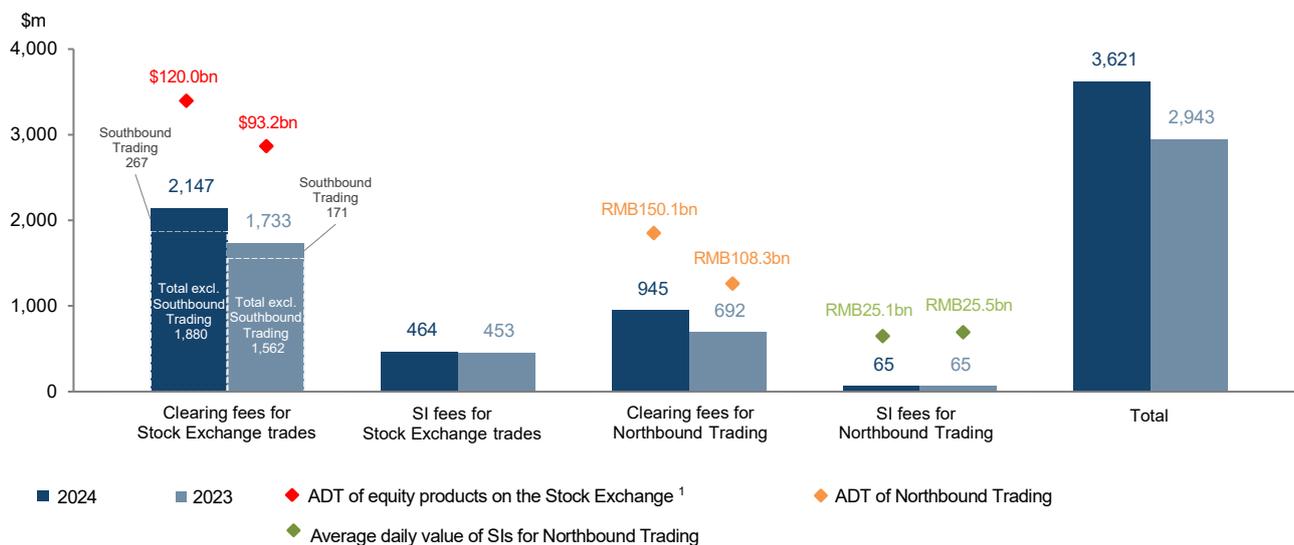


1 Excludes DWs, CBBCs and warrants (which are included under the Equity and Financial Derivatives segment); and includes ADT of Southbound Trading under Stock Connect

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, CBBCs 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 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 18C² 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.

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.

2 Listing Regime for Specialist Technology Companies

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-authorized 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, will be set out 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.

Status of Long Suspended Companies	Main Board		GEM	
	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

1 Figures represent cases handled in 2024 (including those carried over from the previous year and those ongoing at year-end).

2 At the end of 2024, there were 31 ongoing investigations (2023: 38).

3 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.

4 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 will be included in the 2024 Listing Committee Report.

5 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%

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

² Includes 14 holiday trading days (2023:13)

³ New record high in 2024

Analysis of Results

Summary

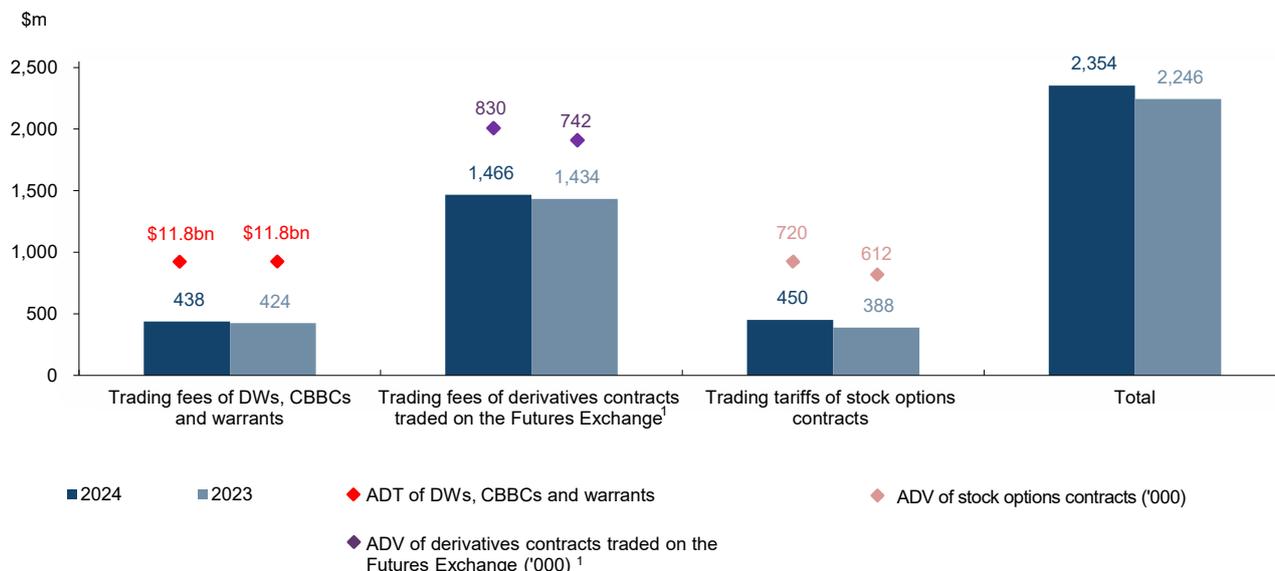
	2024 \$m	2023 \$m	Change
Trading fees and trading tariffs ¹	2,354	2,246	5%
Clearing and settlement fees ¹	464	455	2%
Stock Exchange listing fees ¹	596	615	(3%)
Depository, custody and nominee services fees ¹	90	97	(7%)
Other revenue and sundry income	20	39	(49%)
	3,524	3,452	2%
Net investment income	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 options³ on the Futures Exchange.

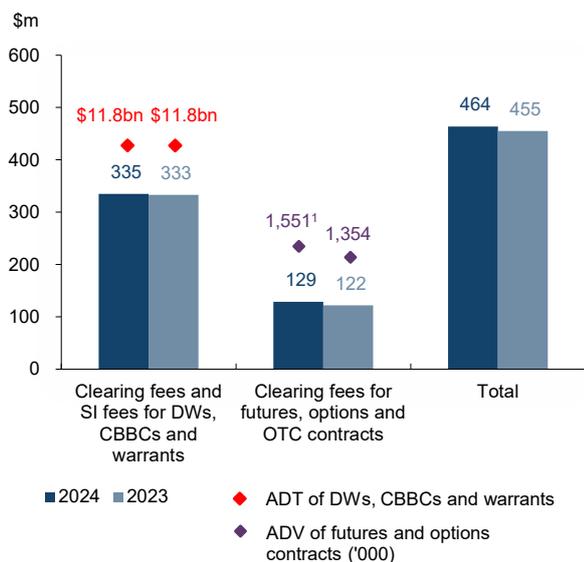
Trading fees of DWs, CBBCs and warrants for 2024 were \$438 million, up 3 per cent compared with 2023, attributable to a 10 per cent increase in total notional values of newly listed DWs and CBBCs.

Futures Exchange derivatives trading fees³ 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.

³ Excludes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts (which are included under the Commodities segment)

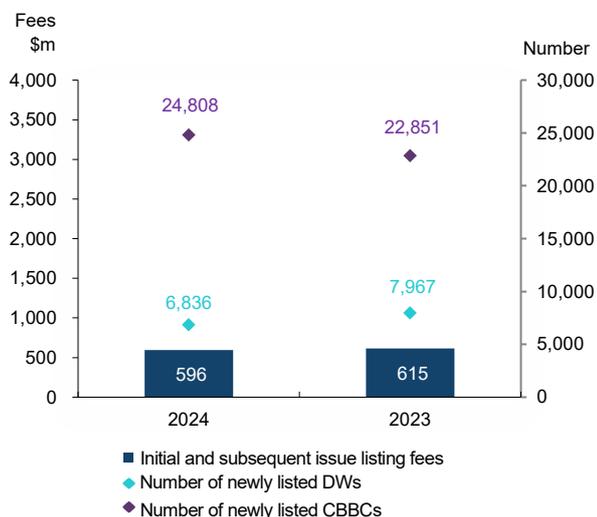
Clearing and Settlement Fees



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 announcement.

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 traded³ (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

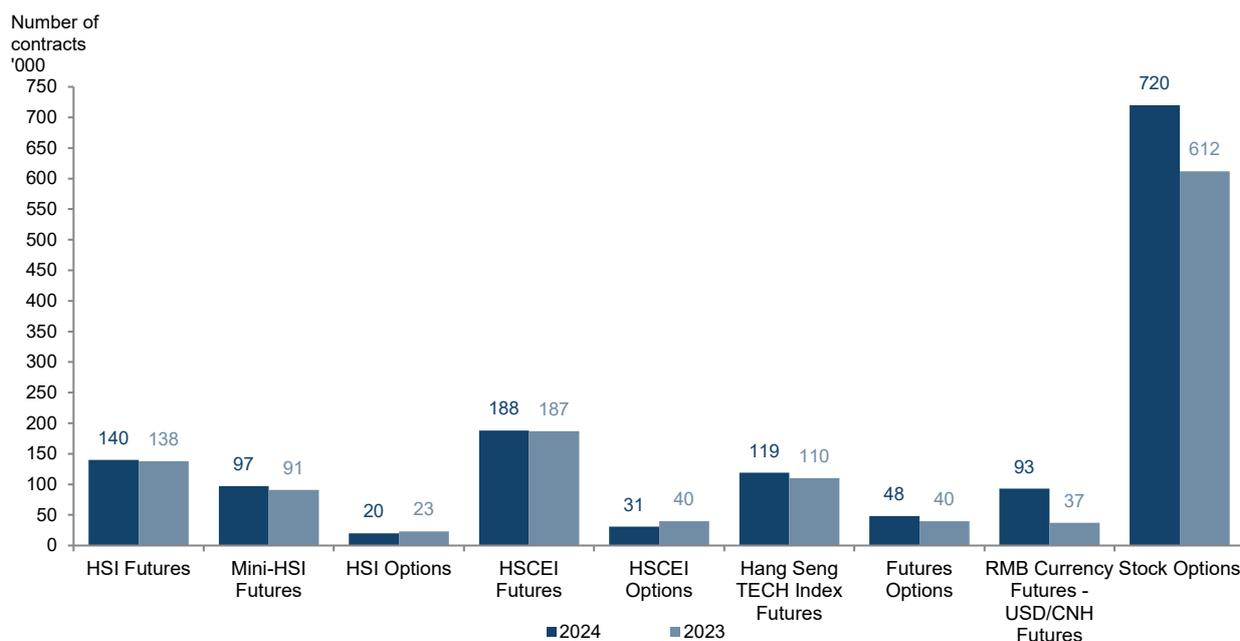
¹ Excludes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts (which are included under the Commodities segment)

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



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.

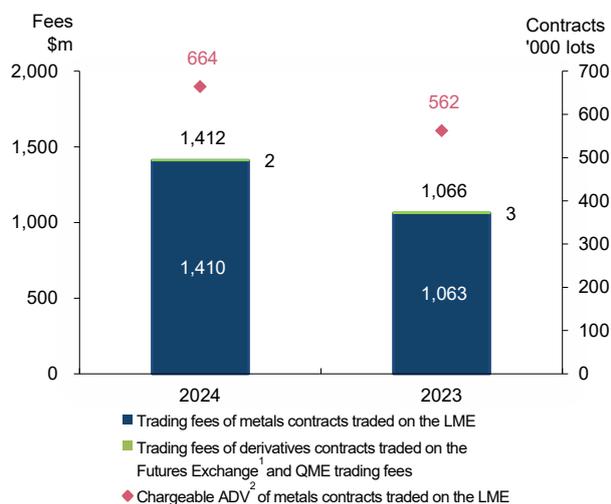
	At 31 Dec 2024 '000 lots	At 31 Dec 2023 '000 lots	Change
Total futures market open interest	1,787	1,793	0%

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%

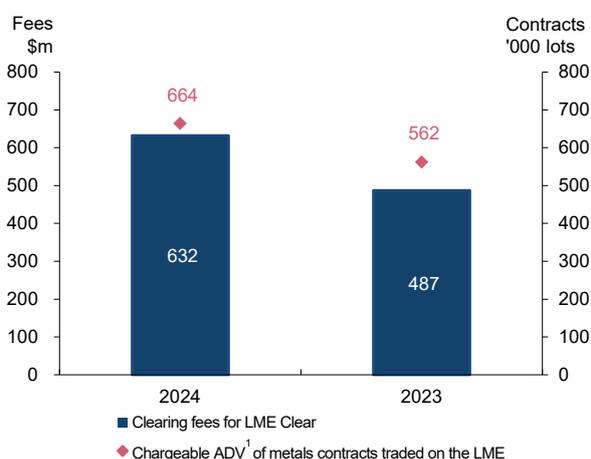
Trading Fees



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.

- 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



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.

- 1 Chargeable ADV excludes Admin Trades.

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 under the Financial Review section of this announcement.

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.

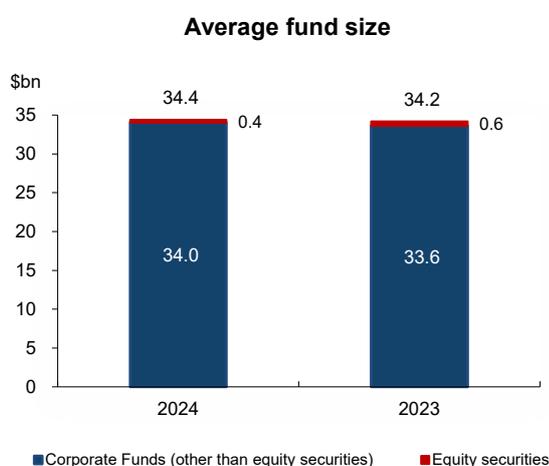
Corporate Items

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 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 by strategy employed are set out under the Financial Review section of this announcement.

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 will be set out in HKEX's 2024 Sustainability Report.

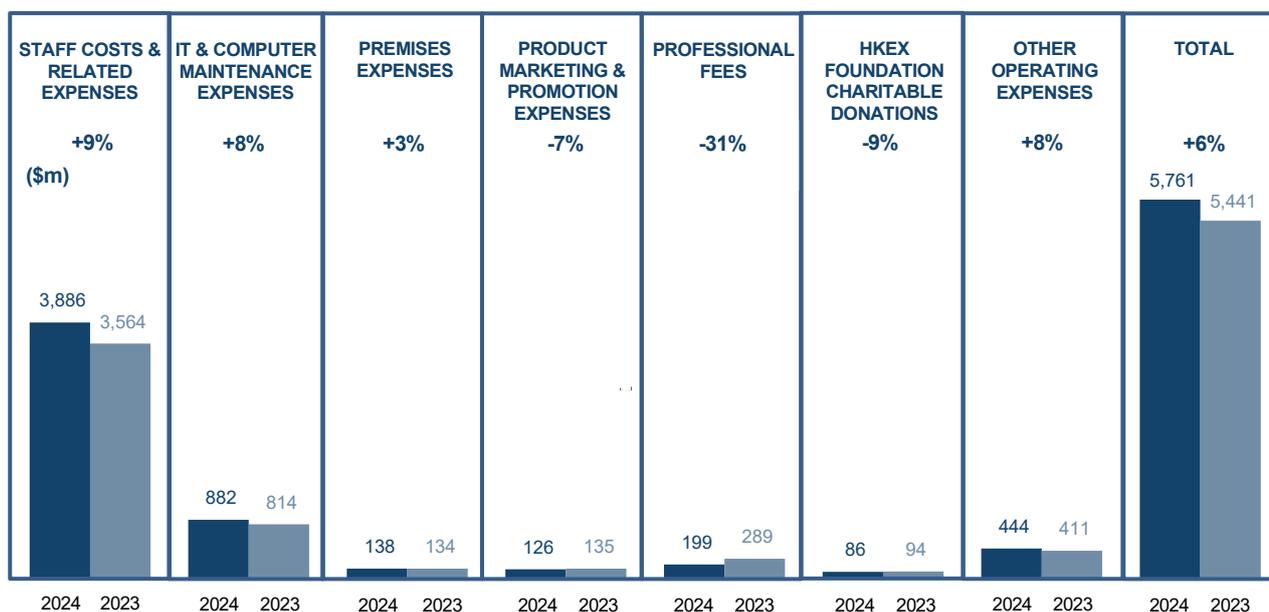
HKEX Foundation and Group Philanthropy

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 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				
	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)	2,756	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. At 31 December 2024, 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	Change
Diversifiers	4,337	4,096	6%
Government Bonds and Mortgage-backed Securities	2,800	1,401	100%
Public Equities	92	1,071	(91%)
Total	7,229	6,568	10%

(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 commitments⁴ 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).

⁴ Exclude operating leases recognised as right-of-use assets

(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 announcement, 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 announcement, there were no material investments or additions of capital assets authorised by the Board at the date of this announcement.

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 debt⁵ 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.

⁵ 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.

Pledges of Assets

LME Clear receives securities and gold bullion as non-cash collateral for margins posted by its CPs. 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 CPs' 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 CP. 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.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The functional currency of the Hong Kong and the Mainland entities are either HKD or 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.

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.

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 Group's Investment Policies, the net long or short position of each individual foreign currency (i.e., the net open position (NOP)) is monitored. 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 Margin Fund and Default Fund will generally be in the currency in which cash was received.

The aggregate net open foreign currency positions (excluding the External Portfolio) at 31 December 2024 amounted to \$1,578 million, of which \$114 million were non-USD exposures (31 December 2023: \$620 million, of which \$347 million were non-USD exposures).

Contingent Liabilities and Contingent Assets

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. 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.
- (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.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 \$m	2023 \$m
Trading fees and trading tariffs		7,189	6,081
Clearing and settlement fees		4,717	3,885
Stock Exchange listing fees		1,484	1,523
Depository, custody and nominee services fees		1,146	1,276
Market data fees		1,086	1,098
Other revenue	3	1,724	1,582
Revenue		17,346	15,445
Investment income		10,755	10,972
Interest rebates to Participants		(5,828)	(6,013)
Net investment income	4	4,927	4,959
Donation income of HKEX Foundation		67	88
Sundry income		34	24
Revenue and other income		22,374	20,516
Less: Transaction-related expenses		(332)	(247)
Revenue and other income less transaction-related expenses		22,042	20,269
Operating expenses			
Staff costs and related expenses		(3,886)	(3,564)
IT and computer maintenance expenses		(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	5	(444)	(411)
		(5,761)	(5,441)
EBITDA (non-HKFRS measure)		16,281	14,828
Depreciation and amortisation		(1,402)	(1,443)
Operating profit		14,879	13,385
Finance costs	6	(114)	(135)
Share of profits of joint ventures		88	82
Profit before taxation		14,853	13,332
Taxation	7	(1,698)	(1,351)
Profit for the year		13,155	11,981
Profit attributable to:			
Shareholders of HKEX		13,050	11,862
Non-controlling interests		105	119
Profit for the year		13,155	11,981
Basic earnings per share	8(a)	\$10.32	\$9.37
Diluted earnings per share	8(b)	\$10.29	\$9.36

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	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	(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

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	10	134,365	-	134,365	125,107	-	125,107
Financial assets measured at fair value through profit or loss	10	6,901	657	7,558	6,357	604	6,961
Financial assets measured at fair value through other comprehensive income	10	47,562	3,142	50,704	18,250	-	18,250
Financial assets measured at amortised cost	10	42,082	1,528	43,610	74,984	1,665	76,649
Derivative financial instruments	10	67,747	-	67,747	58,127	-	58,127
Accounts receivable, prepayments and deposits	11	54,478	19	54,497	33,313	19	33,332
Tax recoverable		441	-	441	64	-	64
Interests in joint ventures		-	415	415	-	352	352
Goodwill and other intangible assets		-	19,605	19,605	-	19,279	19,279
Fixed assets		-	1,504	1,504	-	1,553	1,553
Right-of-use assets		-	1,174	1,174	-	1,484	1,484
Deferred tax assets		-	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		67,863	-	67,863	58,100	-	58,100
Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants		188,857	-	188,857	176,165	-	176,165
Accounts payable, accruals and other liabilities	12	37,584	-	37,584	27,849	-	27,849
Deferred revenue		1,037	319	1,356	1,060	307	1,367
Taxation payable		1,321	-	1,321	639	-	639
Other financial liabilities		33	-	33	29	-	29
Participants' contributions to Clearing House Funds		27,124	-	27,124	21,955	-	21,955
Lease liabilities		260	1,034	1,294	270	1,334	1,604
Borrowings	13	382	70	452	382	65	447
Provisions		64	123	187	62	113	175
Deferred tax liabilities		-	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				31,955			31,946
Shares held for Share Award Scheme				(1,125)			(1,009)
Employee share-based compensation reserve				414			373
Hedging and revaluation reserves				(65)			(144)
Exchange reserve				(273)			(168)
Designated reserves				1,451			1,018
Reserve relating to written put options to non-controlling interests				(395)			(395)
Retained earnings	14			21,890			19,723
Equity attributable to shareholders of HKEX				53,852			51,344
Non-controlling interests				555			452
Total equity				54,407			51,796
Total liabilities and equity				381,629			341,179
Net current assets				29,051			29,691

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Preparation and Accounting Policies

These consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA.

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results 2024 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

(a) 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.

(b) 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.

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) Change in accounting estimates

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 life of the assets. The financial impact of such change in accounting estimate was insignificant during the year.

2. Operating Segments

The Group determines its operating segments in a manner consistent with internal management reports that are used to make strategic decisions provided to the chief operating decision-maker.

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 and those traded through 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 Futures Exchange, the clearing, settlement and custodian activities relating to these products and 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, DWs, 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 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. It also covers the operations of 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. 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) 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).

The chief operating decision-maker assesses the performance of the operating segments principally based on their EBITDA.

An analysis by operating segment of the Group's EBITDA, profit before taxation and 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
	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

(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.

3. 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 (a))	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

- (a) 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.

4. 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	(62)	(253)
- foreign exchange swaps (note (a))	(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 JPY deposits.

5. 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

6. Finance Costs

	2024 \$m	2023 \$m
Interest on borrowings	5	7
Interest on lease liabilities	55	59
Banking facility commitment fees (note (a))	51	53
Negative interest on JPY 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.

7. Taxation

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 (b))	(110)	(21)
	221	142
Total current tax (note (a))	1,588	1,367
Deferred tax		
- Under provision in respect of prior years (note (b))	118	-
- Origination and reversal of temporary differences	(8)	(16)
	110	(16)
Taxation charge	1,698	1,351

- (a) 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).
- (b) 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.
- (c) OECD Pillar Two model rules

The Group is within the scope of the Pillar Two model rules published by 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 retrospectively set 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.

8. 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

9. Dividends

	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 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.

10. Financial Assets

The Group classifies the financial assets into the following measurement categories:

Cash for A-shares includes:

- (a) RMB cash prepayments received by HKSCC from its CPs for releasing their allocated A-shares on the trade day. Such prepayments will be used to settle HKSCC's CNS obligations payable on the next business day; and
- (b) HKD/USD cash collateral received by HKSCC from its CPs for releasing their allocated A-shares on the trade day. Such collateral will be refunded to the CPs when they settle their RMB CNS obligations on the next business day.

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 CPs. 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.

Clearing House Funds, or default funds, are established under the Clearing House Rules. Assets contributed by the CPs 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 CPs 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 CPs 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.

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).

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.

Financial assets include cash and cash equivalents, financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, financial assets measured at amortised cost, and derivative financial instruments, details of which are as follows:

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

The Group's financial assets comprised financial assets of Cash for A-shares, Margin Funds, Clearing House Funds, Corporate Funds and derivative financial instruments as follows:

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
<u>Cash for A-shares</u>		
Cash and cash equivalents	2,175	2,733
<u>Margin Funds¹</u>		
Cash and cash equivalents	96,089	91,369
Financial assets measured at fair value through other comprehensive income	37,135	15,847
Financial assets measured at amortised cost	35,231	59,084
	168,455	166,300
<u>Clearing House Funds</u>		
Cash and cash equivalents	21,056	20,719
Financial assets measured at fair value through other comprehensive income	7,671	2,403
	28,727	23,122
<u>Corporate Funds (note (a))</u>		
Cash and cash equivalents	15,045	10,286
Financial assets measured at fair value through profit or loss	7,558	6,961
Financial assets measured at fair value through other comprehensive income	5,898	-
Financial assets measured at amortised cost	8,379	17,565
	36,880	34,812
Derivative financial instruments	67,747	58,127
	303,984	285,094

1 Excludes Settlement Reserve Fund and Settlement Guarantee Fund paid to ChinaClear under Stock Connect, inter-CCP margin paid to 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.

The expected maturity dates of the financial assets are analysed as follows:

	At 31 Dec 2024						At 31 Dec 2023					
	Cash for A-shares \$m	Margin Funds \$m	Clearing House Funds \$m	Corporate Funds \$m	Derivative financial instruments \$m	Total \$m	Cash for A-shares \$m	Margin Funds \$m	Clearing House Funds \$m	Corporate Funds \$m	Derivative financial instruments \$m	Total \$m
Within 12 months	2,175	168,455	28,727	31,553	67,747	298,657	2,733	166,300	23,122	32,543	58,127	282,825
Over 12 months	-	-	-	5,327	-	5,327	-	-	-	2,269	-	2,269
	2,175	168,455	28,727	36,880	67,747	303,984	2,733	166,300	23,122	34,812	58,127	285,094

(a) At 31 December 2024, financial assets of Corporate Funds of \$2,080 million (31 December 2023: \$1,571 million) were solely used for supporting contributions to default funds (Skin-in-the-Game), and default fund credits for Clearing House Funds.

11. Accounts Receivable, Prepayments and Deposits

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
The breakdown of accounts receivable, prepayments and deposits are as follows:		
CNS money obligations receivable (note (a))	31,813	21,430
Settlement Reserve Fund and Settlement Guarantee Fund held by ChinaClear	19,814	9,734
Inter-CCP margin held by SHCH (note (b)):		
- satisfied by margin deposits collected from OTC Clear CPs	571	130
- satisfied by Corporate Funds	257	113
	828	243
Other receivables, prepayments and deposits, net of provision for impairment losses	2,042	1,925
	54,497	33,332

- (a) 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.
- (b) 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. Part of the inter-CCP margin provided by OTC Clear to SHCH is satisfied by margin deposits collected from OTC Clear CPs and the remaining balance is satisfied by Corporate Funds of OTC Clear.

12. Accounts Payable, Accruals and Other Liabilities

The Group's accounts payable, accruals and other liabilities mainly represented the Group's CNS money obligations payable, which accounted for 90 per cent (31 December 2023: 87 per cent) of the total accounts payable, accruals and other liabilities. 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.

13. Borrowings

	At 31 Dec 2024 \$m	At 31 Dec 2023 \$m
Written put options to non-controlling interests	452	447
Analysed as:		
Non-current liabilities	70	65
Current liabilities	382	382
	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.

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.

14. 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	(432)	(331)
Transfer to PRC statutory reserve	(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	32	23
Vesting of shares of Share Award Scheme	(25)	(13)
At 31 Dec	21,890	19,723

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS HONG KONG

The financial figures in this announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's external auditor, PricewaterhouseCoopers Hong Kong (PwC), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and consequently no assurance has been expressed by PwC on this announcement.

REVIEW OF 2024 CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee (AC) reviewed the 2024 Consolidated Financial Statements in conjunction with HKEX's 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.

DISTRIBUTABLE 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).

DIVIDEND

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 Monday, 17 March 2025. Dividend warrants are expected to be despatched to Shareholders on Wednesday, 26 March 2025.

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).

CLOSURE OF HKEX'S REGISTER OF MEMBERS

For the purposes of determining Shareholders' eligibility to attend and vote at the 2025 AGM, and entitlement to the 2024 second interim dividend, HKEX's Register of Members will be closed as set out below:

- | | |
|--|---|
| (i) For determining eligibility to attend and vote at the 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 |
| (ii) For determining entitlement to the 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 |

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2025 AGM, and to qualify for the 2024 second interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with HKEX's registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than the aforementioned latest time.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on Wednesday, 30 April 2025 at 4:30 pm at the 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 the 2024 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 under the Investor Relations section of the HKEX Group website. The results of the voting on the proposed resolutions will be published on the HKEX Group website 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.

ELECTION OF DIRECTOR

The service term of 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.

The Nomination and Governance Committee (NGC) has nominated Peter Brien to the Board for it to recommend to Shareholders for election at the 2025 AGM. The nomination has been made in accordance with the Nomination Policy and has taken 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.

Given the background and experience of Mr Brien, in particular, his in-depth knowledge of the capital markets and vast experience in regulatory matters, it is considered that his appointment as Director 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.

On 27 February 2025, the Board accepted the nomination by the NGC and recommended Mr Brien to stand for election at the 2025 AGM. His particulars will be set out in the circular to Shareholders.

PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION OF HKEX

The Board proposes to adopt a new set of the Articles of Association ("New Articles") to incorporate amendments to the existing Articles of Association of HKEX, for the purpose of aligning with the recently amended Companies Ordinance in relation to the implementation of the treasury share regime for Hong Kong incorporated listed companies and the promotion of paperless corporate communications; and the recently announced Listing Rules amendments in relation to the further expansion of the paperless listing regime. Other housekeeping changes are also proposed to enable the Company to conduct general meetings (including holding hybrid/virtual general meetings) and handle other corporate affairs more efficiently, all of which are in alignment with current market practices.

The proposed adoption of the New Articles will be subject to the passing of a special resolution by Shareholders at the 2025 AGM and approval by the SFC in writing. Further details of the proposed changes under the New Articles will be set out in the circular to Shareholders.

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 exception of 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 of Association.

HKEX has applied the principles of the Corporate Governance Code to its corporate governance structure and practices as described in the Corporate Governance Report contained in the 2024 Annual Report and on the HKEX Group website.

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.

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.

PUBLICATION OF 2024 FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the HKEXnews website at www.hkexnews.hk and the HKEX Group website at www.hkexgroup.com/Investor-Relations/Regulatory-Disclosure/Announcements/2025. The 2024 Annual Report will be available on the HKEXnews and HKEX Group websites and despatched to Shareholders on or about Thursday, 20 March 2025.

By Order of the Board
Hong Kong Exchanges and Clearing Limited
Timothy Tsang
Group Company Secretary

Hong Kong, 27 February 2025

As at the date of this announcement, HKEX's Board of Directors comprises 12 Independent Non-executive Directors, namely Mr Carlson TONG (Chairman), Mr Nicholas Charles ALLEN, Mr Apurv BAGRI, Mr CHAN Kin Por, Mr CHEAH Cheng Hye, Ms CHEUNG Ming Ming, Anna, Mr CHIA Pun Kok, Herbert, Mrs CHOW WOO Mo Fong, Susan, Ms LEUNG Nisa Bernice Wing-Yu, Mr LEUNG Pak Hon, Hugo, Mr YAM Chi Kwong, Joseph, and Mr ZHANG Yichen, and one Executive Director, Ms CHAN Yiting, Bonnie, who is also the Chief Executive of HKEX.

GLOSSARY

2025 AGM	HKEX's annual general meeting to be held on 30 April 2025
ADT	Average daily turnover value
ADV	Average daily volume (in number of contracts/lots)
Awarded Shares	Shares awarded under the Share Award Scheme
BayConnect	BayConnect Technology Company Limited
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)
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	The 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
FIC	Fixed income and currency
Financial Secretary	Financial Secretary of the HKSAR
Futures Exchange or HKFE	Hong Kong Futures Exchange Limited
GEM Listing Rules	Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
Government or Hong Kong 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
HKCC	HKFE Clearing Corporation Limited
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
HKFRS(s)	Hong Kong Financial Reporting Standard(s)
HKICPA	Hong Kong Institute of Certified Public Accountants
HKSAR 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
ISSB	International Sustainability Standards Board
IT	Information Technology
JPY	Japanese Yen
L&I Products	Leveraged and Inverse Products
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	HKEX Global Commodities Limited (formerly named HKEX Investment (UK) Limited), LME Holdings Limited, the LME and LME Clear
London Metal Mini Futures	London Aluminium/Zinc/Copper/Nickel/Tin/Lead Mini Futures
Main Board Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
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
PRC	The People's Republic of China
QME	Qianhai Mercantile Exchange Co., Ltd.
RMB	Renminbi
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(s)	Special Purpose Acquisition Company(ies)
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)