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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 INTERIM RESULTS, INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

# STRATEGIC AND FINANCIAL HIGHLIGHTS

## **Bonnie Y Chan, Chief Executive Officer said:**

HKEX had a robust first half of the year with the second quarter seeing an upswing in market momentum and trading activity, driving record second quarter revenue and other income and profit. The Group's diversification strategy continued to deliver results, underpinned by record volumes in our Derivatives Market, and a 29 per cent year-on-year gain in LME chargeable average daily volumes in the first half. Fundraising activity remained resilient and has shown signs of warming, with the second quarter seeing a 50 per cent quarter-on-quarter increase in new listings and a 79 per cent increase in IPO funds raised.

HKEX made significant strategic progress during the period with measures to further elevate the competitiveness of our markets, including the release of a consultation paper to reduce minimum spreads in the securities market, new enhancements to Swap Connect, as well as plans to implement Severe Weather Trading from 23 September 2024. We also announced a major investment in our technology to develop the Orion Derivatives Platform, marking an important step to own our digital destiny and part of our commitment to ensure that Hong Kong's markets are future ready.

Looking ahead, while macro-environment uncertainties persist, we remain cautiously optimistic about the outlook for the rest of the year. We are resolutely focused on driving the vibrancy, resilience and competitiveness of our markets, by continuously enhancing our market infrastructure, expanding our products and international partnerships and future-proofing our business. We look forward to continuing to work closely with our partners and other stakeholders to deliver on our strategy.

## **Strategic & Operational Highlights**

### Corporate

1 Mar	Appointment of new Chief Executive Officer, Ms Bonnie Y Chan
6 Mar	Announcement of new LME organisational design
3 May	Appointment of new Chairman, Mr Carlson Tong
27 Jun	24th Anniversary of HKEX as a listed company

### 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 regime

### Market Operations

1 Jan	Average trading and clearing fee increment of 13 per cent implemented by the LME and LME Clear
22 Jan	New Closing Price methodology implemented by the LME in phases
23 Mar	Self-Match Prevention service in Cash Market introduced
1 Apr	New derived data licensing framework introduced by the LME
18 Apr	Announcement of the in-house development of the Orion Derivatives Platform
20 May	Introduction of new product features and services to Swap Connect
18 Jun	Consultation conclusions on Severe Weather Trading in Securities and Derivatives Markets published, with the arrangements to allow Hong Kong market to remain open during severe weather conditions effective from 23 September 2024, subject to regulatory approval
28 Jun	Consultation paper on Proposed Reduction of Minimum Spreads in Hong Kong Securities Market published

### Regulation

19 Apr	Consultation conclusions on Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework published, with Listing Rules amendments effective on 1 January 2025
1 May	Consultation paper on the proposed integration of the EU Carbon Border Adjustment Mechanism requirements into the LME rules published by the LME
11 Jun	Revised Listing Rules relating to Treasury Shares took effect
14 Jun	Consultation paper on Review of Corporate Governance Code and Related Listing Rules published

### Corporate Social Responsibility and ESG

27 Mar	2023 HKEX Impact Funding Scheme awardees announced
26 Apr	The Laura M Cha Capital Markets Scholarship Programme launched
28 Jun	2023 HKEX Research Funding Scheme awardees announced

## Comparison of 1H 2024 with 1H 2023 Results

### Financial Highlights

- 1H 2024 revenue and other income of \$10,621 million was comparable with 1H 2023:
  - Core business revenue was in line with 1H 2023, as lower revenue from trading and clearing activities of the Cash Market, net investment income and listing was mostly offset by higher LME trading and clearing fees driven by both volume and fee increases.
  - Net investment income from Corporate Funds was \$901 million (1H 2023: \$817 million), benefitting from the high interest rate environment.
- Operating expenses were up 7 per cent against 1H 2023, attributable to higher staff and IT costs, partly offset by the partial recovery of legal fees relating to the events in the nickel market in March 2022.
- EBITDA margin<sup>1</sup> was 73 per cent, 2 percentage points lower than 1H 2023.
- Profit attributable to shareholders was \$6,125 million, 3 per cent lower than 1H 2023.

### Key Financials

	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m	Change
Revenue and other income			
Core business revenue	9,690	9,729	0%
Donation income of HKEX Foundation	30	29	3%
Net investment income of Corporate Funds	901	817	10%
	10,621	10,575	0%
Operating expenses	2,794	2,622	7%
EBITDA (non-HKFRS measure)	7,661	7,859	(3%)
Profit attributable to shareholders	6,125	6,312	(3%)
Capital expenditure	612	501	22%
Basic earnings per share	\$4.84	\$4.99	(3%)
Interim dividend per share	\$4.36	\$4.50	(3%)

### Key Market Statistics

	Six months ended 30 Jun 2024	Six months ended 30 Jun 2023	Change
ADT of equity products traded on the Stock Exchange <sup>1</sup> (\$bn)	100.3	102.9	(3%)
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	10.1	12.6	(20%)
ADT traded on the Stock Exchange <sup>1,2</sup> (Headline ADT) (\$bn)	110.4	115.5	(4%)
ADT of Northbound Trading of Stock Connect <sup>1</sup> (RMBbn)	130.2 <sup>4</sup>	109.3	19%
ADT of Southbound Trading of Stock Connect <sup>1</sup> (\$bn)	37.5	33.8	11%
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	837 <sup>4</sup>	735	14%
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	696 <sup>4</sup>	633	10%
Chargeable ADV <sup>3</sup> of metals contracts traded on the LME ('000 lots)	694	538	29%
ADT of Northbound Bond Connect (RMBbn)	44.5 <sup>4</sup>	38.9	14%

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 half-yearly high

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-HKFRS measures used by management for monitoring business performance and may not be comparable to similar measures presented by other companies.

## Comparison of Q2 2024 with Q2 2023 Results

### Financial Highlights

- Q2 2024 revenue and other income and profit both reached record second quarter highs.
- Q2 2024 revenue and other income of \$5,420 million was 8 per cent higher than Q2 2023:
  - Core business revenue was up 7 per cent against Q2 2023, attributable to increases in trading and clearing fees from higher volumes across the Cash, Derivatives and Commodities Markets.
  - Net investment income from Corporate Funds was \$366 million (Q2 2023: \$268 million), driven by higher investment income from internally managed Corporate Funds and higher net fair value gains of the External Portfolio (Q2 2024: \$64 million; Q2 2023: \$20 million).
- Operating expenses were up 5 per cent, attributable to higher staff and IT costs, partly offset by the partial recovery of legal fees relating to the events in the nickel market in March 2022.
- EBITDA margin was 74 per cent, 1 percentage point higher than Q2 2023.
- Profit attributable to shareholders was \$3,155 million, 9 per cent higher than Q2 2023.

### Key Financials

	Three months ended 30 Jun 2024 \$m	Three months ended 30 Jun 2023 \$m	Change
Revenue and other income			
Core business revenue	5,033	4,725	7%
Donation income of HKEX Foundation	21	24	(13%)
Net investment income of Corporate Funds	366	268	37%
	5,420	5,017	8%
Operating expenses	1,383	1,319	5%
EBITDA (non-HKFRS measure)	3,956	3,650	8%
Profit attributable to shareholders	3,155	2,904	9%
Capital expenditure	334	261	28%
Basic earnings per share	\$2.49	\$2.29	9%

### Key Market Statistics

	Three months ended 30 Jun 2024	Three months ended 30 Jun 2023	Change
ADT of equity products traded on the Stock Exchange <sup>1</sup> (\$bn)	111.8	90.8	23%
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	9.8	12.0	(18%)
ADT traded on the Stock Exchange <sup>1,2</sup> (Headline ADT) (\$bn)	121.6	102.8	18%
ADT of Northbound Trading of Stock Connect <sup>1</sup> (RMBbn)	127.3	122.5	4%
ADT of Southbound Trading of Stock Connect <sup>1</sup> (\$bn)	44.1	30.1	47%
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	818	717	14%
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	747	599	25%
Chargeable ADV <sup>3</sup> of metals contracts traded on the LME ('000 lots)	730	574	27%
ADT of Northbound Bond Connect (RMBbn)	43.7	40.8	7%

<sup>1</sup> Includes buy and sell trades under Stock Connect

<sup>2</sup> ADT of Southbound Trading is included within Headline ADT.

<sup>3</sup> Chargeable ADV excludes administrative trades (Admin Trades).

## Comparison of Q2 2024 with Q1 2024 Results

### Financial Highlights

- Q2 2024 revenue and other income was 4 per cent higher than Q1 2024:
  - Core business revenue was up 8 per cent against Q1 2024, attributable to increases in trading and clearing fees from higher Headline ADT and higher LME trading volumes, and a seasonal increase in depository fees.
  - Net investment income from Corporate Funds was \$366 million (Q1 2024: \$535 million), reflecting lower net fair value gains of the External Portfolio (Q2 2024: \$64 million; Q1 2024: \$169 million) and lower investment income from internally managed Corporate Funds.
- Operating expenses were down 2 per cent (down 6 per cent if excluding HKEX Foundation charitable donation expenses), attributable to the partial recovery of legal fees relating to the LME nickel market incident in Q2 2024, and lower staff costs due to the non-recurring retirement benefits paid to senior management in Q1 2024.
- EBITDA margin was 74 per cent, 2 percentage points higher than Q1 2024.
- Profit attributable to shareholders was \$3,155 million, 6 per cent higher than Q1 2024.

### Key Financials

	Three months ended 30 Jun 2024 \$m	Three months ended 31 Mar 2024 \$m	Change
Revenue and other income			
Core business revenue	5,033	4,657	8%
Donation income of HKEX Foundation	21	9	133%
Net investment income of Corporate Funds	366	535	(32%)
	5,420	5,201	4%
Operating expenses	1,383	1,411	(2%)
EBITDA (non-HKFRS measure)	3,956	3,705	7%
Profit attributable to shareholders	3,155	2,970	6%
Capital expenditure	334	278	20%
Basic earnings per share	\$2.49	\$2.35	6%

### Key Market Statistics

	Three months ended 30 Jun 2024	Three months ended 31 Mar 2024	Change
ADT of equity products traded on the Stock Exchange <sup>1</sup> (\$bn)	111.8	89.1	25%
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	9.8	10.3	(5%)
ADT traded on the Stock Exchange <sup>1,2</sup> (Headline ADT) (\$bn)	121.6	99.4	22%
ADT of Northbound Trading of Stock Connect <sup>1</sup> (RMBbn)	127.3	133.0	(4%)
ADT of Southbound Trading of Stock Connect <sup>1</sup> (\$bn)	44.1	31.0	42%
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	818	855	(4%)
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	747	645	16%
Chargeable ADV <sup>3</sup> of metals contracts traded on the LME ('000 lots)	730	659	11%
ADT of Northbound Bond Connect (RMBbn)	43.7	45.2	(3%)

<sup>1</sup> Includes buy and sell trades under Stock Connect

<sup>2</sup> ADT of Southbound Trading is included within Headline ADT.

<sup>3</sup> Chargeable ADV excludes administrative trades (Admin Trades).

## CHAIRMAN'S STATEMENT

It is with great pleasure that I present my first Interim Results statement as Chairman of HKEX. I am honoured to have been elected by my fellow Board members as the Chairman following HKEX's 2024 Annual General Meeting and the subsequent approval by the Chief Executive of the Hong Kong SAR Government. I would like to take this opportunity to pay tribute to my predecessor, Mrs Laura M Cha, who provided remarkable leadership to the Board, with unwavering commitment and dedication, and steered HKEX to build strong purpose-led foundations underpinning its continued growth and success. The transition of the management to our new CEO, Ms Bonnie Y Chan over these past six months has also gone very smoothly.

### Performance

The first half of 2024 saw signs of improving global economic prospects. Market sentiment remained cautiously optimistic amidst global fragility and ongoing uncertainty over the interest rate outlook, continuing geopolitical tensions and other macro challenges.

Set against this backdrop, HKEX continued to demonstrate strength and resilience. Hong Kong's securities market has experienced a notable uplift in trading volume since March 2024, despite a year-on-year decline of 4 per cent in the average daily turnover during the first six months of 2024. Hong Kong's derivatives market continued to go from strength to strength, with the average daily volume of futures and options contracts traded up 12 per cent year-on-year.

Stock Connect trading remained resilient, with Northbound average daily turnover reaching record half-yearly high of RMB130.2 billion. Northbound Bond Connect trading continued its strong growth path, with average daily turnover (RMB44.5 billion) up 14 per cent year-on-year.

The Hong Kong IPO market also saw gradual signs of recovery with an IPO pipeline of 107 active applications as at 30 June 2024. We received a total of 81 IPO applications in the first six months of 2024, up 69 per cent from the second half of 2023. We were pleased to welcome the first specialist technology company listing under our Chapter 18C framework and the first two GEM listings following the GEM listing reforms implemented in January 2024.

Metals trading volumes on the LME continued the growth trajectory from 2023, driven by macro sentiment and the LME's focused efforts in rebuilding liquidity in its nickel contracts. The chargeable average daily volume of metals contracts traded on the LME increased by 29 per cent year-on-year.

For the six months up to 30 June 2024, the Group recorded total revenue and other income of \$10,621 million, which was broadly in line with the comparable 2023 period, and profit attributable to shareholders of \$6,125 million, down 3 per cent from prior year. The Board declared an interim dividend of \$4.36 per share, payable in cash.

### Market enhancements

During the first half of 2024, we continued to work closely with our stakeholders to implement initiatives that promote the quality and attractiveness of our markets. In particular, we have been collaborating with the SFC to study and roll out the recommendations of the Task Force on Enhancing Stock Market Liquidity which HKEX participated in as a member. This important initiative aims to further improve market efficiency and trading dynamics, which will ultimately benefit both institutional and retail investors, as well as market participants. We are committed to ensuring that HKEX remains at the forefront of global financial markets, offering a transparent, well-regulated and highly liquid platform for companies and investors alike.

We made good progress in expanding our Connect programme to deepen our mutual market connectivity, supporting the long-term sustainable development of Hong Kong and Mainland China's capital markets. A new set of enhancements to Swap Connect was launched in May 2024 to provide more flexibility for international investors to manage RMB interest rate risk through China's onshore interbank markets. As part of the supportive initiatives announced by the CSRC in April 2024, the scope of eligible ETFs under Stock Connect was expanded on 22 July 2024, which has further broadened the investment choices for Stock Connect investors and expanded the diversity of our ETF product ecosystem. We will continue to take forward other announced CSRC initiatives, including

incorporating REITs into Stock Connect and adding RMB-denominated stocks to Southbound Stock Connect. We will also make further enhancements to our Connect program, working with relevant regulators and our exchange partners, to further strengthen the role of Hong Kong as a leading international financial centre. We aim to build on our strength as the superconnector between the markets of Mainland China and the rest of the world.

On the listing front, we continued our efforts to promote high standards of governance and disclosure practices among listed issuers in Hong Kong and ensure the competitiveness of our listing framework. Following market consultation, we announced in April 2024 enhancements of climate-related disclosure requirements under HKEX's ESG framework that would take effect from 1 January 2025. The enhancements, referencing the ISSB Climate Standard, aimed to promote consistent and comparable climate disclosures in line with global standards. Building on the tremendous progress of our efforts to end single-gender boards among listed issuers by end of this year, we issued a consultation paper in June 2024 setting out proposals which require issuers to create a more diverse boardroom, to improve board effectiveness and independence, and to strengthen risk management and internal controls. In view of strong market support, we introduced a new treasury share regime in June 2024 to provide issuers with greater flexibility in managing their capital structures through share buy-backs and resale of treasury shares, while providing appropriate safeguards to maintain a fair and orderly market.

Having published consultation conclusions on Severe Weather Trading proposals in the first half of 2024 we plan to implement, with support and valuable feedback from the Hong Kong SAR Government, financial regulators, market participants and other stakeholders, Severe Weather Trading in the Hong Kong securities and derivatives markets on 23 September 2024, with specific measures and necessary support being offered to market participants to ensure their readiness. This is an important step enabling HKEX's markets to remain open, operational and available to all local, regional and international investors during severe weather conditions, reinforcing the continued resilience and attractiveness of Hong Kong as a world-class international financial centre.

In line with our diversification strategy, we continued to expand our product portfolio in our Hong Kong markets in the first half of 2024 by introducing new products, including Asia's first Spot Virtual Asset ETFs and the first batch of Covered Call ETFs, to offer Hong Kong and international investors more choice and opportunities, further supporting Hong Kong as the region's leading ETF marketplace.

In support of our commitment to driving innovation and efficiency in our markets, we announced in April 2024 our plan to develop a proprietary derivatives platform – the Orion Derivatives Platform (ODP) – which we expect to launch in 2028. This new platform will adopt the best-in-class, future-ready technology, aiming to offer enhanced trading, clearing and risk management capabilities to address rapidly evolving client needs and give us a unique competitive advantage in the global derivatives space.

The LME also continued to modernise and strengthen its markets and advance sustainability practices across the metals industry. In the first quarter of 2024, the LME introduced a new closing price methodology to its five major contracts, aiming to bring greater determinism, transparency and standardisation to the closing price discovery process. In May 2024, the LME launched a market consultation on proposals to integrate the EU Carbon Border Adjustment Mechanism requirements into the LME rules to support the aluminium market and value chain in implementing this pivotal environmental policy. Additionally, the LME issued a discussion paper to seek market feedback on various sustainability topics, including sustainability-related pricing; potential expansion of its digital sustainability credentials register, LMEpassport; and advancement of supply chain traceability.

Details of our progress across these and various other initiatives are set out in the Business Review section of this announcement.

The English High Court had on 29 November 2023 ruled in favour of LME and LME Clear in connection with the judicial review claims filed against them regarding the cancellation of trades in nickel contracts on 8 March 2022. One of the claimants had appealed the decision of the English High Court (Appeal) and the Appeal hearing took place from 9 to 11 July 2024. Judgment was not delivered at the end of the Appeal hearing but was reserved by the Court of Appeal, to be issued at a later date. No indication has been given by the Court of Appeal as to the timing of when it expects to issue the judgment. Details are set out in the "Financial Review - Contingent Liabilities" section of this announcement.

## **Corporate Social Responsibility**

Following our announcement of the Group's 2024 carbon neutrality and 2040 net-zero commitments in November 2023, we continued to enhance our strategy on using renewable energy, improving energy efficiency and adopting other measures to reduce our emissions. Through the work of the HKEX Foundation, we also continued to play an active role in advocating meaningful and positive change to our communities through a range of impactful programmes, charitable partnerships and projects, progressing financial literacy, diversity and inclusion, poverty relief, and environmental sustainability. The Foundation donated a total of \$74 million to those in need in the first half of 2024.

As a leading international exchange group sitting at the heart of Asia's capital markets, HKEX has the privilege and responsibility to lead from the front and shape long-term sustainability and development across the region and globally. We will continue to work collaboratively with our clients, partners, regulators and other stakeholders to further deepen our value proposition as the gateway between China and the world; diversify our product ecosystem; and enhance our infrastructure and listing framework, further enhancing liquidity, vibrancy and attractiveness of our markets. With our resilient business and robust ecosystem, we are well positioned to capitalise on growth opportunities and navigate challenges amid an ever-changing environment.

## **Acknowledgements**

Finally, I would like to thank our shareholders and other valued stakeholders for their ongoing trust and confidence. I also take this opportunity to offer my heartfelt gratitude to my fellow Directors for their support and guidance and to our dedicated staff for their hard work and contributions in writing our next chapter of growth and success.

**Carlson TONG**  
Chairman

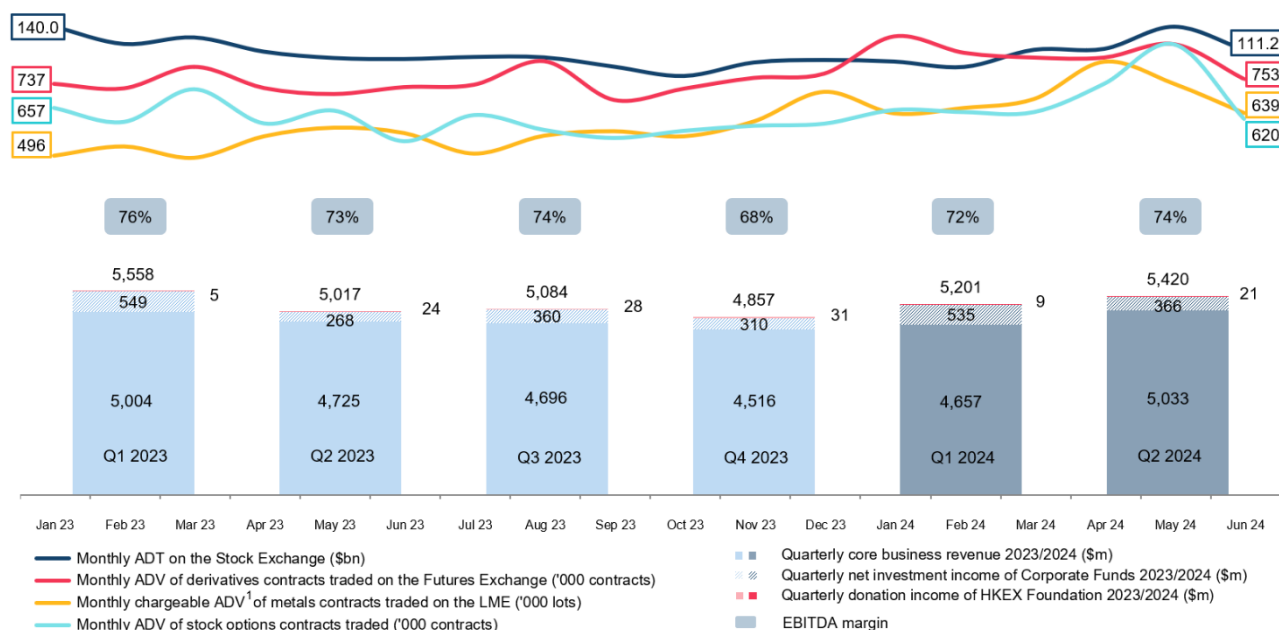


# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Overview

#### Quarterly Results, Q1 2023 – Q2 2024



<sup>1</sup> Chargeable ADV excludes administrative trades (Admin Trades).

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

HKEX continued to show strength and resiliency during 1H 2024, against a challenging macroeconomic backdrop and sustained high interest rate environment.

Trading activities improved considerably in Q2 2024, with Headline ADT 22 per cent higher than Q1 2024, and LME chargeable ADV reaching a 10-year quarterly high. As a result, Q2 2024 revenue and other income of \$5.4 billion and profit of \$3.2 billion both reached record second quarter highs. Revenue and other income was up 4 per cent as compared with Q1 2024, attributable to higher trading and clearing fees from higher Cash Market and Commodities Market volumes, and the seasonal increase in depository fees, but was partly offset by lower net investment income due to lower fair value gains of the External Portfolio. As operating expenses dropped by 2 per cent due to the partial recovery of legal fees in Q2 and the non-recurring retirement benefits paid to senior management in Q1, profit was 6 per cent higher than Q1 2024. Comparing Q2 2024 results with the same quarter last year, revenue and other income was up 8 per cent, and profit was up 9 per cent, reflecting higher trading and clearing fees from higher volumes across the Cash, Derivatives and Commodities Markets.

For 1H 2024, Headline ADT was 4 per cent lower than 1H 2023 due to a strong Cash Market in Q1 2023, but the Group's Derivatives Market and Commodities Market continued to grow and perform strongly. The ADV of derivatives contracts traded reached a record half-yearly high, up 12 per cent compared with 1H 2023, while LME volumes registered healthy growth, with chargeable ADV of 1H 2024 up 29 per cent against 1H 2023. The ADT of Northbound Stock Connect also reached a new record half-yearly high in 1H 2024, driven by the expansion of eligible stocks and the more favourable environment in Mainland China's capital markets.

Revenue and other income for 1H 2024 of \$10.6 billion was comparable with 1H 2023. Higher trading and clearing fees generated from LME volume and fee increases, and record Derivatives Market volumes, were mostly offset by the lower fees from the decrease in Headline ADT and lower net investment income of the Margin Funds. Operating expenses were \$2.8 billion, up 7 per cent against 1H 2023, due to higher staff costs arising from an increase in headcount, payroll adjustments and non-recurring retirement benefits paid to senior management, and an increase in IT costs due to new or upgraded systems and inflationary adjustments on contract renewals. The increase was partly offset by the lower professional fees incurred for, and the partial recovery of legal fees from claimants of, the 2022 nickel market incident.

## Analysis of Results and Business Update by Operating Segment

	Six months ended 30 Jun 2024				Six months ended 30 Jun 2023			
	Revenue and other income \$m	Transaction-related expenses \$m	Revenue and other income less transaction-related expenses \$m	EBITDA \$m	Revenue and other income \$m	Transaction-related expenses \$m	Revenue and other income less transaction-related expenses \$m	EBITDA \$m
Results by segment:								
Cash	4,129	(4)	4,125	3,505	4,206	(5)	4,201	3,649
Equity and Financial								
Derivatives	3,099	(162)	2,937	2,494	3,453	(89)	3,364	2,938
Commodities	1,405	-	1,405	816	1,039	-	1,039	448
Data and Connectivity	1,048	-	1,048	840	1,022	-	1,022	809
Corporate Items	940	-	940	6	855	-	855	15
	10,621	(166)	10,455	7,661	10,575	(94)	10,481	7,859

### Cash Segment

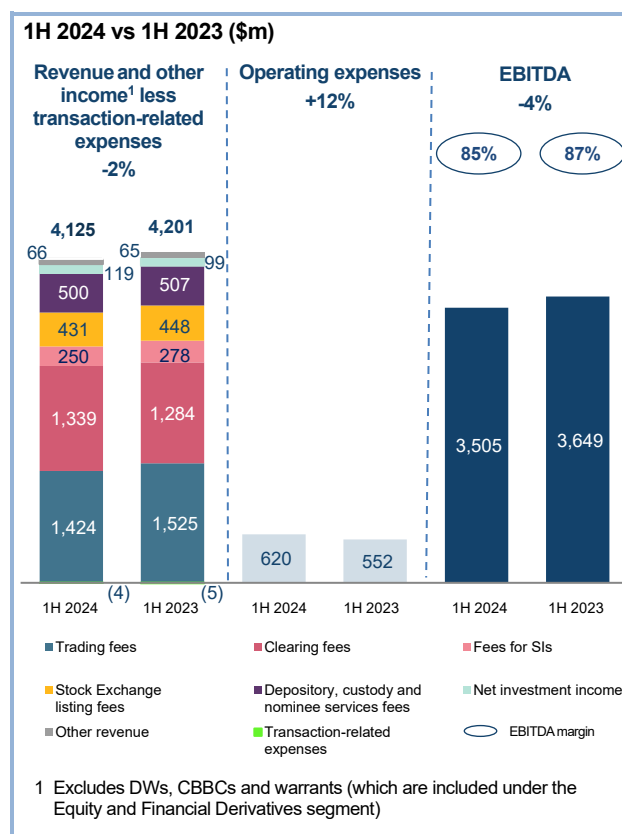
#### Analysis of Results

Revenue and other income, less transaction-related expenses, was down 2 per cent and EBITDA was down 4 per cent compared with 1H 2023, mainly due to the decrease in ADT of equity products traded.

Trading fees of equity products for 1H 2024 were \$1,424 million, a 7 per cent decrease compared with 1H 2023, attributable to the decrease in ADT of equity products traded and lower Northbound Stock Connect fees. Included in the trading fees were Northbound Stock Connect fees of \$217 million (1H 2023: \$271 million) and Southbound Stock Connect fees of \$113 million (1H 2023: \$102 million). Northbound Stock Connect fees decreased by \$54 million, despite a 19 per cent increase in ADT, due to a 30 per cent reduction in A-share trading fees effective 28 August 2023, and the depreciation of the RMB. Southbound Stock Connect fees increased by 11 per cent, in line with the increase in trading volume.

Clearing fees increased by 4 per cent, primarily due to higher Northbound Stock Connect clearing fees of \$433 million (1H 2023: \$386 million) from the higher Northbound ADT. Fees for Settlement Instructions (SIs) for equity products decreased by 10 per cent mainly due to lower number of transactions.

Operating expenses increased by 12 per cent mainly due to higher staff costs from increases in headcount and payroll adjustments, and higher allocated costs of the Listing Division: this reflected a lower percentage decrease in listing fees of the Cash segment (4 per cent) from fewer forfeitures of IPOs, compared with the decrease in listing fees of the Equity and Financial Derivatives segment (13 per cent) resulting from lower number of newly-listed DWs and CBBCs.



## Business Update

Despite the challenging macroeconomic backdrop with sustained high interest rate environment, the Hong Kong Cash Market continued to demonstrate its strength and resilience, with Headline ADT of \$110.4 billion in 1H 2024, 17 per cent higher than 2H 2023, though 4 per cent lower than 1H 2023. Trading activities improved considerably in Q2 2024, with Headline ADT of \$121.6 billion, 22 per cent higher than Q1 2024.

### Stock Connect

Stock Connect trading recorded solid growth in 1H 2024, with Northbound and Southbound ADT at RMB130.2 billion and \$37.5 billion respectively, up 19 per cent and 11 per cent respectively against 1H 2023. Driven by the expansion of eligible stocks under the Stock Connect programme, with over 1,000 additional stocks eligible for Northbound Trading since March 2023, Northbound ADT set a new record half-yearly high in 1H 2024. As a result, revenue and other income from Stock Connect increased by \$47 million to \$1,199 million (1H 2023: \$1,152 million), of which \$871 million (1H 2023: \$846 million) arose from trading and clearing activities.

### Market Structure

HKEX introduced the Self-Match Prevention (SMP) service in the Securities Market in March 2024, which can be used by market participants to avoid unintentional self-trades. This demonstrates HKEX's commitment to enhancing market integrity and to encouraging the use of diverse trading strategies to build a more resilient ecosystem.

On 18 June 2024, HKEX published consultation conclusions on the Proposal on Severe Weather Trading of Hong Kong Securities and Derivatives Markets and announced the operational model and arrangements to allow Hong Kong's Securities and Derivatives Markets (Hong Kong market) to remain open during severe weather conditions. HKEX received 133 responses from a wide range of market participants that showed strong support for the proposal. Subject to regulatory approval, the initiative will be implemented with effect from 23 September 2024, with specific measures and necessary support being offered to qualifying market participants. The initiative will allow the Hong Kong market to maintain normal operations during Hong Kong trading hours regardless of the weather conditions, allowing investors to better manage their risks and respond to changing market conditions. It 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.

Key Market Indicators	Six months ended	Six months ended
	30 Jun 2024	30 Jun 2023
ADT of equity products traded on the Stock Exchange <sup>1,2</sup> (\$bn)	<b>100.3</b>	102.9
ADT of Northbound Trading – Shanghai-Hong Kong Stock Connect <sup>2</sup> (RMBbn)	<b>64.4<sup>4</sup></b>	50.7
ADT of Northbound Trading – Shenzhen-Hong Kong Stock Connect <sup>2</sup> (RMBbn)	<b>65.8</b>	58.6
ADT of Southbound Trading – Shanghai-Hong Kong Stock Connect <sup>2</sup> (\$bn)	<b>21.5</b>	16.9
ADT of Southbound Trading – Shenzhen-Hong Kong Stock Connect <sup>2</sup> (\$bn)	<b>16.0</b>	16.9
ADT of Northbound Bond Connect (RMBbn)	<b>44.5<sup>4</sup></b>	38.9
Average daily number of trades of equity products traded on the Stock Exchange <sup>1,2</sup> ('000)	<b>1,809</b>	1,720
Average value per trade of equity products traded on the Stock Exchange (\$'000)	<b>55.5</b>	59.9
Average daily value of SIs for Stock Exchange trades (\$bn)	<b>232.9</b>	268.5
Average daily number of SIs for Stock Exchange trades ('000)	<b>98</b>	105
Average value per SI for Stock Exchange trades (\$'000)	<b>2,377</b>	2,568
Average daily value of SIs for Northbound Trading of Stock Connect (RMBbn)	<b>25.1</b>	29.3
Number of newly listed companies on the Main Board <sup>3</sup>	<b>29</b>	33
Number of newly listed companies on GEM	<b>1</b>	-
Total equity funds raised		
- IPOs (\$bn)	<b>13.4</b>	17.9
- Post-IPO (\$bn)	<b>53.1</b>	57.1
Portfolio values of Northbound Trading of Stock Connect at 30 Jun (RMBbn)	<b>2,058</b>	2,377
Portfolio values of Southbound Trading of Stock Connect at 30 Jun (\$bn)	<b>2,865</b>	2,253
Number of companies listed on the Main Board at 30 Jun	<b>2,293</b>	2,271
Number of companies listed on GEM at 30 Jun	<b>324</b>	333
Number of trading days	<b>121</b>	120
<p>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</p> <p>2 Includes buy and sell trades under Stock Connect</p> <p>3 No transfers from GEM during 1H 2024 (1H 2023: 2)</p> <p>4 New record half-yearly high in 1H 2024</p>		

On 28 June 2024, HKEX published a consultation paper on the Proposed Reduction of Minimum Spreads in the Hong Kong Securities Market. The proposal aims to improve market liquidity and the competitiveness of the Hong Kong market by reducing bid-ask spread and transaction costs. The consultation will end on 20 September 2024.

## Clearing and Settlement

On 22 April 2024, the four clearing houses in Hong Kong successfully implemented the new ISO<sup>2</sup> 20022 standard in money settlement with banks. The adoption of the new standard ensures that the clearing houses adhere to international standards and practices and strengthens HKEX's global position as an international exchange group.

On 30 May 2024, HKSCC announced the enhancement of the settlement arrangement for Multi-counter Eligible Securities in the Central Clearing and Settlement System (CCASS). The enhancement aims to improve the scalability of trading Multi-counter Eligible Securities such as Dual Counter Securities and ETPs, and eliminate the need for inter-counter transfer of Multi-counter Eligible Securities in CCASS. To facilitate the market familiarisation of the enhancement and CPs' assessment of their operations and systems, webinar sessions and additional information have been made available to CPs. The enhancement is scheduled to launch in 1H 2025, subject to regulatory approval.

On 24 June 2024, HKEX enhanced the Third Party Clearing arrangements in both the Hong Kong 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. By providing more choice, opportunity, and convenience for market participants, HKEX aims to foster a more robust and resilient clearing and settlement mechanism in Hong Kong.

## Issuer Business

In 1H 2024, HKEX welcomed 30 new listings, raising \$13.4 billion, with the fundraising down 25 per cent compared with 1H 2023. After a subdued Q1, the IPO market showed signs of improvement in Q2 2024, with 18 new listings raising a total of \$8.6 billion, representing a 50 per cent increase in the number of listings and a 79 per cent increase in funds raised compared with Q1 2024. HKEX welcomed the first Chapter 18C<sup>3</sup> listing in 1H 2024, and listings in 1H 2024 include issuers from a wide range of sectors ranging from traditional consumer to Biotech related industries, highlighting the continued strength of Hong Kong's capital markets. The IPO pipeline remained healthy with 107 active applications as at 30 June 2024.

## ETP Market

The ADT of ETPs, which include ETFs and L&I Products, reached a record half-yearly high of \$14.4 billion in 1H 2024, up 4 per cent from \$13.9 billion in 1H 2023. In addition, HKEX welcomed 20 new ETP listings during 1H 2024, including the first batch of Covered Call ETFs and Asia's first Spot Virtual Asset ETFs. These additions provide investors with more investment options and further reinforce Hong Kong's position as the regional leading ETF marketplace.

In 1H 2024, ADT for Southbound and Northbound ETFs were \$1.5 billion and RMB1.1 billion respectively. On 14 June 2024, HKEX announced the expansion of eligible ETFs under Stock Connect, effective 22 July 2024. The eligibility criteria for ETFs under the Stock Connect was further relaxed, with the addition of six ETFs for Southbound Trading and 85 ETFs for Northbound Trading on that day. This enhancement reflects HKEX's ongoing commitment to broaden the Connect product ecosystem for its global investors, further enhancing the competitiveness of Hong Kong as a leading global financial centre.

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<sup>2</sup> International Organization for Standardization

<sup>3</sup> Listing Regime for Specialist Technology Companies

## Bond Connect

Northbound Bond Connect trading activity continued its overall growth momentum in 1H 2024, with ADT reaching a record half-yearly high of RMB44.5 billion, up 14 per cent compared with 1H 2023. In 1H 2024, Northbound Bond Connect continued to record net inflows, with June 2024 being the 11th consecutive month of net inflow under the scheme.

## Listed Bond Market and Sustainable Finance

In 1H 2024, 153 bonds were listed on the Stock Exchange, raising more than \$327 billion. Among these were 48 new ESG-related bond listings, raising a total of \$92 billion. As at 30 June 2024, the total number of listed bonds reached 1,587, with their total amount outstanding exceeding \$5.1 trillion; and there were a total of 156 sustainable-focused products displayed on HKEX's Sustainable and Green Exchange (STAGE).

## Market Surveillance and Compliance

During 1H 2024, HKEX continued to promote transparency and a strong compliance culture across its business and markets, including the following key initiatives:

### **Key initiatives on promoting market surveillance and compliance in 1H 2024**

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- Completed the 2023 Annual Attestation and Inspection Programme (Annual Programme) and shared the results and findings with the market in April 2024; commenced the 2024 Annual Programme with focus on three areas: (1) China Connect rules; (2) HKIDR requirements; and (3) risk management
  - Maintained close communication with various stakeholders to facilitate the smooth launch of the Self-Match Prevention initiative in the Cash Market and strengthened HKEX's surveillance capabilities to support the initiative
  - Enforcement actions were taken against an EP and its clients for inappropriate trading activities identified during the course of HKEX's market surveillance work
- 

## Listing Regulation

On 12 April 2024, the Stock Exchange published consultation conclusions on Proposed Amendments to Listing Rules Relating to Treasury Shares to introduce a new treasury share regime giving issuers greater flexibility in managing capital structure through share buy-back and resale of treasury shares. The Rule amendments came into effect on 11 June 2024.

On 19 April 2024, the Stock Exchange published consultation conclusions on Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework to enhance climate disclosure requirements based on ISSB Climate Standard. In addition, the Stock Exchange published implementation guidance containing references to IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information<sup>4</sup>. The Rule amendments will take effect on 1 January 2025 with a phased approach.

On 14 June 2024, the Stock Exchange published a consultation paper on Review of Corporate Governance Code and Related Listing Rules to help issuers create a diverse boardroom and strengthen risk management and internal controls. The consultation period ended on 16 August 2024.

In addition, the Stock Exchange published the following guidance materials during 1H 2024:

### **Guidance materials**

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- Semi-annual (i) Listed Issuer Regulation Newsletter and (ii) Enforcement Bulletin
  - A "Review of Issuers' Annual Reports 2023" on the findings and recommendations from the review of issuers' annual reports for the 2022 financial year end
  - Streamlined and revamped guidance materials to enhance accessibility of the Listing Rules and guidance
  - New e-learning modules on (i) share repurchase and treasury shares and (ii) new climate requirements as part of e-learning series on ongoing compliance requirements under the Listing Rules
- 

<sup>4</sup> Published by the International Sustainability Standards Board of the IFRS Foundation

## Equity and Financial Derivatives Segment

### Analysis of Results

Revenue and other income, less transaction-related expenses, was down 13 per cent; and EBITDA was down 15 per cent compared with 1H 2023, mainly attributable to the decrease in the net investment income of Margin Funds, and the increase in transaction-related expenses.

Trading fees of DWs, CBBCs and warrants were down 16 per cent compared with 1H 2023. The decrease was lower than the 20 per cent drop in ADT, due to a smaller percentage decrease in total notional values of newly listed DWs and CBBCs.

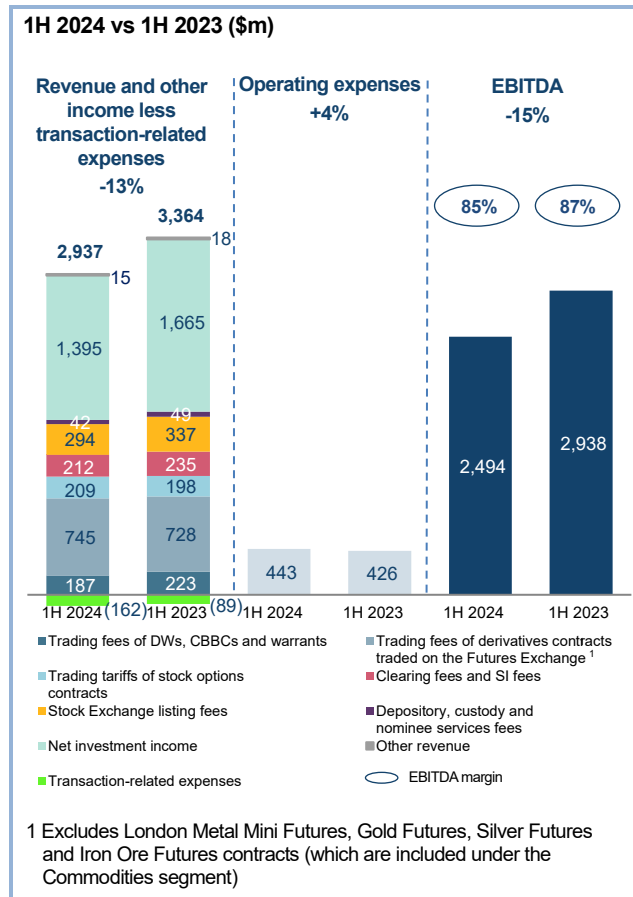
Futures Exchange derivatives trading fees<sup>5</sup> increased by \$17 million, or 2 per cent, mainly due to a higher number of derivatives contracts traded. This was partly offset by a lower average fee per contract in 1H 2024, attributable to higher discounts and rebates offered for certain contracts to attract volumes, and the increased popularity of lower-fee products such as Hang Seng TECH Index Futures.

Stock Exchange listing fees decreased by 13 per cent due to a decrease in the number of newly listed DWs and CBBCs compared with 1H 2023.

Net investment income decreased by \$270 million compared with 1H 2023, mainly attributable to a lower average Margin Fund size from lower margin requirements, and an increase in proportion of JPY collateral posted by CPs in 1H 2024, which generated lower returns.

Transaction-related expenses increased by \$73 million or 82 per cent, as higher incentives were paid for certain contracts to attract volume.

Operating expenses increased by 4 per cent due to higher IT maintenance costs on extended support service, and higher staff costs from payroll adjustments, but partly offset by the lower allocated costs of the Listing Division, arising from a higher percentage decrease in listing fees (13 per cent) compared with the Cash segment (4 per cent).



<sup>5</sup> Excludes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts (which are included under the Commodities segment)

## Business Update

ADV of derivatives contracts traded<sup>5</sup> (i.e., all futures and options contracts including stock options) reached a new record half-yearly high of 1,532,608 contracts in 1H 2024, an increase of 12 per cent from 1H 2023. Stock options, RMB Currency Futures and Hang Seng TECH Index Futures were major contributors for the growth.

A number of futures and options contracts reached single-day record highs in volume and open interest (OI) during 1H 2024:

	Single-day Trading Volume	
	Date (2024)	Number of contracts
Hang Seng TECH Index Options	3 May	31,577
Weekly HSCEI Options	26 Apr	13,440
RMB Currency Futures - USD/CNH Futures	20 Jun	224,938
MSCI India (USD) Index Futures	23 Jan	14,973
	Open Interest	
	Date (2024)	Number of contracts
Hang Seng TECH Index Futures Options	19 Jun	132,650
Hang Seng TECH Index Options	29 May	120,959
Weekly HSCEI Options	31 May	33,106
Weekly HSI Options	17 May	21,376
Mini HSI Futures	23 Jan	35,820
Mini HSI Options	29 May	88,636
MSCI India Net Total Return (USD) Index Futures	15 Mar	12,042
MSCI Indonesia Net Total Return (USD) Index Futures	13 Mar	15,505
Stock Futures	30 May	63,720

Key Market Indicators	Six months ended	Six months ended
	30 Jun 2024	30 Jun 2023
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	10.1	12.6
Average daily number of trades of DWs, CBBCs and warrants traded on the Stock Exchange ('000)	237	318
ADV of derivatives contracts traded on the Futures Exchange <sup>1</sup> ('000 contracts)	837 <sup>3</sup>	735
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	696 <sup>3</sup>	633
Number of newly listed DWs	3,404	4,334
Number of newly listed CBBCs	11,556	11,995
Total notional values of newly listed securities:		
- DWs (\$bn)	54.7	72.6
- CBBCs (\$bn)	438.7	453.5
ADV of contracts traded during After-Hours Trading (AHT) <sup>1</sup> ('000 contracts)	96	84
Number of trading days <sup>2</sup>	129	129
	At	At
	30 Jun 2024	30 Jun 2023
Open interest of futures and options contracts <sup>1</sup> ('000 contracts)	13,163	12,702
<sup>1</sup> Excludes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts (which are included under the Commodities segment) <sup>2</sup> Includes 8 holiday trading days (1H 2023: 9) <sup>3</sup> New record half-yearly high in 1H 2024		

## Equity Futures and Options Market

Hang Seng TECH Index Futures and Options continued to see active volumes in 1H 2024, with an aggregate ADV of 121,695 contracts, up 15 per cent on 1H 2023. Notably, Hang Seng TECH Index Options reached a daily record high volume of 31,577 contracts on 3 May 2024, and the OI of the contract hit a daily record high of 120,959 contracts on 29 May 2024.

Physically settled Options on Futures contracts continued their growth momentum in 1H 2024. The aggregate ADV of the three products in the suite, namely HSI Futures Options, HSCEI Futures Options and Hang Seng TECH Index Futures Options, was 47,482 contracts in 1H 2024, up 19 per cent on 1H 2023. The aggregate OI of the three products was 894,708 contracts as at 30 June 2024, an increase of 12 per cent from 31 December 2023. In particular, the OI of Hang Seng TECH Index Futures Options reached a daily record high of 132,650 contracts on 19 June 2024.

MSCI index derivatives maintained their growth momentum in 1H 2024: (i) the aggregate OI of MSCI Net Total Return Suite reached a record high of 129,732 contracts on 21 June 2024, (ii) ADV of MSCI China A 50 Connect (USD) Index Futures reached 15,830 contracts in 1H 2024, up 68 per cent on 1H 2023, (iii) MSCI India (USD) Index Futures reached daily record high of 14,973 contracts on 23 January 2024, and (iv) MSCI Indonesia Net Total Return (USD) Index Futures attained daily record high OI with 15,505 contracts on 13 March 2024.

Short-dated index options, namely Weekly Hang Seng Index Options and Weekly HSCEI Options continued to gain traction in 1H 2024. The aggregate ADV of the two Weekly index options products was 19,787 contracts, up 22 per cent compared with 1H 2023.

The stock options market experienced robust growth in 1H 2024. Following the implementation of position limit enhancements in December 2023, the ADV of stock options hit a record half-yearly high of 695,757 contracts, up 10 per cent compared with 1H 2023. The OI of stock options reached 10,536,477 contracts as at 30 June 2024, an increase of 18 per cent from 31 December 2023.

### **Fixed Income and Currency (FIC) Development**

USD/CNH Futures contract reached an ADV of 79,173 contracts, nearly six times that of 1H 2023. In particular, the contract reached a monthly record high in May 2024 (ADV of 86,403 contracts) and reached a daily record high of 224,938 contracts on 20 June 2024. The OI of the contract was 41,850 contracts as at 30 June 2024, up 41 per cent compared with 31 December 2023. Starting from 29 March 2024, all currency futures and options contracts have been included in Derivatives Holiday Trading, supporting investors' foreign exchange risk management needs during Hong Kong holidays.

### **Structured Products**

In 1H 2024, HKEX welcomed the 19th issuer joining Hong Kong's structured products market, providing a wider selection of products and brands for investors to manage their risk exposures. In addition, there was a new issuer on US single stock DWs, and the underlying coverage of US single stock DWs has further diversified. HKEX is committed to continue enhancing the structured product regime, with a number of measures being considered to create a more efficient and liquid market. HKEX is actively expanding the eligible list to cover more overseas assets, allowing investors to participate in overseas investment on HKEX's trading platform.

### **OTC Clear**

Since the launch of Swap Connect in May 2023, clearing volumes have grown significantly. Effective 20 May 2024, new product features and services have been introduced to Swap Connect, supporting International Monetary Market trades, backdated trades and solo compression services, providing market participants with a wider range of risk management tools.

With the significant contribution from Swap Connect, OTC Clear's clearing volume reached a record half-yearly high of US\$483.9 billion, up 188 per cent compared with 1H 2023. The average daily turnover traded under Swap Connect more than quadrupled from RMB3 billion when it was launched in May 2023 to RMB13 billion in June 2024. To further promote the central clearing of Cross Currency Swaps, an interest rebate programme was launched in July 2024 to lower the funding costs of the Clearing Members. In addition, OTC Clear announced the extension of China Interbank Bond Market bond as collateral for Swap Connect on 9 July 2024, which will improve the capital efficiency of investors who participate in Swap Connect.

### **Market Structure**

To allow market makers and other participants to better execute their trading strategies, an enhanced SMP service in Derivatives Market was launched on 20 July 2024. Similar to the SMP service of the Securities Market launched in March 2024, this new SMP service will enable EPs and their clients to avoid inadvertent self-matching of their own proprietary orders (including orders placed across multiple EPs).



## Commodities Segment

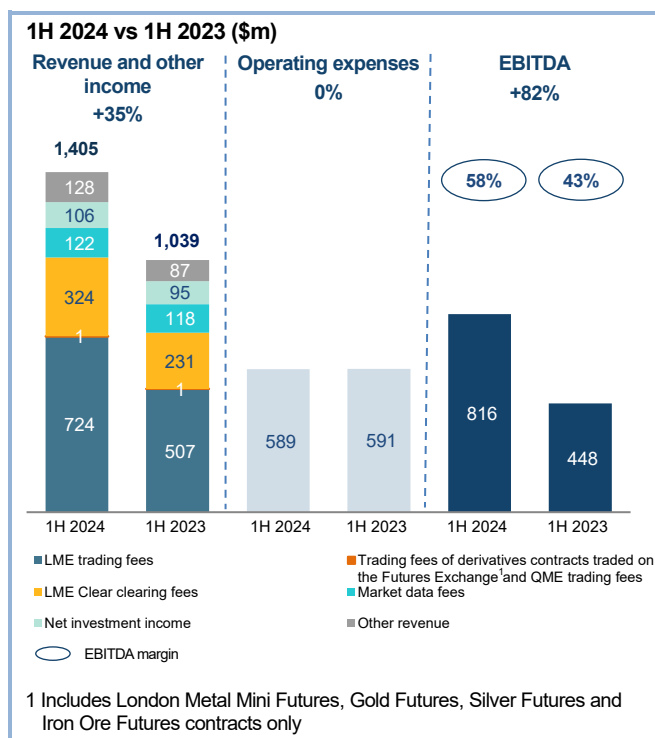
### Analysis of Results

Revenue and other income was up 35 per cent and EBITDA was up 82 per cent compared with 1H 2023, due to higher LME trading and clearing fees.

LME trading fees and LME Clear clearing fees increased by 43 per cent and 40 per cent respectively, attributable to a 30 per cent increase in total number of chargeable metal contracts traded, and the increase in trading and clearing fee tariff effective 1 January 2024.

Other revenue increased by \$41 million, mainly due to higher LME financial OTC booking fees from fee increments, and higher accommodation income collected from LME Clear CPs on non-cash collateral.

Operating expenses declined marginally by \$2 million, attributable to lower legal and professional fees incurred for the temporary trading suspension of the nickel market in March 2022, and the partial recovery of legal fees from the claimants, mostly offset by higher staff costs from increased headcount and inflationary adjustments.



### Business Update

#### LME

LME trading volumes have seen healthy growth since Q4 2023 and remained strong in 1H 2024, with price volatility continuing across the base metal complex. LME chargeable ADV in 1H 2024 was up 29 per cent compared to 1H 2023, with nickel registering the highest percentage increase of 73 per cent.

In 1H 2024, four new nickel brands were approved for listing on the LME through the fast-track listing approach, bringing the total number of nickel brands approved for listing under the fast-track process to six as at 30 June 2024. Such listings further facilitate the building of liquidity in nickel contracts and make the contracts even more representative of global nickel production.

In Q1 2024, the LME implemented a new Closing Price methodology for five major contracts, bringing greater determinism, transparency and standardisation to the process. Following the change, volumes during the closing price window remained robust with increased participation.

Key Market Indicators	Six months ended	Six months ended
	30 Jun 2024 '000 lots	30 Jun 2023 '000 lots
ADV of metals contracts traded on the LME		
- Aluminium	276	222
- Copper	163	135
- Zinc	107	83
- Lead	72	52
- Nickel	64	37
- Others	12	9
Total chargeable ADV excluding Admin Trades <sup>1</sup>	694	538
Chargeable Admin Trades <sup>1</sup>	38	29
Total ADV	732	567
Number of trading days	125	124
	At	At
	30 Jun 2024 '000 lots	30 Jun 2023 '000 lots
Total futures market open interest	1,900	1,672

<sup>1</sup> Admin Trades are chargeable at a lower trading fee rate of US\$0.04 and clearing fee rate of US\$0.02 per contract

On 6 March 2024, the LME announced a new organisational design, introducing three focused business lines – Market Data, Sustainability & Physical Markets and Trading. The changes aim to enhance LME’s transparency, accountability, operational resilience and effectiveness. The LME and LME Clear are now working on a target operating model which will be implemented during 2024.

Effective 1 April 2024, the LME introduced a new derived data licensing framework to ensure all LME market data licensing policies are aligned with industry best practices. The new framework supports the LME’s broader strategic aims of growing participation from the financial investment community and expands the scope of third-party products and services that become licensable.

On 12 April 2024, the UK and US Governments announced sanctions which imposed restrictions on the acquisition of Russian metals produced on or after 13 April 2024. In response to this, the LME imposed an immediate suspension on the warranting of the relevant sanctioned metals. The LME also set out the restrictions relating to the ability of its members and clients to cancel Russian Warrants and withdraw the underlying relevant metals from LME-listed warehouses.

On 1 May 2024, the LME launched a consultation on the proposed integration of the EU Carbon Border Adjustment Mechanism requirements into the LME rules in order to support the aluminium market and value chain on implementing this pivotal environmental policy. In addition, the LME issued a discussion paper, which sought to further develop the LME’s existing sustainability agenda by seeking views on the LME’s proposals to drive forward initiatives that underpin the global transition to a sustainable economy.

On 28 June 2024, the LME went live with its new Daily Price Limit Multiple Day Framework, which outlines the actions the LME will take where the daily price limits are hit on multiple days. The new framework provides market participants with greater clarity around the LME’s decision making in the unlikely event of a material price movement on consecutive trading days.

## **QME**

QME continued its market expansion and its trading turnover reached RMB75.9 billion in 1H 2024, up 79 per cent compared with 1H 2023. Supported by favourable policies from various Chinese ministries, soybean trading at QME was particularly robust, contributing approximately 55 per cent of the trading turnover.

Significant progress has also been made in futures and physical market collaboration. As a collaborative effort between QME and Dalian Commodity Exchange (DCE), the first exchange-for-physical DCE No. 2 soybeans transaction was concluded on QME’s trading platform and successfully loaded out from QME’s bonded trading warehouse in June 2024.

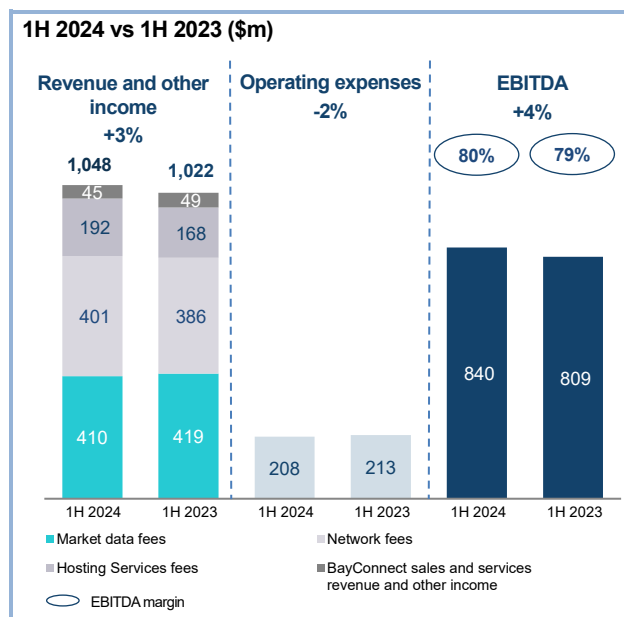
## Data and Connectivity Segment

### Analysis of Results

Revenue and other income was up 3 per cent and EBITDA was up 4 per cent compared with 1H 2023, mainly due to increases in network fees and hosting services fees.

Network fees rose by 4 per cent due to increased fees from the sale of new throttles for the Cash Market and increased usage of the China Connect Central Gateway by EPs.

Hosting Services fees increased by 14 per cent due to increased usage by customers. As at 30 June 2024, there were 95 EPs using HKEX's Hosting Services. These EPs generated, in aggregate, approximately 66 per cent of the Cash Market turnover and 68 per cent of the Derivatives Market trading volume in 1H 2024.



### Business Update

The Enterprise data package rolled out in December 2023 has been well received by the market and served about 1 million market data subscribers for the Securities Market as of June 2024.

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 our ongoing strategic commitment to drive innovation and efficiency in our markets.

During 1H 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.

## Corporate Items

### Analysis of Results

	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m
Net investment income	901	817
Donation income of HKEX Foundation	30	29
Others	9	9
Total revenue and other income	940	855
Operating expenses:		
- HKEX Foundation charitable donations	(74)	(77)
- Others	(860)	(763)
EBITDA	6	15

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

	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m
Net investment income/(loss) from:		
- External Portfolio	233	215
- Cash and bank deposits <sup>1</sup>	622	584
- Equity securities <sup>2</sup>	(32)	(11)
- Debt securities	75	18
- Exchange gains	3	11
Total net investment income	901	817
Average fund size (\$bn)	33.8	34.1
Annualised net investment return	5.33%	4.80%

1 Including foreign exchange swaps

2 Investments in minority stakes of unlisted companies

Net investment income from Corporate Funds increased by \$84 million compared with 1H 2023 due to higher investment income from internally managed Corporate Funds, reflecting higher investment return in 1H 2024.

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

<b>Strategy</b>	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m
Public Equities	100	89
Diversifiers	151	101
Government Bonds and Mortgage-backed Securities	(18)	25
Total	233	215

Excluding HKEX Foundation charitable donation expenses, operating expenses increased by 13 per cent against 1H 2023, attributable to higher staff costs from payroll adjustments, increased headcount for strategic initiatives and non-recurring retirement benefits paid to senior management, and higher IT maintenance costs on new or upgraded systems, and inflationary adjustments on contract renewals.

## Business Update

In 1H 2024, HKEX remained at the forefront of driving the long-term sustainability of global financial markets and the communities they serve. As a market regulator, exchange operator and corporate citizen, HKEX continued to promote good corporate governance and ESG stewardship through market education and industry knowledge sharing, enabling a sustainable finance ecosystem through its platforms, and exemplifying best practices in its own operations. In June 2024, the Exchange launched a new e-Learning course under the ESG Academy to help issuers and the business community understand the latest climate-related disclosure requirements under the Exchange's enhanced ESG reporting framework.

As a purpose-driven company, HKEX is committed to supporting its employees and embedding sustainability into its operations. To foster an engaging, diverse and inclusive workplace, HKEX initiated various activities such as the HKEX Networks Fairs, which introduced new employee networks promoting fitness and music appreciation. In addition, a new HKEX Dragon Boat team was formed and participated in the Stanley International Dragon Boat Championship in June 2024. To demonstrate its commitment to combating climate change, HKEX continued to enhance its strategy on using renewable energy, improving energy efficiency and adopting other measures to reduce emissions. It also ran the annual HKEX Goes Green campaign to raise environmental awareness and encourage eco-friendly actions among its employees.

HKEX Foundation, HKEX's dedicated charitable foundation, continued to bring positive change to the community through a range of impactful programmes. During 1H 2024, HKEX Foundation announced new projects funded under its HKEX Impact Funding Scheme and HKEX Research Funding Scheme, supporting local charities and universities with focuses on financial literacy, diversity and inclusion, poverty relief and environmental sustainability.

## Expenses, Other Costs and Taxation

### Operating Expenses

	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m	Change
Staff costs and related expenses	1,937	1,711	13%
IT and computer maintenance expenses	421	381	10%
Premises expenses	67	64	5%
Product marketing and promotion expenses	53	51	4%
Professional fees	46	137	(66%)
HKEX Foundation charitable donations	74	77	(4%)
Other operating expenses	196	201	(2%)
Total	2,794	2,622	7%

Staff costs and related expenses increased by \$226 million (13 per cent) mainly due to payroll adjustments, increased headcount for strategic initiatives and one-off retirement benefits paid to senior management.

IT and computer maintenance expenses increased by \$40 million (10 per cent), attributable to increase in maintenance expenses on new or upgraded systems, and inflationary adjustments on contract renewals.

Professional fees decreased by \$91 million (66 per cent), due to partial recovery of legal fees and lower legal and professional fees relating to the events in the nickel market in March 2022.

## Depreciation and Amortisation

	<b>Six months ended 30 Jun 2024 \$m</b>	Six months ended 30 Jun 2023 \$m	Change
Depreciation and amortisation	<b>698</b>	719	(3%)

Depreciation and amortisation decreased by \$21 million (3 per cent), as a result of a decrease in depreciation of right-of-use assets resulting from lower rent on renewal of certain office leases, and certain assets being fully depreciated in 2023. The decrease was partly offset by new IT systems and upgrades in 2H 2023.

During 1H 2024, the Group incurred capital expenditure<sup>6</sup> of \$612 million, an increase of 22 per cent from 1H 2023, mainly attributable to the development of the derivatives and commodities trading and clearing systems.

## Finance Costs

	<b>Six months ended 30 Jun 2024 \$m</b>	Six months ended 30 Jun 2023 \$m	Change
Finance costs	<b>59</b>	70	(16%)

Finance costs decreased due to lower interest expense on lease liabilities.

## Taxation

	<b>Six months ended 30 Jun 2024 \$m</b>	Six months ended 30 Jun 2023 \$m	Change
Taxation	<b>766</b>	741	3%

Taxation increased by \$25 million, due to lower non-taxable income in 1H 2024, partly offset by lower profit before taxation.

<sup>6</sup> Exclude right-of-use assets recognised under HKFRS 16: Leases

## FINANCIAL REVIEW

### Net Investment Income of Margin Funds and Clearing House Funds

Net investment income of Margin Funds and Clearing House Funds decreased by \$239 million compared with 1H 2023, reflecting the lower fund sizes, and an increase in the proportion of JPY collateral posted by HKCC CPs in 1H 2024, which generated lower return. Further analysis on net investment income of Margin Funds and Clearing House Funds is set out below:

	Six months ended 30 Jun 2024				Total \$m
	HK Clearing Houses		LME Clear		
	Margin Funds \$m	Clearing House Funds \$m	Margin Funds \$m	Clearing House Funds \$m	
Net investment income/(loss) from:					
- Cash and bank deposits (including foreign exchange swaps)	1,135	160	85	10	1,390
- Debt securities	166	54	10	1	231
- Exchange losses	(1)	-	-	-	(1)
<b>Total net investment income</b>	<b>1,300</b>	<b>214</b>	<b>95</b>	<b>11</b>	<b>1,620</b>
Average fund size (\$bn)	100.2	13.9	74.7	9.0	197.8
Annualised net investment return	2.60%	3.08%	0.25%	0.24%	1.64%

	Six months ended 30 Jun 2023				Total \$m
	HK Clearing Houses		LME Clear		
	Margin Funds \$m	Clearing House Funds \$m	Margin Funds \$m	Clearing House Funds \$m	
Net investment income from:					
- Cash and bank deposits (including foreign exchange swaps)	1,525	112	79	10	1,726
- Debt securities	83	38	5	1	127
- Exchange gains	6	-	-	-	6
<b>Total net investment income</b>	<b>1,614</b>	<b>150</b>	<b>84</b>	<b>11</b>	<b>1,859</b>
Average fund size (\$bn)	119.4	11.1	93.1	11.5	235.1
Annualised net investment return	2.70%	2.70%	0.18%	0.19%	1.58%

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

	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m	Change
Cash	119	99	20%
Equity and Financial Derivatives	1,395	1,665	(16%)
Commodities	106	95	12%
<b>Total</b>	<b>1,620</b>	<b>1,859</b>	<b>(13%)</b>

## Significant Financial Assets and Financial Liabilities by Funds

	At 30 Jun 2024 \$m	At 31 Dec 2023 \$m	Change
<b>Financial assets</b>			
Cash and cash equivalents	153,987	125,107	23%
Financial assets measured at fair value through profit or loss	7,372	6,961	6%
Financial assets measured at fair value through other comprehensive income	45,621	18,250	150%
Financial assets measured at amortised cost	45,663	76,649	(40%)
Derivative financial instruments	91,462	58,127	57%
<b>Total</b>	<b>344,105</b>	<b>285,094</b>	<b>21%</b>

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 30 Jun 2024 \$m	At 31 Dec 2023 \$m	Change
<b>Financial assets</b>			
Corporate Funds <sup>1</sup>	35,951	34,812	3%
Margin Funds <sup>2</sup>	181,155	166,300	9%
Clearing House Funds	26,781	23,122	16%
Derivative financial instruments	91,462	58,127	57%
Cash prepayments and collateral for A-shares	8,756	2,733	220%
<b>Total</b>	<b>344,105</b>	<b>285,094</b>	<b>21%</b>

1 Includes \$1,569 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 \$10,892 million (31 December 2023: \$9,865 million), which are included in accounts receivable, prepayments and deposits

	At 30 Jun 2024 \$m	At 31 Dec 2023 \$m	Change
<b>Financial liabilities</b>			
Derivative financial instruments	91,514	58,100	58%
Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants	187,448	176,165	6%
CPs' contributions to Clearing House Funds	25,398	21,955	16%
<b>Total</b>	<b>304,360</b>	<b>256,220</b>	<b>19%</b>

The increase in financial assets and financial liabilities of Margin Funds at 30 June 2024 compared with 31 December 2023 was attributable to increased contributions from LME Clear members, SEOCH CPs, HKCC CPs and OTC Clearing members, driven by higher margin requirements from higher metal contract prices, higher open positions of stock options, increase in excess collateral posted by HKCC CPs, and increased OTC Clear clearing activities respectively.

The increase in financial assets and financial liabilities of Clearing House Funds at 30 June 2024 compared with 31 December 2023 was mainly due to higher contributions required from LME Clear members and HKSCC CPs partly offset by lower contributions from HKCC CPs, in response to changes in risk exposures.



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 is kept overnight to meet withdrawal requests from CPs (approximately 34 per cent at 30 June 2024), a certain proportion is invested in long-term investment grade debt securities (approximately 24 per cent at 30 June 2024) and the remaining funds are invested in time deposits with maturity of up to 12 months (weighted original maturity of ten months as at 30 June 2024).

Financial assets of Corporate Funds at 30 June 2024 increased by 3 per cent compared with 31 December 2023 as cash generated by the business over the past six months and the net increase in fair values of the Group's investments (including the External Portfolio and unlisted equity investments) were partly offset by the cash paid for the 2023 second interim dividend.

A portion of the Corporate Funds is invested in a diversified portfolio of investment funds which are designed to enhance returns and mitigate portfolio volatility and asset class concentration risk. Further details of investments in the External Portfolio are as follows:

Strategy	At 30 Jun 2024 \$m	At 31 Dec 2023 \$m	Change
Diversifiers	4,234	4,096	3%
Government Bonds and Mortgage-backed Securities	1,581	1,401	13%
Public Equities	1,198	1,071	12%
Total	7,013	6,568	7%

## Working Capital, Financial Resources and Gearing

Working capital decreased by \$1,525 million to \$28,166 million at 30 June 2024 (31 December 2023: \$29,691 million). The decrease was primarily due to 2023 second interim dividend of \$4,944 million and the increase of long-term financial assets held under Corporate Funds of \$2,867 million; partly offset by profit of \$6,125 million generated during 1H 2024, and share-based compensation expenses directly credited to reserve during 1H 2024 of \$206 million.

At 30 June 2024, the Group's outstanding borrowings represented written put options to non-controlling interests of \$449 million (31 December 2023: \$447 million). As a result, 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 debt<sup>7</sup> 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.

Banking facilities have been put in place for contingency purposes. At 30 June 2024, the Group's total available banking facilities for its daily operations amounted to \$25,835 million (31 December 2023: \$25,912 million), which included \$18,906 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 for certain periods of the year which needs higher liquidity requirements to cover operational needs and stress testing.

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 30 June 2024, the total amount of the facilities was HK\$33,011 million (31 December 2023: HK\$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.

<sup>7</sup> 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.

At 30 June 2024, 76 per cent (31 December 2023: 83 per cent) of the Group's cash and cash equivalents were denominated in HKD or USD.

### **Capital Expenditure and Commitments**

During 1H 2024, the Group incurred capital expenditure<sup>8</sup> of \$612 million (1H 2023: \$501 million) mainly related to the development and upgrade of various trading and clearing systems (notably trading and clearing systems for Commodities Market and Derivatives Market).

The Group's capital expenditure commitments at 30 June 2024, including those authorised by the Board but not yet contracted for, amounted to \$1,572 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 and clearing systems for the Derivatives Market).

### **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 any material acquisitions or disposals of subsidiaries during the period 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.

### **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\$2,824 million (HK\$22,048 million) at 30 June 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\$10,000 million (HK\$78,073 million) at 30 June 2024 (31 December 2023: US\$9,095 million (HK\$71,019 million)). Such non-cash collateral, together with certain financial assets amounting to US\$1,567 million (HK\$12,236 million) at 30 June 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 condensed consolidated statement of financial position of the Group.

### **Exposure to Fluctuations in Exchange Rates and Related Hedges**

The functional currencies of the Hong Kong and PRC 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 the GBP expenditure of 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, and foreign exchange swaps may be used for optimising foreign currency cash flows and yield enhancement while hedging the overall foreign exchange exposures of the Group.

<sup>8</sup> Exclude right-of-use assets recognised under HKFRS 16: Leases

Margin deposits received by the Group in Hong Kong are mainly denominated in HKD (approximately 67 per cent at 30 June 2024), and foreign currency margin deposits received are generally hedged by investments in the same currencies. 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 and equity securities) at 30 June 2024 amounted to HK\$386 million, of which HK\$278 million were non-USD exposures (31 December 2023: HK\$620 million, of which HK\$347 million were non-USD exposures).

## Contingent Liabilities

At 30 June 2024, the Group's material contingent liabilities 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 30 June 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 556 trading Participants (31 December 2023: 574) covered by the indemnity at 30 June 2024 defaulted, the maximum liability of the Group under the indemnity would amount to \$111 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 has sought and been granted permission to appeal. The appeal was heard by the Court of Appeal during 9 to 11 July 2024. Judgment was not delivered at the end of the hearing but was "reserved" by the Court of Appeal, to be issued at a later date. No indication has been given by the Court of Appeal as to the timing of when it expects to issue the judgment. The LME management is of the view that the appeal is without merit and LME and LME Clear will continue to contest it vigorously.

The three related claims issued in March 2023 remain stayed, pending the final determination of the Proceedings. The limitation period for similar damages claims under the Human Rights Act has now expired.

In light of the judgment of the Court, no provision has been made in the condensed consolidated financial statements of the Group.

The claimants have made an interim payment of GBP5 million to the LME and LME Clear to cover part of their costs of the Proceedings. The final amount with respect to recovery of costs will be assessed by the Court if not agreed with the claimants following the conclusion of the appeal. The Group has not recognised any further recovery of costs of the Proceedings as receivables in the condensed consolidated financial statements as the amount is still subject to negotiation with the claimants or assessment by the Court.

### **CHANGES SINCE 31 DECEMBER 2023**

There were no other significant changes in the Group's financial position or from the information disclosed under Management Discussion and Analysis in the annual report for the year ended 31 December 2023.

### **REVIEW OF FINANCIAL STATEMENTS**

The Audit Committee has reviewed the Group's Unaudited Condensed Consolidated Financial Statements for the six months ended 30 June 2024 in conjunction with HKEX's external auditor. Based on this review and discussions with the management, the Audit Committee was satisfied that the Unaudited Condensed Consolidated Financial Statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the six months ended 30 June 2024.

### **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

Throughout the six months ended 30 June 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.

### **PURCHASE, SALE OR REDEMPTION OF HKEX'S LISTED SECURITIES**

During the six months ended 30 June 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 121,922 HKEX shares at a total consideration of \$31 million.

### **SUSTAINABLE WORKPLACE**

During the six months ended 30 June 2024, the Group organised 43 in-house courses for employees to enhance their job knowledge, skills and well-being. Moreover, the Group sponsored a total of 38 employees to attend external training.

As at 30 June 2024, the Group had 2,441 permanent employees and 127 temporary employees. HKEX's remuneration policy has remained unchanged since the date of the 2023 Annual Report.

Details of HKEX's principles and practices related to governance and sustainability are set out in the Corporate Governance and Corporate Social Responsibility sections of the HKEX Group website.

## CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Note	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m
Trading fees and trading tariffs		3,290	3,182
Clearing and settlement fees		2,125	2,028
Stock Exchange listing fees		725	785
Depository, custody and nominee services fees		542	556
Market data fees		532	537
Other revenue		848	770
<b>Revenue</b>		<b>8,062</b>	<b>7,858</b>
Investment income		5,536	5,774
Interest rebates to Participants		(3,015)	(3,098)
Net investment income	4	2,521	2,676
Donation income of HKEX Foundation		30	29
Sundry income		8	12
<b>Revenue and other income</b>		<b>10,621</b>	<b>10,575</b>
Less: Transaction-related expenses		(166)	(94)
<b>Revenue and other income less transaction-related expenses</b>		<b>10,455</b>	<b>10,481</b>
<b>Operating expenses</b>			
Staff costs and related expenses		(1,937)	(1,711)
IT and computer maintenance expenses		(421)	(381)
Premises expenses		(67)	(64)
Product marketing and promotion expenses		(53)	(51)
Professional fees		(46)	(137)
HKEX Foundation charitable donations		(74)	(77)
Other operating expenses		(196)	(201)
		<b>(2,794)</b>	<b>(2,622)</b>
<b>EBITDA (non-HKFRS measure)</b>		<b>7,661</b>	<b>7,859</b>
Depreciation and amortisation		(698)	(719)
<b>Operating profit</b>		<b>6,963</b>	<b>7,140</b>
Finance costs	5	(59)	(70)
Share of profits of joint ventures		48	39
<b>Profit before taxation</b>		<b>6,952</b>	<b>7,109</b>
<b>Taxation</b>	6	<b>(766)</b>	<b>(741)</b>
<b>Profit for the period</b>		<b>6,186</b>	<b>6,368</b>
<b>Profit attributable to:</b>			
Shareholders of HKEX		6,125	6,312
Non-controlling interests		61	56
<b>Profit for the period</b>		<b>6,186</b>	<b>6,368</b>
<b>Basic earnings per share</b>	7(a)	<b>\$4.84</b>	<b>\$4.99</b>
<b>Diluted earnings per share</b>	7(b)	<b>\$4.83</b>	<b>\$4.98</b>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m
<b>Profit for the period</b>	<b>6,186</b>	6,368
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Currency translation differences of foreign subsidiaries	(18)	29
Cash flow hedges, net of tax	(3)	14
Changes in fair value of financial assets measured at fair value through other comprehensive income, net of tax	14	56
<b>Other comprehensive (loss)/income</b>	<b>(7)</b>	99
<b>Total comprehensive income</b>	<b>6,179</b>	6,467
<b>Total comprehensive income attributable to:</b>		
Shareholders of HKEX	6,119	6,415
Non-controlling interests	60	52
<b>Total comprehensive income</b>	<b>6,179</b>	6,467

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Note	At 30 Jun 2024			At 31 Dec 2023		
		Current \$m	Non-current \$m	Total \$m	Current \$m	Non-current \$m	Total \$m
<b>Assets</b>							
Cash and cash equivalents	9	153,987	-	153,987	125,107	-	125,107
Financial assets measured at fair value through profit or loss	9	6,797	575	7,372	6,357	604	6,961
Financial assets measured at fair value through other comprehensive income	9	42,696	2,925	45,621	18,250	-	18,250
Financial assets measured at amortised cost	9	44,027	1,636	45,663	74,984	1,665	76,649
Derivative financial instruments	9	91,462	-	91,462	58,127	-	58,127
Accounts receivable, prepayments and deposits	10	26,413	19	26,432	33,313	19	33,332
Tax recoverable		279	-	279	64	-	64
Interests in joint ventures		-	400	400	-	352	352
Goodwill and other intangible assets		-	19,413	19,413	-	19,279	19,279
Fixed assets		-	1,463	1,463	-	1,553	1,553
Right-of-use assets		-	1,289	1,289	-	1,484	1,484
Deferred tax assets		-	15	15	-	21	21
<b>Total assets</b>		<b>365,661</b>	<b>27,735</b>	<b>393,396</b>	<b>316,202</b>	<b>24,977</b>	<b>341,179</b>
<b>Liabilities and equity</b>							
<b>Liabilities</b>							
Derivative financial instruments		91,514	-	91,514	58,100	-	58,100
Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants		187,448	-	187,448	176,165	-	176,165
Accounts payable, accruals and other liabilities	11	26,237	-	26,237	27,849	-	27,849
Deferred revenue		703	307	1,010	1,060	307	1,367
Taxation payable		839	-	839	639	-	639
Other financial liabilities		4,643	-	4,643	29	-	29
Participants' contributions to Clearing House Funds		25,398	-	25,398	21,955	-	21,955
Lease liabilities		250	1,162	1,412	270	1,334	1,604
Borrowings	12	382	67	449	382	65	447
Provisions		81	114	195	62	113	175
Deferred tax liabilities		-	1,031	1,031	-	1,053	1,053
<b>Total liabilities</b>		<b>337,495</b>	<b>2,681</b>	<b>340,176</b>	<b>286,511</b>	<b>2,872</b>	<b>289,383</b>
<b>Equity</b>							
Share capital				31,946			31,946
Shares held for Share Award Scheme				(1,010)			(1,009)
Employee share-based compensation reserve				550			373
Hedging and revaluation reserves				(133)			(144)
Exchange reserve				(185)			(168)
Designated reserves				1,219			1,018
Reserve relating to written put options to non-controlling interests				(395)			(395)
Retained earnings	13			20,716			19,723
<b>Equity attributable to shareholders of HKEX</b>				<b>52,708</b>			<b>51,344</b>
Non-controlling interests				512			452
<b>Total equity</b>				<b>53,220</b>			<b>51,796</b>
<b>Total liabilities and equity</b>				<b>393,396</b>			<b>341,179</b>
<b>Net current assets</b>				<b>28,166</b>			<b>29,691</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

### 1. Basis of Preparation

These unaudited condensed consolidated financial statements should be read in conjunction with the 2023 annual consolidated financial statements. Except as described in note 2 below, the accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2023.

The financial information relating to the year ended 31 December 2023 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 June 2024 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622) is as follows:

The Company has delivered the consolidated 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 Hong Kong Companies Ordinance (Chapter 622).

The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Chapter 622).

### 2. Accounting Policies

#### (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 did not have any financial impact on the Group during the six months ended 30 June 2024.

#### (b) 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 six months ended 30 June 2024.



### 3. Operating Segments

The Group determines its operating segments based on the internal management reports that are used to make strategic decisions reviewed by 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 analysis of revenue by timing of revenue recognition for the period, is set out as follows:

	Six months ended 30 Jun 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	3,316	1,376	1,117	52	5	5,866
Over time	689	328	182	993	4	2,196
Revenue	4,005	1,704	1,299	1,045	9	8,062
Net investment income	119	1,395	106	-	901	2,521
Donation income of HKEX Foundation	-	-	-	-	30	30
Sundry income	5	-	-	3	-	8
Revenue and other income	4,129	3,099	1,405	1,048	940	10,621
Less: Transaction-related expenses	(4)	(162)	-	-	-	(166)
Revenue and other income less transaction-related expenses	4,125	2,937	1,405	1,048	940	10,455
Operating expenses	(620)	(443)	(589)	(208)	(934)	(2,794)
Reportable segment EBITDA (non-HKFRS measure)	3,505	2,494	816	840	6	7,661
Depreciation and amortisation	(219)	(121)	(156)	(64)	(138)	(698)
Finance costs	(16)	(17)	(2)	(1)	(23)	(59)
Share of profits of joint ventures	47	1	-	-	-	48
Reportable segment profit before taxation	3,317	2,357	658	775	(155)	6,952

	Six months ended 30 Jun 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	3,387	1,414	780	49	5	5,635
Over time	713	374	164	969	3	2,223
Revenue	4,100	1,788	944	1,018	8	7,858
Net investment income	99	1,665	95	-	817	2,676
Donation income of HKEX Foundation	-	-	-	-	29	29
Sundry income	7	-	-	4	1	12
Revenue and other income	4,206	3,453	1,039	1,022	855	10,575
Less: Transaction-related expenses	(5)	(89)	-	-	-	(94)
Revenue and other income less transaction-related expenses	4,201	3,364	1,039	1,022	855	10,481
Operating expenses	(552)	(426)	(591)	(213)	(840)	(2,622)
Reportable segment EBITDA (non-HKFRS measure)	3,649	2,938	448	809	15	7,859
Depreciation and amortisation	(179)	(124)	(165)	(74)	(177)	(719)
Finance costs	(17)	(24)	(2)	(1)	(26)	(70)
Share of profits of joint ventures	38	1	-	-	-	39
Reportable segment profit before taxation	3,491	2,791	281	734	(188)	7,109

#### 4. Net Investment Income

	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m
Gross interest income from financial assets measured at amortised cost	4,800	5,225
Gross interest income from financial assets measured at fair value through other comprehensive income	613	328
Interest rebates to Participants	(3,015)	(3,098)
Net interest income	2,398	2,455
Net gains/(losses) on financial assets mandatorily measured at fair value through profit or loss and derivative financial instruments:		
- investment funds	233	215
- other unlisted investments	(32)	(11)
- foreign exchange swaps (note (a))	(81)	(3)
	120	201
Others	3	20
Net investment income	2,521	2,676

(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 six months ended 30 June 2024, there was a net loss on foreign exchange swaps of \$81 million. Such loss was more than offset by higher interest income generated and savings in negative interest on JPY deposits.

#### 5. Finance Costs

	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m
Interest on borrowings	2	4
Interest on lease liabilities	28	30
Banking facility commitment fees	26	26
Negative interest on JPY deposits	3	10
	59	70

#### 6. Taxation

Taxation charge/(credit) in the condensed consolidated income statement represents:

	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m
Current tax - Hong Kong Profits Tax	611	703
Current tax - Overseas Tax	179	76
Total current tax	790	779
Deferred tax	(24)	(38)
Taxation charge	766	741

(a) Hong Kong Profits Tax has been provided at the rate of 16.5 per cent (2023: 16.5 per cent) and overseas profits tax 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) OECD Pillar Two model rules

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). 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 UK entities from 1 January 2024.

The top-up tax for the Group's UK entities was negligible 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 six months ended 30 June 2024.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in Amendments to HKAS 12 Income Taxes: International Tax Reform - Pillar Two Model Rules.

- (c) As at 30 June 2024, two subsidiaries of the Group have lodged objections on notices of additional assessments issued by the Hong Kong Inland Revenue Department in connection with the offshore claim of the trading, clearing and portfolio fees under Northbound Stock Connect.

The subsidiaries have purchased tax reserve certificates of \$255 million and the amount is recorded under tax recoverable on the condensed consolidated statement of financial position.

## 7. Earnings Per Share

The calculation of the basic and diluted earnings per share is as follows:

(a) Basic earnings per share

	Six months ended 30 Jun 2024	Six months ended 30 Jun 2023
Profit attributable to shareholders (\$m)	6,125	6,312
Weighted average number of shares in issue less shares held for Share Award Scheme (in '000)	1,264,558	1,265,477
Basic earnings per share (\$)	4.84	4.99

(b) Diluted earnings per share

	Six months ended 30 Jun 2024	Six months ended 30 Jun 2023
Profit attributable to shareholders (\$m)	6,125	6,312
Weighted average number of shares in issue less shares held for Share Award Scheme (in '000)	1,264,558	1,265,477
Effect of shares awarded under Share Award Scheme (in '000)	3,184	2,337
Weighted average number of shares for the purpose of calculating diluted earnings per share (in '000)	1,267,742	1,267,814
Diluted earnings per share (\$)	4.83	4.98

## 8. Dividends

	Six months ended 30 Jun 2024 \$m	Six months ended 30 Jun 2023 \$m
Interim dividend declared of \$4.36 (2023: \$4.50) per share at 30 Jun	5,528	5,705
Less: Dividend for shares held by Share Award Scheme at 30 Jun	(15)	(10)
	5,513	5,695

## 9. Financial Assets

	At 30 Jun 2024 \$m	At 31 Dec 2023 \$m
Cash and cash equivalents	153,987	125,107
Financial assets measured at fair value through profit or loss	7,372	6,961
Financial assets measured at fair value through other comprehensive income	45,621	18,250
Financial assets measured at amortised cost	45,663	76,649
Derivative financial instruments	91,462	58,127
	<b>344,105</b>	<b>285,094</b>

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

	At 30 Jun 2024 \$m	At 31 Dec 2023 \$m
<u>Cash for A-shares</u> (note (a))		
Cash and cash equivalents	8,756	2,733
<u>Margin Funds</u> <sup>1</sup>		
Cash and cash equivalents	109,272	91,369
Financial assets measured at fair value through other comprehensive income	35,501	15,847
Financial assets measured at amortised cost	36,382	59,084
	<b>181,155</b>	<b>166,300</b>
<u>Clearing House Funds</u>		
Cash and cash equivalents	21,421	20,719
Financial assets measured at fair value through other comprehensive income	5,360	2,403
	<b>26,781</b>	<b>23,122</b>
<u>Corporate Funds</u>		
Cash and cash equivalents (note (b))	14,538	10,286
Financial assets measured at fair value through profit or loss	7,372	6,961
Financial assets measured at fair value through other comprehensive income	4,760	-
Financial assets measured at amortised cost (note (b))	9,281	17,565
	<b>35,951</b>	<b>34,812</b>
Derivative financial instruments (note (c))	91,462	58,127
	<b>344,105</b>	<b>285,094</b>

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 \$10,892 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 30 Jun 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 twelve months	8,756	181,155	26,781	30,815	91,462	338,969	2,733	166,300	23,122	32,543	58,127	282,825
Over twelve months	-	-	-	5,136	-	5,136	-	-	-	2,269	-	2,269
	<b>8,756</b>	<b>181,155</b>	<b>26,781</b>	<b>35,951</b>	<b>91,462</b>	<b>344,105</b>	<b>2,733</b>	<b>166,300</b>	<b>23,122</b>	<b>34,812</b>	<b>58,127</b>	<b>285,094</b>

- (a) Cash for A-shares includes:
- (i) 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
  - (ii) 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.
- (b) At 30 June 2024, cash and cash equivalents of Corporate Funds of \$1,204 million (31 December 2023: \$1,074 million) and financial assets measured at amortised cost of Corporate Funds of \$365 million (31 December 2023: \$497 million) were solely used to support Skin-in-the-Game and default fund credits for Clearing House Funds.
- (c) 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 held as cash flow hedging instruments, and foreign exchange swaps.

## 10. Accounts Receivable, Prepayments and Deposits

	At 30 Jun 2024 \$m	At 31 Dec 2023 \$m
CNS money obligations receivable (note (a))	13,743	21,430
Settlement Reserve Fund and Settlement Guarantee Fund held by ChinaClear	10,402	9,734
Inter-CCP margin held by SHCH (note (b)):		
- satisfied by margin deposits collected from OTC Clear CPs	484	130
- satisfied by Corporate Funds	151	113
	635	243
Prepayments for investment funds traded after 30 Jun 2024	148	-
Receivables for investment funds sold before 31 Dec 2023	-	205
Other receivables, prepayments and deposits, net of provision for impairment losses	1,504	1,720
	<b>26,432</b>	<b>33,332</b>

- (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.

## 11. Accounts Payable, Accruals and Other Liabilities

The Group's accounts payable, accruals and other liabilities mainly represent the Group's CNS money obligations payable, which accounted for 86 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.

## 12. Borrowings

	At 30 Jun 2024 \$m	At 31 Dec 2023 \$m
Written put options to non-controlling interests	449	447
Analysed as:		
Non-current liabilities	67	65
Current liabilities	382	382
	449	447

During the six months ended 30 June 2024, none of the written put options was exercised.

## 13. Retained Earnings

	2024 \$m	2023 \$m
At 1 Jan	19,723	18,547
Profit attributable to shareholders	6,125	11,862
Transfer to designated reserves	(201)	(332)
Dividends:		
2023/2022 second interim dividend	(4,944)	(4,669)
2023 first interim dividend	-	(5,695)
Unclaimed HKEX dividends forfeited	14	23
Vesting of shares of Share Award Scheme	(1)	(13)
At 30 Jun 2024 / 31 Dec 2023	20,716	19,723

## INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has declared an interim dividend of \$4.36 per share for the year ending 31 December 2024, payable in cash in Hong Kong dollars.

### Key Dates for 2024 Interim Dividend

Ex-dividend date	3 September 2024
Closure of HKEX's Register of Members	5 to 6 September 2024 (both dates inclusive)
Record date	6 September 2024
Despatch of dividend warrants	17 September 2024

To qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with HKEX's registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 pm on Wednesday, 4 September 2024.

## PUBLICATION OF 2024 INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk) and the HKEX Group website at [www.hkexgroup.com/Investor-Relations/Regulatory-Disclosure/Announcements/2024](http://www.hkexgroup.com/Investor-Relations/Regulatory-Disclosure/Announcements/2024). The 2024 Interim Report will be available on the HKEXnews and HKEX Group websites and despatched to Shareholders on or about Thursday, 5 September 2024.

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

Hong Kong, 21 August 2024

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, Mrs CHOW WOO Mo Fong, Susan, Ms LEUNG Nisa Bernice Wing-Yu, Mr LEUNG Pak Hon, Hugo, Mr YAM Chi Kwong, Joseph, Mr YAN King Shun, Peter and Mr ZHANG Yichen, and one Executive Director, Ms CHAN Yiting, Bonnie, who is also the Chief Executive of HKEX.



## GLOSSARY

2024 Annual General Meeting	HKEX's annual general meeting held on 24 April 2024 at 4:30 pm at the HKEX Connect Hall on the 1st Floor, One and Two Exchange Square, Central, Hong Kong
ADT	Average daily turnover value
ADV	Average daily volume (in number of contracts/lots)
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
CBBCs	Callable Bull/Bear Contracts
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 Futures Exchange, the LME Group and QME
Corporate Governance Code	Refers to Appendix C1 to the Main Board Listing Rules
CPs	Clearing Participants
CSRC	China Securities Regulatory Commission
Derivatives Market	HKEX's derivatives related business including stock options
Director(s)	HKEX's director(s)
DWs	Derivative warrants
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
Exchange or SEHK or Stock Exchange	The Stock Exchange of Hong Kong Limited
External Portfolio	Externally-managed investment funds
Futures Exchange	Hong Kong Futures Exchange Limited
Government	HKSAR Government
Government Appointed Directors	Directors appointed by the Financial Secretary of the HKSAR of PRC pursuant to Section 77 of the SFO
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	<a href="http://www.hkexgroup.com">www.hkexgroup.com</a>
HKFRS(s)	Hong Kong Financial Reporting Standard(s)

HKIDR	Hong Kong Investor Identification Regime
HKSAR or Hong Kong SAR	Hong Kong Special Administrative Region of PRC
HKSCC	Hong Kong Securities Clearing Company Limited
HSCEI	Hang Seng China Enterprises Index
HSI	Hang Seng Index
IFRS	International Financial Reporting Standards
IPO(s)	Initial Public Offering(s)
Iron Ore Futures	TSI Iron Ore Fines 62 per cent Fe CFR China Futures
IT	Information Technology
ISSB Climate Standard	IFRS S2 Climate-related Disclosures published by the International Sustainability Standards Board (ISSB) in June 2023
JPY	Japanese Yen
L&I Products	Leveraged and Inverse Products
Listing Rule(s)	Main Board Listing Rules and Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
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, 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
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
OTC	Over-the-counter
OTC Clear	OTC Clearing Hong Kong Limited
PRC	The People's Republic of China
QME	Qianhai Mercantile Exchange Co., Ltd.
REITs	Real Estate Investment Trusts
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
Shareholders	HKEX's shareholders
Share Award 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
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 initially launched in May 2023
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)