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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)

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# **Condensed Consolidated Financial Statements**

## **For the six months ended 30 June 2025**

### **(Unaudited)**

As at 20 August 2025, the Board of Directors of Hong Kong Exchanges and Clearing Limited (HKEX or the Company) comprises 12 Independent Non-executive Directors, namely Mr Carlson TONG (Chairman), Mr Nicholas Charles ALLEN, Mr Peter Wilhelm Hubert BRIEN, Mr CHAN Kin Por, Mr CHEAH Cheng Hye, Ms CHEUNG Ming Ming, Anna, Mr CHIA Pun Kok, Herbert, Mrs CHOW WOO Mo Fong, Susan, Ms DING Chen, Mr LEUNG Pak Hon, Hugo, Mr YAM Chi Kwong, Joseph, and Mr ZHANG Yichen, and one Executive Director, Ms CHAN Yiting, Bonnie, who is also the Chief Executive of HKEX.

# CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(Financial figures are expressed in Hong Kong Dollar)

	Note	Six months ended 30 Jun 2025 \$m	Six months ended 30 Jun 2024 \$m
Trading fees and trading tariffs	4	4,906	3,290
Clearing and settlement fees		3,155	2,125
Stock Exchange listing fees		816	725
Depository, custody and nominee services fees		668	542
Market data fees		565	532
Other revenue		924	848
<b>Revenue</b>		<b>11,034</b>	<b>8,062</b>
Investment income		4,996	5,536
Interest rebates to Participants		(2,121)	(3,015)
Net investment income	5	2,875	2,521
Donation income of HKEX Foundation		78	30
Sundry income	15	89	8
<b>Revenue and other income</b>		<b>14,076</b>	<b>10,621</b>
Less: Transaction-related expenses	6	(164)	(166)
<b>Revenue and other income less transaction-related expenses</b>		<b>13,912</b>	<b>10,455</b>
<b>Operating expenses</b>			
Staff costs and related expenses	7	(1,952)	(1,937)
Information technology and computer maintenance expenses		(460)	(421)
Premises expenses		(71)	(67)
Product marketing and promotion expenses		(49)	(53)
Professional fees		(89)	(46)
HKEX Foundation charitable donations		(52)	(74)
Other operating expenses		(300)	(196)
		<b>(2,973)</b>	<b>(2,794)</b>
<b>EBITDA (non-HKFRS measure)*</b>		<b>10,939</b>	<b>7,661</b>
Depreciation and amortisation		(743)	(698)
<b>Operating profit</b>		<b>10,196</b>	<b>6,963</b>
Finance costs	8	(49)	(59)
Share of profits of joint ventures		17	48
<b>Profit before taxation</b>		<b>10,164</b>	<b>6,952</b>
<b>Taxation</b>	9	<b>(1,602)</b>	<b>(766)</b>
<b>Profit for the period</b>		<b>8,562</b>	<b>6,186</b>
<b>Profit attributable to:</b>			
Shareholders of HKEX		8,519	6,125
Non-controlling interests		43	61
<b>Profit for the period</b>		<b>8,562</b>	<b>6,186</b>
<b>Basic earnings per share</b>	10(a)	<b>\$6.74</b>	<b>\$4.84</b>
<b>Diluted earnings per share</b>	10(b)	<b>\$6.72</b>	<b>\$4.83</b>

\* EBITDA represents 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 is a non-HKFRS measure used by management for monitoring business performance and may not be comparable to similar measures presented by other companies.

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(Financial figures are expressed in Hong Kong Dollar)

	Six months ended 30 Jun 2025 \$m	Six months ended 30 Jun 2024 \$m
<b>Profit for the period</b>	<b>8,562</b>	6,186
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Currency translation differences of foreign subsidiaries	<b>198</b>	(18)
Cash flow hedges, net of tax	<b>70</b>	(3)
Financial assets measured at fair value through other comprehensive income:		
- Changes in fair value, net of tax	<b>199</b>	14
- Net losses on disposal reclassified to profit or loss, net of tax	<b>16</b>	-
<b>Other comprehensive income/(loss)</b>	<b>483</b>	(7)
<b>Total comprehensive income</b>	<b>9,045</b>	6,179
<b>Total comprehensive income attributable to:</b>		
Shareholders of HKEX	<b>9,000</b>	6,119
Non-controlling interests	<b>45</b>	60
<b>Total comprehensive income</b>	<b>9,045</b>	6,179

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(Financial figures are expressed in Hong Kong Dollar)

		At 30 Jun 2025			At 31 Dec 2024		
	Note	Current \$m	Non-current \$m	Total \$m	Current \$m	Non-current \$m	Total \$m
<b>Assets</b>							
Cash and cash equivalents	12	173,897	-	173,897	134,365	-	134,365
Financial assets measured at fair value through profit or loss	12	1,848	994	2,842	6,901	657	7,558
Financial assets measured at fair value through other comprehensive income	12	39,538	4,579	44,117	47,562	3,142	50,704
Financial assets measured at amortised cost	12	67,173	1,489	68,662	42,082	1,528	43,610
Derivative financial instruments	12,13	58,848	-	58,848	67,747	-	67,747
Accounts receivable, prepayments and deposits	14	50,908	773	51,681	54,478	19	54,497
Tax recoverable	9(c)	293	-	293	441	-	441
Interests in joint ventures		-	406	406	-	415	415
Goodwill and other intangible assets		-	19,939	19,939	-	19,605	19,605
Fixed assets	15	-	1,651	1,651	-	1,504	1,504
Right-of-use assets	15,16	-	2,529	2,529	-	1,174	1,174
Deferred tax assets		-	7	7	-	9	9
<b>Total assets</b>		<b>392,505</b>	<b>32,367</b>	<b>424,872</b>	<b>353,576</b>	<b>28,053</b>	<b>381,629</b>
<b>Liabilities and equity</b>							
<b>Liabilities</b>							
Derivative financial instruments	13	58,920	-	58,920	67,863	-	67,863
Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants	17	234,508	-	234,508	188,857	-	188,857
Accounts payable, accruals and other liabilities	18	39,561	-	39,561	37,584	-	37,584
Deferred revenue		768	347	1,115	1,037	319	1,356
Taxation payable		1,640	363	2,003	1,321	-	1,321
Other financial liabilities		38	-	38	33	-	33
Participants' contributions to Clearing House Funds	19	28,631	-	28,631	27,124	-	27,124
Lease liabilities		212	661	873	260	1,034	1,294
Borrowings	20	343	52	395	382	70	452
Provisions		81	75	156	64	123	187
Deferred tax liabilities		-	1,221	1,221	-	1,151	1,151
<b>Total liabilities</b>		<b>364,702</b>	<b>2,719</b>	<b>367,421</b>	<b>324,525</b>	<b>2,697</b>	<b>327,222</b>
<b>Equity</b>							
Share capital	21			31,955			31,955
Shares held for Share Award Scheme	21			(1,122)			(1,125)
Employee share-based compensation reserve	22			583			414
Hedging and revaluation reserves				220			(65)
Exchange reserve				(77)			(273)
Designated reserves	23			1,608			1,451
Reserve relating to written put options to non-controlling interests				(336)			(395)
Retained earnings				24,079			21,890
<b>Equity attributable to shareholders of HKEX</b>				<b>56,910</b>			<b>53,852</b>
Non-controlling interests				541			555
<b>Total equity</b>				<b>57,451</b>			<b>54,407</b>
<b>Total liabilities and equity</b>				<b>424,872</b>			<b>381,629</b>
<b>Net current assets</b>				<b>27,803</b>			<b>29,051</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

(Financial figures are expressed in Hong Kong Dollar)

	Attributable to shareholders of HKEX							Total	Non-controlling interests	Total equity
	Share capital and shares held for Share Award Scheme (note 21)	Employee share-based compensation reserve (note 22)	Hedging and revaluation reserves	Exchange reserve	Designated reserves (note 23)	Reserve relating to written put options to non-controlling interests (note 20)	Retained earnings			
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
At 1 Jan 2025	30,830	414	(65)	(273)	1,451	(395)	21,890	53,852	555	54,407
Profit for the period	-	-	-	-	-	-	8,519	8,519	43	8,562
Other comprehensive income	-	-	285	196	-	-	-	481	2	483
Total comprehensive income	-	-	285	196	-	-	8,519	9,000	45	9,045
Total transactions with shareholders of HKEX, recognised directly in equity:										
- 2024 second interim dividend at \$4.90 per share	-	-	-	-	-	-	(6,193)	(6,193)	-	(6,193)
- Unclaimed HKEX dividends forfeited	-	-	-	-	-	-	15	15	-	15
- Shares purchased for Share Award Scheme	(19)	-	-	-	-	-	-	(19)	-	(19)
- Vesting of shares of Share Award Scheme	22	(21)	-	-	-	-	(1)	-	-	-
- Employee share-based compensation benefits	-	190	-	-	-	-	-	190	-	190
- UK tax relating to Share Award Scheme	-	-	-	-	-	-	6	6	-	6
- Transfer of reserves	-	-	-	-	157	-	(157)	-	-	-
- Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	59	-	59	(59)	-
	3	169	-	-	157	59	(6,330)	(5,942)	(59)	(6,001)
At 30 Jun 2025	30,833	583	220	(77)	1,608	(336)	24,079	56,910	541	57,451

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

(Financial figures are expressed in Hong Kong Dollar)

	Attributable to shareholders of HKEX							Total \$m	Non- controlling interests \$m	Total equity \$m
	Share capital and shares held for Share Award Scheme \$m	Employee share-based compensation reserve \$m	Hedging and revaluation reserves \$m	Exchange reserve \$m	Designated reserves \$m	Reserve relating to written put options to non-controlling interests \$m	Retained earnings \$m			
At 1 Jan 2024	30,937	373	(144)	(168)	1,018	(395)	19,723	51,344	452	51,796
Profit for the period	-	-	-	-	-	-	6,125	6,125	61	6,186
Other comprehensive income/(loss)	-	-	11	(17)	-	-	-	(6)	(1)	(7)
Total comprehensive income	-	-	11	(17)	-	-	6,125	6,119	60	6,179
Total transactions with shareholders of HKEX, recognised directly in equity:										
- 2023 second interim dividend at \$3.91 per share	-	-	-	-	-	-	(4,944)	(4,944)	-	(4,944)
- Unclaimed HKEX dividends forfeited	-	-	-	-	-	-	14	14	-	14
- Shares purchased for Share Award Scheme	(31)	-	-	-	-	-	-	(31)	-	(31)
- Vesting of shares of Share Award Scheme	30	(29)	-	-	-	-	(1)	-	-	-
- Employee share-based compensation benefits	-	206	-	-	-	-	-	206	-	206
- Transfer of reserves	-	-	-	-	201	-	(201)	-	-	-
	(1)	177	-	-	201	-	(5,132)	(4,755)	-	(4,755)
At 30 Jun 2024	30,936	550	(133)	(185)	1,219	(395)	20,716	52,708	512	53,220

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

(Financial figures are expressed in Hong Kong Dollar)

	Note	Six months ended 30 Jun 2025 \$m	Six months ended 30 Jun 2024 \$m
<b>Cash flows from principal operating activities</b>			
Net cash inflow from principal operating activities (non-HKFRS measure)	24(a)	10,069	5,852
<b>Cash flows from other operating activities</b>			
Net redemption from/(payments to) external fund managers for sales/(purchases) of financial assets measured at fair value through profit or loss		4,330	(155)
<b>Net cash inflow from operating activities</b>		<b>14,399</b>	<b>5,697</b>
<b>Cash flows from investing activities</b>			
Payments for acquisition of HKEX headquarters premises	15	(2,559)	-
Payments for purchases of other fixed assets and intangible assets		(931)	(784)
Net (increase)/decrease in financial assets of Corporate Funds:			
Decrease in time deposits with original maturities more than three months		1,622	8,117
Increase in debt securities with remaining maturities within twelve months upon acquisition (short-term debt securities)		(26)	-
Payments for purchases of debt securities with remaining maturities more than twelve months upon acquisition (long-term debt securities)		(2,536)	(4,417)
Interest received from long-term debt securities		947	656
Dividend received from a joint venture		26	-
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(3,457)</b>	<b>3,572</b>
<b>Cash flows from financing activities</b>			
Purchases of shares for Share Award Scheme		(19)	(31)
Payments of other finance costs		(25)	(29)
Dividends paid to shareholders of HKEX		(6,169)	(4,923)
Dividend paid to non-controlling interests of a subsidiary	20	(59)	-
Lease payments	24(b)		
- Capital elements		(133)	(130)
- Interest elements		(22)	(28)
<b>Net cash outflow from financing activities</b>		<b>(6,427)</b>	<b>(5,141)</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,515</b>	<b>4,128</b>
Cash and cash equivalents at 1 Jan		13,910	9,212
Exchange differences on cash and cash equivalents		45	(6)
<b>Cash and cash equivalents at 30 Jun</b>		<b>18,470</b>	<b>13,334</b>
<b>Analysis of cash and cash equivalents</b>			
Cash, bank balances and short-term investments of Corporate Funds	12	19,510	14,538
Less: Cash reserved for supporting Skin-in-the-Game and default fund credits for Clearing House Funds	12(b)	(1,040)	(1,204)
		<b>18,470</b>	<b>13,334</b>

- (a) "Cash flows from principal operating activities" is a non-Hong Kong Financial Reporting Standard (non-HKFRS) measure used by management for monitoring cash flows of the Group (defined in note 2) and represents the cash flows generated from the trading and clearing operations of the four exchanges and five clearing houses and ancillary services of the Group. This non-HKFRS measure may not be comparable to similar measures presented by other companies. Cash flows from principal operating activities and cash flows from other operating activities together represent cash flows from operating activities as defined by Hong Kong Accounting Standard (HKAS) 7: Statement of Cash Flows.

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# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

## 1. Basis of Preparation

These unaudited condensed consolidated financial statements are prepared in accordance with HKAS 34: Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the year ended 31 December 2024 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 June 2025 as comparative information does not constitute the statutory annual consolidated financial statements of Hong Kong Exchanges and Clearing Limited (HKEX or 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 2024 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

These unaudited condensed consolidated financial statements should be read in conjunction with the 2024 annual consolidated financial statements. 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 2024. Amendments to HKFRS Accounting Standards effective for the financial year ending 31 December 2025 do not have any impact to the Company and its subsidiaries (collectively, the Group).



## 2. Accounting Policies (continued)

### New/revised HKFRS Accounting Standards issued before 30 June 2025 but not yet effective and not early adopted

The Group has not applied the following new/revised HKFRS Accounting Standards which were issued before 30 June 2025 and are pertinent to its operations but not yet effective:

Hong Kong Financial Reporting Standard (HKFRS) HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKFRS 7 and HKFRS 9	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and Hong Kong Accounting Standard (HKAS) 7 <sup>1</sup>

<sup>1</sup> Effective for accounting periods beginning on or after 1 January 2026

<sup>2</sup> Effective for accounting periods beginning on or after 1 January 2027

The adoption of HKFRS 19, Amendments to HKFRS 7 and HKFRS 9 and Annual Improvements to HKFRS Accounting Standards – Volume 11 would not have any material impact on the Group.

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of financial performance of similar entities and provide more relevant information and transparency to users.

The adoption of HKFRS 18 would not have any impact on the Group's profit attributable to shareholders. The Group is still in the process of assessing the impact of HKFRS 18 on the Group's consolidated financial statements, particularly with respect to the categorisation of income and expenses in the Group's consolidated income statement, the structure of the Group's consolidated income statement and consolidated statement of cash flows, and the additional disclosure required for management-defined performance measures (MPMs).

### 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 of Hong Kong Limited (Stock Exchange) and those traded through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (Stock Connect), the clearing, settlement and custodian activities relating to these products and any other related activities. The major sources of revenue of the segment are trading fees, clearing and settlement fees, listing fees, depository, custody and nominee services fees and net investment income earned on the Margin Funds and Clearing House Funds relating to these products.

The **Equity and Financial Derivatives** segment refers to derivatives products traded on the Stock Exchange and Hong Kong Futures Exchange Limited (Futures Exchange); the clearing, settlement and custodian activities relating to these products and over-the-counter (OTC) derivatives contracts and other related activities. These include the provision and maintenance of trading and clearing platforms for a range of equity and financial derivatives products, such as stock and equity index futures and options, derivative warrants (DWs), callable bull/bear contracts (CBBCs) and warrants, and OTC derivatives contracts. The major sources of revenue are trading fees and trading tariffs, clearing and settlement fees, listing fees, depository, custody and nominee services fees and net investment income earned on the Margin Funds and Clearing House Funds relating to these products.

The **Commodities** segment refers to the operations of The London Metal Exchange (LME), which operates a global exchange in the UK, for the trading of base and ferrous metals futures and options contracts and the operations of its clearing house, LME Clear Limited (LME Clear). It also covers the operations of Qianhai Mercantile Exchange Co., Ltd. (QME), the commodity trading platform in Mainland China, and the commodities contracts traded on the Futures Exchange. The major sources of revenue of the segment are trading fees and clearing and settlement fees of commodity products, commodity market data fees, net investment income earned on the Margin Funds and Clearing House Funds relating to these products, and fees for ancillary operations.

The **Data and Connectivity** segment covers sales of market data relating to the Hong Kong Cash and Derivatives Markets, all services in connection with providing users with access to the platform and infrastructure of the Group and services provided by BayConnect Technology Company Limited (BayConnect). Its major sources of revenue are market data fees, network, terminal user, data line and software sub-license fees and hosting services fees.

"Corporate Items" is not a business segment but comprises central income (including net investment income of Corporate Funds and donation income of HKEX Foundation Limited (HKEX Foundation)) and central costs (including costs of central support functions that provide services to all operating segments, HKEX Foundation charitable donations and other costs not directly related to any operating segments).

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

3. Operating Segments (continued)

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 2025						
	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	5,779	1,603	1,204	52	5	8,643
Over time	723	407	207	1,051	3	2,391
Revenue	6,502	2,010	1,411	1,103	8	11,034
Net investment income	185	1,543	103	-	1,044	2,875
Donation income of HKEX Foundation	-	-	-	-	78	78
Sundry income	12	-	-	1	76	89
Revenue and other income	6,699	3,553	1,514	1,104	1,206	14,076
Less: Transaction-related expenses	(6)	(158)	-	-	-	(164)
Revenue and other income less transaction-related expenses	6,693	3,395	1,514	1,104	1,206	13,912
Operating expenses						
Staff costs and related expenses	(509)	(335)	(380)	(110)	(618)	(1,952)
Others	(121)	(128)	(337)	(99)	(336)	(1,021)
	(630)	(463)	(717)	(209)	(954)	(2,973)
Reportable segment EBITDA (non-HKFRS measure)	6,063	2,932	797	895	252	10,939
Depreciation and amortisation	(203)	(111)	(220)	(57)	(152)	(743)
Finance costs	(13)	(12)	(2)	(1)	(21)	(49)
Share of profits of joint ventures	16	1	-	-	-	17
Reportable segment profit before taxation	5,863	2,810	575	837	79	10,164

  

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						
Staff costs and related expenses	(506)	(312)	(379)	(109)	(631)	(1,937)
Others	(114)	(131)	(210)	(99)	(303)	(857)
	(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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

4. Trading Fees and Trading Tariffs

	Six months ended 30 Jun 2025 \$m	Six months ended 30 Jun 2024 \$m
Equity securities traded on the Stock Exchange and through Stock Connect	2,842	1,424
DWs, CBBCs and warrants traded on the Stock Exchange	307	187
Futures and options contracts traded on the Stock Exchange and the Futures Exchange	991	954
Commodities contracts traded on the LME and QME	766	725
	<b>4,906</b>	<b>3,290</b>

5. Net Investment Income

	Six months ended 30 Jun 2025 \$m	Six months ended 30 Jun 2024 \$m
Gross interest income from financial assets measured at amortised cost	3,605	4,800
Gross interest income from financial assets measured at fair value through other comprehensive income	1,125	613
Interest rebates to Participants	(2,121)	(3,015)
Net interest income	2,609	2,398
Net gains/(losses) on financial assets measured at fair value through other comprehensive income:		
- losses on disposal	(17)	-
- exchange differences	89	-
	72	-
Net gains/(losses) on financial assets mandatorily measured at fair value through profit or loss and derivative financial instruments:		
- investment funds	202	233
- other unlisted investments (note 30(a))	5	(32)
- foreign exchange swaps (notes (a) and 13(d))	(89)	(81)
- foreign exchange forward contracts	4	-
	122	120
Other exchange differences	72	3
Net investment income	<b>2,875</b>	<b>2,521</b>

(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 2025, there was a net loss on foreign exchange swaps of \$89 million (2024: \$81 million). Such loss was more than offset by higher interest income generated from holding deposits with higher interest rates.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)**

**6. Transaction-related Expenses**

Transaction-related expenses comprise of license fees, bank charges and other costs which directly vary with trading and clearing transactions.

**7. Staff Costs and Related Expenses**

	<b>Six months ended 30 Jun 2025 \$m</b>	<b>Six months ended 30 Jun 2024 \$m</b>
Salaries and other short-term employee benefits	<b>1,604</b>	1,592
Employee share-based compensation benefits of HKEX Share Award Scheme (Share Award Scheme)	<b>190</b>	206
Termination benefits	<b>32</b>	18
Retirement benefit costs (note (a))	<b>126</b>	121
	<b>1,952</b>	1,937

- (a) The Group has sponsored a defined contribution provident fund scheme (ORSO Plan) and a Mandatory Provident Fund scheme (MPF Scheme) for the benefits of its employees in Hong Kong. The Group has also sponsored a defined contribution pension scheme for all employees of the LME and LME Clear (LME Savings Plan). In addition, the Group has made contributions for employees of other offices subject to the relevant regulations in the jurisdictions in which the offices operate. The retirement benefit costs charged to the condensed consolidated income statement represent contributions paid and payable by the Group to the ORSO Plan, the MPF Scheme, the LME Savings Plan, contribution plans of other offices and related fees.

**8. Finance Costs**

	<b>Six months ended 30 Jun 2025 \$m</b>	<b>Six months ended 30 Jun 2024 \$m</b>
Interest on borrowings	<b>2</b>	2
Interest on lease liabilities	<b>22</b>	28
Banking facility commitment fees	<b>25</b>	26
Negative interest on Japanese Yen deposits	<b>-</b>	3
	<b>49</b>	59

**9. Taxation**

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

	Six months ended 30 Jun 2025 \$m	Six months ended 30 Jun 2024 \$m
Current tax		
– Hong Kong Profits Tax	1,047	611
– Hong Kong minimum top-up tax (note (b))	363	-
– Tax outside Hong Kong	174	179
Total current tax	1,584	790
Deferred tax	18	(24)
Taxation charge	1,602	766

- (a) The provision for Hong Kong Profits Tax is calculated at the rate of 16.5 per cent (2024: 16.5 per cent). The provision for current tax of subsidiaries outside Hong Kong is calculated at the rates of taxation prevailing in the jurisdictions in which the subsidiaries operate, with the average corporation tax rate applicable to the subsidiaries in the UK being 25 per cent (2024: 25 per cent).
- (b) The Group is subject to the global minimum top-up tax under the Pillar Two tax legislation. The top-up tax relates to the Group's operations in Hong Kong, where the effective tax rate for Hong Kong entities was below 15 per cent during the six months ended 30 June 2025. As a result, the Group recognised a current tax charge of \$363 million related to the top-up tax during the six months ended 30 June 2025 (2024: \$Nil).

The Group applies the HKAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two Income Taxes.

No top-up tax was payable by the Group in other jurisdictions where the Group operates during the six months ended 30 June 2025.

- (c) At 30 June 2025, two subsidiaries of the Group (i.e., the Stock Exchange and Hong Kong Securities Clearing Company Limited (HKSCC)) 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 Stock Exchange has purchased tax reserve certificates of \$231 million relating to financial years 2014 to 2022 (31 December 2024: \$231 million), and HKSCC has purchased tax reserve certificates of \$50 million relating to financial years 2014 to 2018 (31 December 2024: \$24 million) and the amounts are recorded under tax recoverable on the condensed consolidated statement of financial position.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)**

**10. 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 2025	Six months ended 30 Jun 2024
Profit attributable to shareholders (\$m)	8,519	6,125
Weighted average number of shares in issue less shares held for Share Award Scheme (in '000)	1,263,911	1,264,558
Basic earnings per share (\$)	6.74	4.84

(b) Diluted earnings per share

	Six months ended 30 Jun 2025	Six months ended 30 Jun 2024
Profit attributable to shareholders (\$m)	8,519	6,125
Weighted average number of shares in issue less shares held for Share Award Scheme (in '000)	1,263,911	1,264,558
Effect of shares awarded under Share Award Scheme (in '000)	3,710	3,184
Weighted average number of shares for the purpose of calculating diluted earnings per share (in '000)	1,267,621	1,267,742
Diluted earnings per share (\$)	6.72	4.83

**11. Dividends**

	Six months ended 30 Jun 2025 \$m	Six months ended 30 Jun 2024 \$m
Interim dividend declared of \$6.00 (2024: \$4.36) per share at 30 Jun	7,607	5,528
Less: Dividend for shares held by Share Award Scheme at 30 Jun	(24)	(15)
	7,583	5,513

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

12. Financial Assets

	At 30 Jun 2025 \$m	At 31 Dec 2024 \$m
Cash and cash equivalents	173,897	134,365
Financial assets measured at fair value through profit or loss	2,842	7,558
Financial assets measured at fair value through other comprehensive income	44,117	50,704
Financial assets measured at amortised cost	68,662	43,610
Derivative financial instruments	58,848	67,747
	<b>348,366</b>	<b>303,984</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 2025 \$m	At 31 Dec 2024 \$m
<u>Cash for A-shares (note (a))</u>		
Cash and cash equivalents	720	2,175
<u>Margin Funds<sup>1</sup> (note 17)</u>		
Cash and cash equivalents	124,364	96,089
Financial assets measured at fair value through other comprehensive income	35,952	37,135
Financial assets measured at amortised cost	60,476	35,231
	<b>220,792</b>	<b>168,455</b>
<u>Clearing House Funds (note 19)</u>		
Cash and cash equivalents	29,303	21,056
Financial assets measured at fair value through other comprehensive income	1,093	7,671
	<b>30,396</b>	<b>28,727</b>
<u>Corporate Funds</u>		
Cash and cash equivalents (note (b))	19,510	15,045
Financial assets measured at fair value through profit or loss	2,842	7,558
Financial assets measured at fair value through other comprehensive income (note (b))	7,072	5,898
Financial assets measured at amortised cost (note (b))	8,186	8,379
	<b>37,610</b>	<b>36,880</b>
Derivative financial instruments (note 13)	58,848	67,747
	<b>348,366</b>	<b>303,984</b>

1 Excludes Settlement Reserve Fund and Settlement Guarantee Fund paid to China Securities Depository and Clearing Corporation Limited (ChinaClear) under Stock Connect, inter-central counterparties (inter-CCP) margin paid to Shanghai Clearing House (SHCH) under Swap Connect, and margin receivable from Clearing Participants of \$13,716 million (31 December 2024: \$20,402 million), which are included in accounts receivable, prepayments and deposits.



**12. Financial Assets (continued)**

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

	At 30 Jun 2025						At 31 Dec 2024					
	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	720	220,792	30,396	30,548	58,848	341,304	2,175	168,455	28,727	31,553	67,747	298,657
Over twelve months	-	-	-	7,062	-	7,062	-	-	-	5,327	-	5,327
	720	220,792	30,396	37,610	58,848	348,366	2,175	168,455	28,727	36,880	67,747	303,984

- (a) Cash for A-shares includes:
- (i) Renminbi (RMB) cash prepayments received by HKSCC from its Clearing Participants for releasing their allocated A-shares on the trade day. Such prepayments will be used to settle HKSCC's Continuous Net Settlement (CNS) obligations payable on the next business day; and
  - (ii) Hong Kong Dollar/ United States Dollar cash collateral received by HKSCC from its Clearing Participants for releasing their allocated A-shares on the trade day. Such collateral will be refunded to the Clearing Participants when they settle their RMB CNS obligations on the next business day.
- (b) At 30 June 2025, cash and cash equivalents of Corporate Funds of \$1,040 million (31 December 2024: \$1,135 million) and debt securities of Corporate Funds of \$937 million (31 December 2024: \$945 million) were solely used to support Skin-in-the-Game and default fund credits for Clearing House Funds (note 19(a)).
- (c) The cash and cash equivalents of Margin Funds, Clearing House Funds, Corporate Funds reserved for supporting Skin-in-the-Game and default fund credits for Clearing House Funds (note (b)), and Cash for A-shares are held for specific purposes and cannot be used by the Group to finance other activities. These balances are not included in cash and cash equivalents of the Group for cash flow purposes in the condensed consolidated statement of cash flows.

### 13. Derivative Financial Instruments

	At 30 Jun 2025 \$m	At 31 Dec 2024 \$m
<u>Mandatorily measured at fair value</u>		
Derivative financial assets:		
- base and ferrous metals futures and options contracts cleared through LME Clear (note (a))	58,781	67,629
- forward foreign exchange contracts:		
- held as cash flow hedging instruments (note (b))	33	-
- held for trading (note (c))	4	-
	37	-
- foreign exchange swaps (note (d))	30	118
	58,848	67,747
<u>Mandatorily measured at fair value</u>		
Derivative financial liabilities:		
- base and ferrous metals futures and options contracts cleared through LME Clear (note (a))	58,781	67,629
- forward foreign exchange contracts held as cash flow hedging instruments (note (b))	-	60
- foreign exchange swaps (note (d))	139	174
	58,920	67,863

- (a) The amounts represent the fair value of the outstanding base and ferrous metals futures and options contracts cleared through LME Clear that do not qualify for netting under HKAS 32 Financial Instruments: Presentation, where LME Clear is acting in its capacity as a central counterparty to the contracts traded on the LME.
- (b) Forward foreign exchange contracts have been designated as cash flow hedges for hedging foreign exchange risk of certain expenditure of LME and LME Clear.
- At 30 June 2025, the notional amount of the outstanding forward foreign exchange contracts amounted to GBP68 million (31 December 2024: GBP131 million).
- (c) The Group has also entered into certain forward foreign exchange contracts held for trading. At 30 June 2025, the notional amount of the outstanding contracts amounted to \$624 million (31 December 2024: \$310 million).
- (d) As part of the Group's investment strategy, the Group has entered into foreign exchange swaps for optimising foreign currency cash flows and yield enhancement while hedging the overall foreign exchange exposures of the Group. Net losses on foreign exchange swaps were recognised in the condensed consolidated income statement under net investment income (note 5).

At 30 June 2025, the notional amount of the outstanding foreign exchange swaps was \$150,554 million (31 December 2024: \$77,302 million).

**14. Accounts Receivable, Prepayments and Deposits**

	At 30 Jun 2025 \$m	At 31 Dec 2024 \$m
CNS money obligations receivable (note (a))	33,840	31,813
Transaction levy, stamp duty and fees receivables	1,619	1,083
Settlement Reserve Fund and Settlement Guarantee Fund held by ChinaClear (note 17)	13,312	19,814
Inter-CCP margin held by SHCH (note (b)):		
- satisfied by margin deposits collected from OTC Clear Clearing Participants (note 17)	274	571
- satisfied by Corporate Funds	228	257
	502	828
Receivables for investment funds sold before 30 Jun 2025	593	-
Prepayments for acquisition of HKEX headquarters premises (note 15)	754	-
Other receivables, prepayments and deposits, net of provision for impairment losses	1,061	959
	<b>51,681</b>	<b>54,497</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 Clearing Hong Kong Limited (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 Clearing Participants (note 17) and the remaining balance is satisfied by Corporate Funds of OTC Clear.

**15. Purchase of HKEX Headquarters Premises**

In April 2025, the Group agreed to purchase certain properties from Hongkong Land (landlord) as HKEX headquarters premises for a total consideration of \$6.3 billion. As of 30 June 2025, the Group has taken possession of part of the properties for a consideration of \$1.8 billion, with the remaining acquisition to be completed in phases over the next 12 to 18 months from the date of the agreement. Accordingly, the Group recognised \$1,718 million of lease premium for land under right-of-use assets, \$34 million of properties under right-of-use assets, and \$53 million of leasehold buildings under fixed assets.

As part of the agreement with the landlord, the leases of certain existing offices were shortened or modified, and the reinstatement costs associated with the surrendered floors were waived. The carrying amounts of right-of-use assets, lease liabilities, and the provision for reinstatement costs were remeasured to reflect such revised arrangement. This resulted in a one-off gain of \$76 million from lease modification, and was recognised in the condensed consolidated income statement under sundry income during the six months ended 30 June 2025.

**16. Right-of-use Assets**

	Lease premium for land \$m	Properties \$m	Information technology facilities \$m	Equipment and motor vehicles \$m	Total \$m
At 1 Jan 2025	15	1,124	31	4	1,174
Exchange differences	-	1	-	-	1
Additions:					
- HKEX headquarters premises (note 15)	1,718	34	-	-	1,752
- Others	-	20	4	-	24
Modification of leases and waiver of reinstatement costs (note 15)	-	(298)	-	-	(298)
Depreciation	(1)	(116)	(6)	(1)	(124)
At 30 Jun 2025	1,732	765	29	3	2,529

**17. Margin Deposits, Mainland Security and Settlement Deposits, and Cash Collateral from Participants**

	At 30 Jun 2025 \$m	At 31 Dec 2024 \$m
Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants comprised:		
HKCC Clearing Participants' margin deposits	102,513	60,030
HKSCC Clearing Participants' margin deposits, Mainland security and settlement deposits, and cash collateral	23,498	29,679
LME Clear Clearing Participants' margin deposits	62,264	65,788
OTC Clear Clearing Participants' margin deposits	13,258	15,699
OTC Clear's inter-CCP margin from SHCH (note 14(b))	291	755
SEOCH Clearing Participants' margin deposits	32,684	16,906
	<b>234,508</b>	<b>188,857</b>
The margin deposits, Mainland security and settlement deposits, and cash collateral were invested in the following instruments for managing the obligations of the Margin Funds:		
Financial assets of Margin Funds (note 12)	220,792	168,455
Settlement Reserve Fund and Settlement Guarantee Fund held by ChinaClear (note 14)	13,312	19,814
Inter-CCP margin held by SHCH (note 14)	274	571
Margin receivable from Participants	130	17
	<b>234,508</b>	<b>188,857</b>

**18. 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 87 per cent (31 December 2024: 90 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.

**19. Clearing House Funds**

	At 30 Jun 2025 \$m	At 31 Dec 2024 \$m
The Clearing House Funds comprised:		
Clearing Participants' cash contributions	28,631	27,124
Contribution to OTC Clear Rates and FX Guarantee Resources	156	156
Clearing House Funds reserves (note 23)	1,591	1,434
	<b>30,378</b>	28,714
The Clearing House Funds were invested in the following instruments for managing the obligations of the Funds:		
Financial assets of Clearing House Funds (note 12)	30,396	28,727
Less: Other financial liabilities of Clearing House Funds	(18)	(13)
	<b>30,378</b>	28,714
The Clearing House Funds comprised the following Funds:		
HKCC Reserve Fund	4,541	6,074
HKSCC Guarantee Fund	6,399	6,382
LME Clear Default Fund	8,736	8,728
OTC Clear Rates and FX Guarantee Fund	8,413	6,056
OTC Clear Rates and FX Guarantee Resources	193	191
SEOCH Reserve Fund	2,096	1,283
	<b>30,378</b>	28,714

- (a) At 30 June 2025, the Skin-in-the-Game, together with default fund credits granted to HKSCC and HKCC Participants, amounted to \$1,977 million (31 December 2024: \$2,080 million), and were included in Corporate Funds (note 12(b)).

**20. Borrowings**

	At 30 Jun 2025 \$m	At 31 Dec 2024 \$m
Written put options to non-controlling interests	<b>395</b>	452
Analysed as:		
Non-current liabilities	<b>52</b>	70
Current liabilities	<b>343</b>	382
	<b>395</b>	452

During the six months ended 30 June 2025, OTC Clear paid a dividend of \$59 million (2024: \$Nil) to its non-controlling interests. According to the terms of put options written by HKEX to the non-controlling interests, the amount of written put options was reduced by the dividend received by the non-controlling interests, with a corresponding credit to equity under "reserve relating to written put options to non-controlling interests". None of the written put options was exercised by the non-controlling interests during the period (2024: none).

**21. Share Capital and Shares Held for Share Award Scheme**

Issued and fully paid – ordinary shares with no par:

	Number of shares '000	Number of shares held for Share Award Scheme <sup>1</sup> '000	Share capital \$m	Shares held for Share Award Scheme \$m	Total \$m
At 1 Jan 2024	1,267,837	(3,292)	31,946	(1,009)	30,937
Shares purchased for Share Award Scheme (note (a))	-	(122)	-	(31)	(31)
Vesting of shares of Share Award Scheme (note (b))	-	83	-	30	30
At 30 Jun 2024	1,267,837	(3,331)	31,946	(1,010)	30,936
At 1 Jan 2025	<b>1,267,837</b>	<b>(3,939)</b>	<b>31,955</b>	<b>(1,125)</b>	<b>30,830</b>
Shares purchased for Share Award Scheme (note (a))	-	<b>(54)</b>	-	<b>(19)</b>	<b>(19)</b>
Vesting of shares of Share Award Scheme (note (b))	-	<b>63</b>	-	<b>22</b>	<b>22</b>
At 30 Jun 2025	<b>1,267,837</b>	<b>(3,930)</b>	<b>31,955</b>	<b>(1,122)</b>	<b>30,833</b>

<sup>1</sup> Excluding shares vested but not yet transferred to awardees of 1,135 shares at 30 June 2025

- (a) During the six months ended 30 June 2025, the Share Award Scheme acquired 53,767 HKEX shares (2024: 121,922 shares) through purchases on the open market. The total amount paid to acquire the shares during the period was \$19 million (2024: \$31 million).
- (b) During the six months ended 30 June 2025, a total of 63,479 HKEX shares (2024: 82,901 shares) were vested. The total cost of the vested shares was \$22 million (2024: \$30 million).

**22. Employee Share-based Arrangements**

The Group operates the Share Award Scheme as part of the benefits of its employees. It allows shares to be granted to employees of the Group, including the Executive Director (Employee Share Awards).

The employee share-based compensation expenses in relation to the share awards are charged to the condensed consolidated income statement under staff costs over the relevant vesting periods with a corresponding increase in employee share-based compensation reserve.

During the six months ended 30 June 2025, details of Employee Share Awards awarded are set out below:

Date of award	Number of shares awarded	Average fair value per share \$	Vesting period ends
7 Mar 2025	1,441,003 <sup>1,2</sup>	301.44	11 Dec 2026 – 11 Dec 2027
26 Mar 2025	797	366.80	26 Mar 2025
3 Apr 2025	170	356.22	3 Apr 2025

1 37,239 shares were awarded by re-granting the forfeited or unallocated shares held by the Scheme on 7 March 2025.

2 74,543 shares were awarded to HKEX Chief Executive Officer.

**23. Designated Reserves**

Designated reserves are segregated for their respective purposes and comprised the following:

	At 30 Jun 2025 \$m	At 31 Dec 2024 \$m
Clearing House Funds reserves (notes (a) and 19)	1,591	1,434
PRC statutory reserve	17	17
	<b>1,608</b>	<b>1,451</b>

**(a) Clearing House Funds reserves**

	At 30 Jun 2025 \$m	At 31 Dec 2024 \$m
HKCC Reserve Fund reserve	306	298
HKSCC Guarantee Fund reserve	491	405
OTC Clear Rates and FX Guarantee Fund reserve	607	551
OTC Clear Rates and FX Guarantee Resources reserve	37	35
SEOCH Reserve Fund reserve	150	145
	<b>1,591</b>	<b>1,434</b>

**24. Notes to the Condensed Consolidated Statement of Cash Flows**

(a) Reconciliation of profit before taxation to net cash inflow from principal operating activities:

	Six months ended 30 Jun 2025 \$m	Six months ended 30 Jun 2024 \$m
Profit before taxation	<b>10,164</b>	6,952
Adjustments for:		
Net interest income	<b>(2,609)</b>	(2,398)
Net fair value gains on financial assets mandatorily measured at fair value through profit or loss and derivative financial instruments	<b>(122)</b>	(120)
Gain on modification of leases upon acquisition of HKEX headquarters premises	<b>(76)</b>	-
Finance costs	<b>49</b>	59
Depreciation and amortisation	<b>743</b>	698
Employee share-based compensation benefits	<b>190</b>	206
Share of profits of joint ventures	<b>(17)</b>	(48)
Other non-cash adjustments	<b>16</b>	20
Net increase in financial assets of Margin Funds	<b>(45,517)</b>	(15,877)
Net increase in financial liabilities of Margin Funds	<b>45,651</b>	15,882
Net increase in Clearing House Fund financial assets	<b>(1,668)</b>	(3,659)
Net increase in Clearing House Fund financial liabilities	<b>1,512</b>	3,458
Decrease/(increase) in cash prepayments and collateral for A-shares	<b>1,455</b>	(6,023)
Decrease in Corporate Funds used for supporting Skin-in-the-Game and default fund credits	<b>103</b>	2
Decrease/(increase) in Corporate Funds transferred to SHCH as inter-CCP margin	<b>29</b>	(38)
(Increase)/decrease in accounts receivable, prepayments and deposits	<b>(2,542)</b>	7,898
Increase/(decrease) in other liabilities	<b>1,774</b>	(2,022)
Net cash inflow from principal operations	<b>9,135</b>	4,990
Interest received from short-term debt securities, time deposits and cash and cash equivalents	<b>3,844</b>	4,763
Interest paid to Participants	<b>(2,121)</b>	(3,015)
Cash paid for foreign exchange swaps	<b>(36)</b>	(81)
Income tax paid	<b>(753)</b>	(805)
Net cash inflow from principal operating activities (non-HKFRS measure)	<b>10,069</b>	5,852



**24. Notes to the Condensed Consolidated Statement of Cash Flows (continued)**

## (b) Reconciliation of liabilities arising from financing activities

	<b>Borrowings</b>		<b>Lease liabilities</b>	
	<b>Six months ended</b>	Six months ended	<b>Six months ended</b>	Six months ended
	<b>30 Jun 2025</b>	30 Jun 2024	<b>30 Jun 2025</b>	30 Jun 2024
	<b>\$m</b>	\$m	<b>\$m</b>	\$m
At 1 Jan 2025/2024	<b>452</b>	447	<b>1,294</b>	1,604
Additions of leases	-	-	<b>24</b>	120
Modification/reassessment of leases	-	-	<b>(324)</b>	(181)
Interest on borrowings	<b>2</b>	2	-	-
Interest on lease liabilities	-	-	<b>22</b>	28
Cash flows				
- Payments of capital elements of lease liabilities	-	-	<b>(133)</b>	(130)
- Payments of interest elements of lease liabilities	-	-	<b>(22)</b>	(28)
- Dividend paid to non-controlling interests (note 20)	<b>(59)</b>	-	-	-
Exchange differences	-	-	<b>12</b>	(1)
At 30 Jun 2025/2024	<b>395</b>	449	<b>873</b>	1,412

**25. Capital Expenditures and Commitments**

During the six months ended 30 June 2025, the Group incurred capital expenditures of \$2,657 million (2024: \$612 million), of which \$1,805 million (2024: \$Nil) was related to the acquisition of HKEX headquarters premises.

At 30 June 2025, the Group's commitments in respect of capital expenditure were as follows:

	<b>At</b>	<b>At</b>
	<b>30 Jun 2025</b>	31 Dec 2024
	<b>\$m</b>	\$m
Contracted but not provided for:		
- HKEX headquarters premises (note 15)	<b>4,009</b>	-
- other fixed assets	<b>16</b>	26
- intangible assets	<b>176</b>	196
Authorised but not contracted for:		
- fixed assets	<b>980</b>	662
- intangible assets	<b>651</b>	818
	<b>5,832</b>	1,702

## 26. Contingent Liabilities

At 30 June 2025, 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 Securities and Futures Commission (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 2024: \$71 million). Up to 30 June 2025, 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 519 trading Participants (31 December 2024: 536) covered by the indemnity at 30 June 2025 defaulted, the maximum liability of the Group under the indemnity would amount to \$104 million (31 December 2024: \$107 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.

## 27. Material Related Party Transactions

- (a) Key management personnel compensation

	Six months ended 30 Jun 2025 \$m	Six months ended 30 Jun 2024 \$m
Salaries and other short-term employee benefits	100	87
Employee share-based compensation benefits	55	87
Retirement benefit costs	6	5
	161	179

- (b) Post-retirement benefit plans

The Group has sponsored an ORSO Plan and the LME Savings Plan as its post-retirement benefit plans (note 7(a)).

## 28. Pledges of Assets

LME Clear receives securities and gold bullion as non-cash collateral for margins posted by its Clearing Participants. The total fair value of this non-cash collateral was US\$2,702 million (HK\$21,211 million) at 30 June 2025 (31 December 2024: US\$2,522 million (HK\$19,591 million)). LME Clear is obliged to return this non-cash collateral upon request when the Clearing Participants' collateral obligations have been substituted with cash collateral or otherwise discharged. LME Clear is permitted to sell or pledge such collateral in the event of the default of a Clearing Participant. Any non-cash collateral lodged at central securities depositories or custodians is subject to a lien or pledge for the services they provide in respect of the collateral held.

LME Clear also holds securities as collateral in respect of its investments in overnight triparty reverse repurchase agreements under which it is obliged to return equivalent securities to the counterparties at maturity of the reverse repurchase agreements. The fair value of this collateral was US\$7,311 million (HK\$57,391 million) at 30 June 2025 (31 December 2024: US\$7,928 million (HK\$61,584 million)). Such non-cash collateral, together with certain financial assets amounting to US\$1,999 million (HK\$15,690 million) at 30 June 2025 (31 December 2024: US\$1,774 million (HK\$13,783 million)), have been pledged to LME Clear's investment agents, custodian and banks under security arrangements for the settlement, depository and funding line 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.

## 29. Capital Management

At 30 June 2025, the Group had set aside \$4,000 million (31 December 2024: \$4,000 million) of shareholders' funds for the purpose of supporting the risk management regime of the clearing houses in their roles as central counterparties, of which \$2,160 million (31 December 2024: \$2,160 million) had been injected into HKSCC, SEOCH and HKCC as share capital.

**30. Fair Value of Financial Assets and Financial Liabilities****(a) Financial assets and financial liabilities carried at fair value**

The following tables present the carrying values of financial assets and financial liabilities measured at fair value according to the levels of the fair value hierarchy defined in HKFRS 13: Fair Value Measurement, with the fair value of each financial asset and financial liability categorised based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair values measured using valuation techniques in which all significant inputs other than quoted prices included within Level 1 are directly or indirectly based on observable market data.
- Level 3: fair values measured using valuation techniques in which any significant input is not based on observable market data.

Recurring fair value measurements:	At 30 Jun 2025				At 31 Dec 2024			
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<b>Financial assets</b>								
Financial assets measured at fair value through profit or loss:								
- investment funds	-	2,508	-	2,508	2,203	5,026	-	7,229
- equity securities	-	-	334	334	-	-	329	329
Financial assets measured at fair value through other comprehensive income:								
- debt securities	29,914	14,203	-	44,117	26,964	23,740	-	50,704
Derivative financial instruments:								
- base and ferrous metals futures and options contracts cleared through LME Clear	-	58,781	-	58,781	-	67,629	-	67,629
- forward foreign exchange contracts	-	37	-	37	-	-	-	-
- foreign exchange swaps	-	30	-	30	-	118	-	118
	<b>29,914</b>	<b>75,559</b>	<b>334</b>	<b>105,807</b>	<b>29,167</b>	<b>96,513</b>	<b>329</b>	<b>126,009</b>
<b>Financial liabilities</b>								
Derivative financial instruments:								
- base and ferrous metals futures and options contracts cleared through LME Clear	-	58,781	-	58,781	-	67,629	-	67,629
- forward foreign exchange contracts	-	-	-	-	-	60	-	60
- foreign exchange swaps	-	139	-	139	-	174	-	174
	<b>-</b>	<b>58,920</b>	<b>-</b>	<b>58,920</b>	<b>-</b>	<b>67,863</b>	<b>-</b>	<b>67,863</b>

**30. Fair Value of Financial Assets and Financial Liabilities (continued)****(a) Financial assets and financial liabilities carried at fair value (continued)**

During the six months ended 30 June 2025 and 30 June 2024, there were no transfers of instruments between Level 1 and Level 2 or transfer into or out of Level 3.

Level 2 fair values of investment funds, debt securities, base and ferrous metals futures and options contracts, and foreign exchange derivative contracts have been determined based on quotes from market makers, funds administrators or alternative pricing sources supported by observable inputs. The most significant input are market interest rates, market prices of metals, market foreign exchange rates, net asset values and latest redemption prices or transaction prices of the respective investment funds.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

**Fair value measurements using significant unobservable inputs (Level 3)**

	<b>Six months ended 30 Jun 2025 \$m</b>	<b>Six months ended 30 Jun 2024 \$m</b>
At 1 Jan 2025/2024	<b>329</b>	393
Gains/(losses) recognised in condensed consolidated income statement under net investment income (note 5)	<b>5</b>	(32)
Losses recognised in other comprehensive income	-	(2)
At 30 Jun 2025/2024	<b>334</b>	359
Total gains/(losses) recognised for the period in the condensed consolidated income statement for assets held at 30 Jun 2025/2024	<b>5</b>	(32)

At 30 June 2025, the Group held minority stakes in three unlisted investments – Fusion Bank Limited, Huakong TsingJiao Information Science (Beijing) Limited, and Guangzhou Futures Exchange.

Fusion Bank Limited is a virtual bank in Hong Kong with a license granted by the Hong Kong Monetary Authority. The company offers a variety of banking services including savings, time deposits, loans, local fund transfers and foreign exchange.

Huakong TsingJiao Information Science (Beijing) Limited is a data technology company, which specialises in the research and development of multi-party computation technologies, allowing collaborative data analysis without revealing private data during the computation and analysis process.

Guangzhou Futures Exchange is an exchange in the Greater Bay Area focusing on serving the real economy and green development initiatives. Since its set up in 2021, the exchange has successfully launched several products (including industrial silicon, lithium carbonate and polycrystalline silicon futures and options), and will continue to work with market participants to contribute to green and low carbon transformation and development.

As these investments are not traded in an active market, these investments are classified as Level 3 investments. Valuations are prepared on a bi-annual basis, at each interim and annual reporting date. The assumptions and inputs to the valuation model, valuation techniques and valuation results are reviewed and approved by management.

At 30 June 2025, the total fair value of the three investments was \$334 million (31 December 2024: \$329 million). A market-based approach has been adopted to determine their fair values, which are estimated based on the analysis of the investments' financial position, operating results and prospects, and by reference to trading multiples and financial data of other comparable companies.

**30. Fair Value of Financial Assets and Financial Liabilities (continued)****(b) Fair values of financial assets and financial liabilities not reported at fair values**

Summarised in the following table are the carrying amounts and fair values of long-term financial assets and financial liabilities not presented in the condensed consolidated statement of financial position at their fair values, except for lease liabilities where disclosure of fair values is not required. These assets and liabilities were classified under Level 2 in the fair value hierarchy.

	At 30 Jun 2025		At 31 Dec 2024	
	Carrying amount in condensed consolidated statement of financial position \$m	Fair value \$m	Carrying amount in condensed consolidated statement of financial position \$m	Fair value \$m
<b>Assets</b>				
Financial assets measured at amortised cost:				
- debt securities maturing over one year <sup>1</sup>	1,411	1,459	1,439	1,443
- other financial assets maturing over one year <sup>2</sup>	78	65	89	67
<b>Liabilities</b>				
Borrowings:				
- written put options to non-controlling interests <sup>3</sup>	395	402	452	455
Financial guarantee to the Collector of Stamp Revenue <sup>4</sup>	20	43	20	35

1 The fair values are provided by a reputable independent financial institution.

2 The fair values are based on cash flows discounted using Hong Kong Government bond rates of a tenor similar to the contractual maturity of the respective assets, adjusted by an estimated credit spread. The discount rates used ranged from 2.51 per cent to 4.37 per cent at 30 June 2025 (31 December 2024: 3.96 per cent to 5.21 per cent).

3 The fair values are based on cash flows discounted using the prevailing market interest rates for loans with similar credit rating and similar tenor of the respective loans. The discount rate used was 3.44 per cent at 30 June 2025 (31 December 2024: 4.58 per cent).

4 The fair values are based on the fees charged by financial institutions for granting such guarantees discounted to perpetuity using a ten-year Hong Kong Government bond rate, adjusted by an estimated credit spread, but capped at the maximum exposure of the financial guarantee. The discount rate used was 3.01 per cent at 30 June 2025 (31 December 2024: 4.06 per cent).

The carrying amounts of short-term financial assets and receivables (e.g., accounts receivable, financial assets measured at amortised cost and cash and cash equivalents) and short-term payables (e.g., accounts payable and other liabilities) approximated their fair values, and accordingly no disclosure of the fair values of these items is presented.