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(Incorporated in Hong Kong with limited liability)  
(Stock Code: 388)

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

## **QUARTERLY RESULTS** **FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

The board of directors (Board) of Hong Kong Exchanges and Clearing Limited (HKEx or the Company) is pleased to present the unaudited consolidated results of the Company and its subsidiaries<sup>1</sup> (collectively, the Group) for the nine months ended 30 September 2015 (YTD Q3 2015).

### **FINANCIAL HIGHLIGHTS**

Financial figures are expressed in  
\$million (\$m) unless otherwise stated

	<b>Nine months ended 30 Sept 2015 \$m</b>	Nine months ended 30 Sept 2014 \$m	Change
Revenue and other income	<b>10,600</b>	7,092	49%
Operating expenses	<b>2,461</b>	2,176	13%
EBITDA <sup>2</sup>	<b>8,139</b>	4,916	66%
Profit attributable to shareholders	<b>6,425</b>	3,654	76%
Basic earnings per share	<b>\$5.44</b>	\$3.14	73%

#### **Key messages**

- The Group experienced strong growth in revenue and other income compared to the prior period (YTD Q3 2014) exceeding \$10 billion (bn) for the first time in a financial year.
  - Growth in trading and clearing income came from a significant increase in market activity on the Cash and Derivatives Markets in Hong Kong, in particular during the second quarter of 2015 (Q2 2015), nine months of income from LME Clear following its launch in September 2014 and the commercialisation of LME's trading fees with effect from January 2015.
  - The Group also booked a one-off gain of \$445 million on the disposal of a leasehold property in the third quarter of 2015 (Q3 2015).
- Operating expenses increased over the prior period primarily reflecting the cost of additional headcount to support strategic initiatives. The overall increase was mitigated by lower litigation costs and higher recoveries from the liquidators of Lehman Brothers Securities Asia Limited (LBSA).
- The strong revenue growth drove an increase in the EBITDA margin to 77 per cent; 8 per cent higher than YTD Q3 2014 and 7 per cent higher than the year ended 31 December 2014. The one-off gain on disposal of a leasehold property together with the increased recoveries from LBSA accounted for approximately 2 per cent of the increased EBITDA margin.

<sup>1</sup> The subsidiaries include The Stock Exchange of Hong Kong Limited (SEHK or the Stock Exchange), Hong Kong Futures Exchange Limited (HKFE or the Futures Exchange), Hong Kong Securities Clearing Company Limited (HKSCC), HKFE Clearing Corporation Limited (HKCC), The SEHK Options Clearing House Limited (SECH), OTC Clearing Hong Kong Limited (OTC Clear), LME Holdings Limited (LMEH), The London Metal Exchange (LME), LME Clear Limited (LME Clear) and other subsidiaries.

<sup>2</sup> 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 venture.

## BUSINESS REVIEW

### Business Update and Analysis of Results by Operating Segment

	YTD Q3 2015		YTD Q3 2014		Change	
	Revenue and other income \$m	EBITDA \$m	Revenue and other income \$m	EBITDA \$m	Revenue and other income %	EBITDA %
Results by segment:						
Cash	2,728	2,315	2,005	1,663	36%	39%
Equity and Financial Derivatives	1,675	1,315	1,221	920	37%	43%
Commodities	1,322	937	962	522	37%	80%
Clearing	3,996	3,480	2,479	2,062	61%	69%
Platform and Infrastructure	373	261	307	189	21%	38%
Corporate Items	506	(169)	118	(440)	329%	(62%)
	<b>10,600</b>	<b>8,139</b>	<b>7,092</b>	<b>4,916</b>	<b>49%</b>	<b>66%</b>

## Cash Segment

### Business Update

Trading activities on the equity market slowed following record-highs in Q2 2015, as market sentiment turned cautious amid increased uncertainties and concerns over the global and Mainland's economic prospects. Nevertheless, average daily turnover value (ADT) of equity products for YTD Q3 2015 was 69 per cent higher than YTD Q3 2014.

Shanghai-Hong Kong Stock Connect continued to operate smoothly despite the A share market's volatility. The total revenue and other income generated by Stock Connect during YTD Q3 2015 was \$165 million.

The opening up of the Mainland capital market continues, notwithstanding the significant downturn in A share market seen in Q3 2015, and HKEx is further developing policy responses and new business opportunities, in response to this. HKEx has also further expanded initiatives to promote both Stock Connect and the Hong Kong initial public offering (IPO) market through multiple events held in the Mainland.

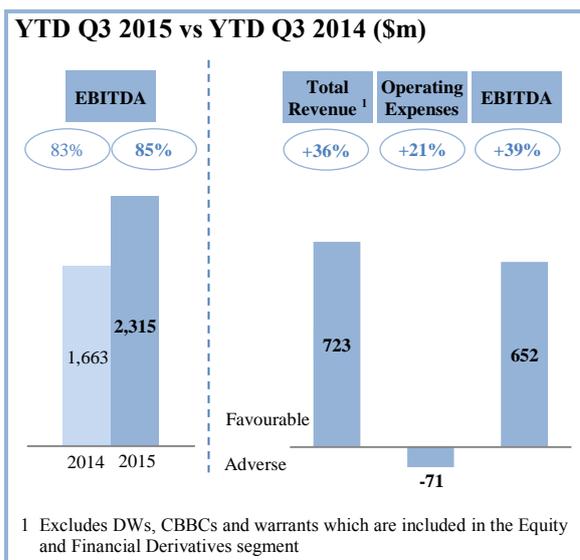
Conclusions from a consultation on the proposed introduction of a Volatility Control Mechanism in the securities and derivatives markets and a Closing Auction Session in the securities market were published during the quarter. Both proposals will be implemented, in phases, starting from the third quarter of 2016.

On 5 October 2015, the Listing Committee of SEHK announced that, after considering the views of the board of the Securities and Futures Commission, it will not proceed, at this time, with its draft proposal on weighted voting rights but will keep the matter under review.

Key Market Indicators	YTD Q3	
	2015	2014
ADT of equity products traded on the Stock Exchange <sup>1,2</sup> (\$bn)	<b>89.8</b>	53.1
ADT of Northbound Trading <sup>2</sup> (RMBbn)	<b>7.1</b>	–
Number of newly listed companies on the Main Board <sup>3</sup>	<b>63</b>	75
Number of newly listed companies on GEM	<b>21</b>	14
Total equity funds raised		
- IPOs (\$bn)	<b>156.4</b>	131.4
- Post-IPOs (\$bn)	<b>695.3</b>	480.0
Number of companies listed on the Main Board at 30 Sept	<b>1,605</b>	1,521
Number of companies listed on GEM at 30 Sept	<b>211</b>	200
<p>1 Excludes derivatives warrants (DWs), callable bull/bear contracts (CBBCs) and warrants which are included in the Equity and Financial Derivatives segment and includes \$3.9 billion of average daily trade value for Southbound Trading</p> <p>2 Includes buy and sell trades under Shanghai-Hong Kong Stock Connect (which was launched in November 2014)</p> <p>3 Includes 12 transfers from The Growth Enterprise Market (GEM) (2014: 6)</p>		

## Analysis of Results

Revenue growth was lower than the overall 69 per cent increase in ADT. The higher trading fees from increased ADT were partly offset by more exempt trades on above average growth in trading of Exchange-Traded Funds. The increase in average transaction size also dampened the rate of growth of trading tariff. While the Hong Kong market has retained its number one position in IPO fund raising, and IPO funds raised rose by 19 per cent over YTD Q3 2014, listing fee income only increased by 5 per cent. This is due to a lower number of IPOs. The reduction in IPO related income was offset by an increase in annual listing fees. Operating expenses increased by 21 per cent mainly due to increased headcount for the Stock Connect and other strategic initiatives, annual payroll adjustments and an increase in variable accruals based on the profitability of the Group.



## Equity and Financial Derivatives Segment

### Business Update

The overall growth of derivatives contracts traded on HKFE continued in Q3 2015. However, trading activities in stock options, DWs and CBBCs dropped compared with Q2 2015. With the announcement of a new USD/CNY exchange rate fixing methodology by the People's Bank of China and the resulting USD/CNH volatility, HKEx's Renminbi (RMB) Currency Futures contract achieved a one-month high of an average daily volume of 2,020 contracts (notional value of USD202 million) in August 2015.

After-Hours Futures Trading (AHFT), excluding London Metal Mini Futures contracts, also reached a record high of 82,527 contracts on 25 August. Other record highs achieved during Q3 2015 are shown below:

	Record High Date	Number of Contracts
Mini H-shares Index Futures	8 Jul	74,511
USD/CNH Futures (day session)	12 Aug	7,220
USD/CNH Futures (after-hours)	24 Aug	1,080
Mini Hang Seng Index Futures	25 Aug	94,001
H-shares Index Futures	26 Aug	467,559
H-shares Index Options	4 Sept	188,957

Key Market Indicators	YTD Q3	
	2015	2014
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	27.4	12.6
Average daily number of derivatives contracts traded on the Futures Exchange <sup>1</sup>	391,893	259,269
Average daily number of stock options contracts traded on the Stock Exchange	419,937	277,324
Number of newly listed DWs	5,174	5,574
Number of newly listed CBBCs	9,152	7,501
Average daily number of contracts traded during AHFT <sup>1,2</sup>	19,904	10,413
	At 30 Sept 2015	At 30 Sept 2014
Open interest of futures and options <sup>1</sup>	9,722,463	7,980,600

<sup>1</sup> Excludes London Metal Mini Futures contracts which are included in the Commodities segment

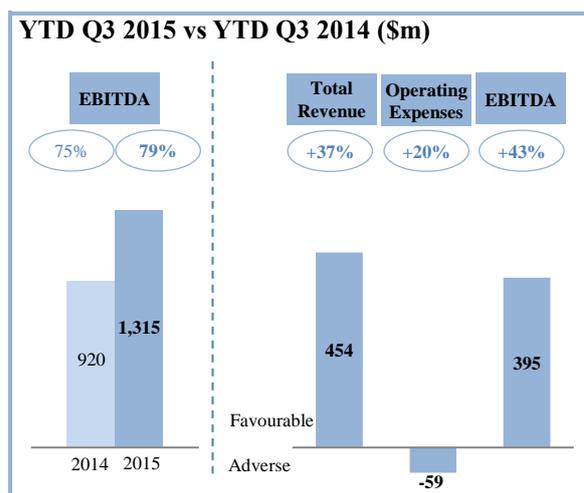
<sup>2</sup> Equivalent to 7 per cent of the total number of the same contracts traded during the day session (2014: 6 per cent)

During Q3 2015, CSOP FTSE China A50 ETF Options were added to the Primary Market Maker programme, making a total of 18 option classes under the programme.

In August 2015, HKEx applied to the US Securities and Exchange Commission for a Class No-Action Relief in order to allow Exchange Participants (EPs) to engage eligible broker-dealers/institutions in the United States (US) in trading Stock Options, H-shares Index Options and Mini Hang Seng Index Options at HKEx.

### Analysis of Results

The increase in revenue over YTD Q3 2014 reflected higher ADT of DWs, CBBCs and warrants, and higher average daily number of derivatives contracts and stock options contracts traded. The revenue growth was partly offset by a higher proportion of derivatives contracts in 2015 being lower fee products. Operating expenses increased by 20 per cent mainly due to increased headcount for strategic initiatives, annual payroll adjustments and an increase in variable accruals based on the profitability of the Group.



## Commodities Segment

### Business Update

Due to an unfavourable global macroeconomic environment and the overall depressed state of commodity prices, the average daily volume of metals contracts traded on the LME decreased by 3 per cent during YTD Q3 2015 against YTD Q3 2014. However, the total futures Market Open Interest (MOI) increased by about 1 per cent compared with 30 September 2014.

During Q3 2015, the LME continued to consult the market on proposed reforms to its physical delivery network in order to address the remaining queues and potential future queues, at LME warehouses.

To encourage more over-the-counter business to be brought on-exchange, the LME has announced measures to grow options trading on the exchange, increase transparency of data reporting and provide greater protection for participants placing large options orders on the exchange. To optimise the price-discovery process on the Ring, the LME has refined and enhanced its procedures for establishing the Closing Prices on the Ring, which allows Category 1 Members to efficiently process their orders by separating carry trading and three month trading.

Key Market Indicators	YTD Q3	
	2015	2014
Average daily volume of metals contracts traded on the LME (lots)		
Aluminium	249,315	274,147
Copper	168,446	160,047
Zinc	119,369	126,883
Nickel	82,071	77,779
Lead	53,088	53,438
Others	9,261	13,084
<b>Total</b>	<b>681,550</b>	<b>705,378</b>
	<b>At</b>	<b>At</b>
	<b>30 Sept</b>	<b>30 Sept</b>
	<b>2015</b>	<b>2014</b>
Total futures MOI (lots)	2,402,865	2,377,497

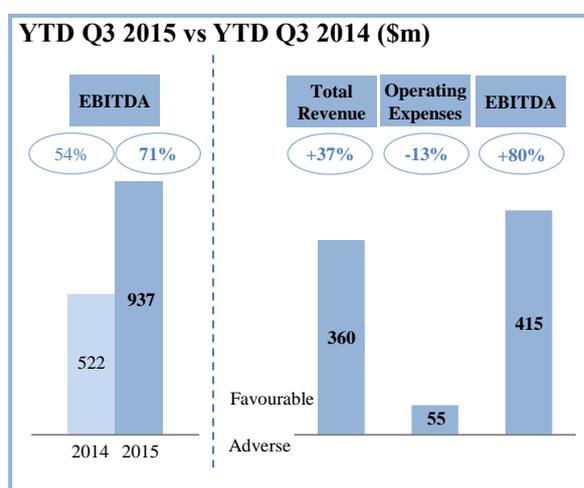
A market making programme was introduced to boost existing third Wednesday contract liquidity on LMEselect in October 2015, and similar programmes will be introduced to support the launch of aluminium premium contracts and steel contracts on the LME in November 2015. A second group of London Metal Mini Futures contracts, subject to regulatory approval, will also be introduced for trading on HKFE.

On 21 October 2015, HKFE, HKCC, the LME and LME Clear signed a memorandum of understanding for the proposed development of a trading link between HKFE and the LME and a clearing link between HKCC and LME Clear, to be named “London-Hong Kong Connect”. This proposal aims to expand the potential investor base of the LME market, give the LME a new presence in Asia, and support the development of Hong Kong as a commodities trading centre. Implementation of the trading and clearing links is subject to regulatory approval in Hong Kong, the United Kingdom and the European Union.

The annual event – LME Week 2015 – was held in October 2015. As part of its market outreach programmes, the LME also hosted a series of seminars and meetings in India and the Mainland in Q3 2015.

## Analysis of Results

Despite a 3 per cent drop in average daily volume of metals contracts traded, total revenue increased by 37 per cent as a result of the commercialisation of trading fees since January 2015. Operating expenses dropped as there were no material legal costs for litigation incurred in 2015 and \$5 million was recovered from the insurers in respect of previous litigation costs (YTD Q3 2014: \$45 million of legal fees were incurred).



## Clearing Segment

### Business Update

In September 2015, HKSCC received \$38 million of post-liquidation interest on its \$160 million claim previously recovered from the liquidators of LBSA.

In July 2015, LME Clear launched its RMB cash collateral service, enabling its Members to use RMB as margin against their risk positions.

LME Clear will also launch a trade-compression service to optimise the Member capital requirements and accept LME warrants as collateral against Member risk positions before the end of 2015.

Since 1 August 2015, the Shanghai Stock Exchange and the China Securities Depository and Clearing Corporation Limited have revised handling and transfer fees for trading and clearing of A shares. HKSCC has therefore adjusted its fees for Northbound trading under Shanghai-Hong Kong Stock Connect accordingly.

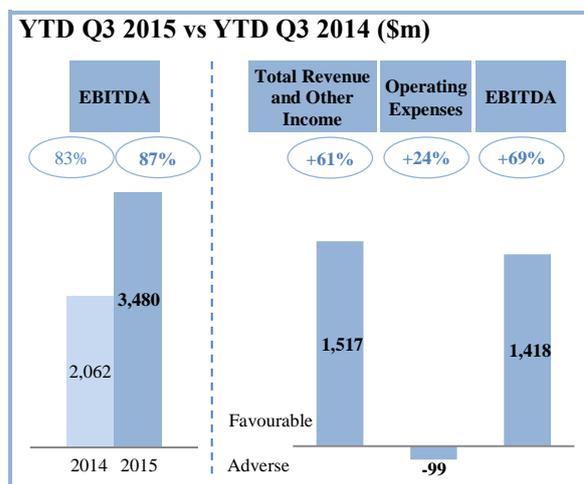
Key Market Indicators	YTD Q3	
	2015	2014
	\$bn	\$bn
ADT traded on the Stock Exchange	117.2	65.7
Average daily value of Settlement Instructions	276.5	200.3

On 25 August 2015, OTC Clear issued 420 non-voting ordinary shares to its holders of non-voting ordinary shares for a consideration of \$88 million to support its product expansion plans.

On 1 September 2015, HKCC and SEOCH implemented revised concentration risk policies to require higher margin collateral from Clearing Participants with concentrated risk exposures.

**Analysis of Results**

The growth in revenue and other income reflects the increase in clearing fees from higher ADT and higher volume of settlement instructions in Hong Kong and the launch of LME Clear in September 2014. Further increases arose from an increase in scrip fees and a one-off post-liquidation interest payment of \$38 million from LBSA’s liquidators. LME Clear generated total income of \$592 million in YTD Q3 2015 (YTD Q3 2014: \$21 million). The higher clearing fees in Hong Kong were partly offset by the effect of an increase in average transaction size that led to a lower proportion of transactions being subject to the minimum fee.



Operating expenses increased following the launch of LME Clear in September 2014 and staff costs rose due to increased headcount, annual payroll adjustments and an increase in variable accruals based on the profitability of the Group. The overall increase was partly offset by \$23 million of higher recovery from the liquidators of LBSA.

**Platform and Infrastructure Segment**

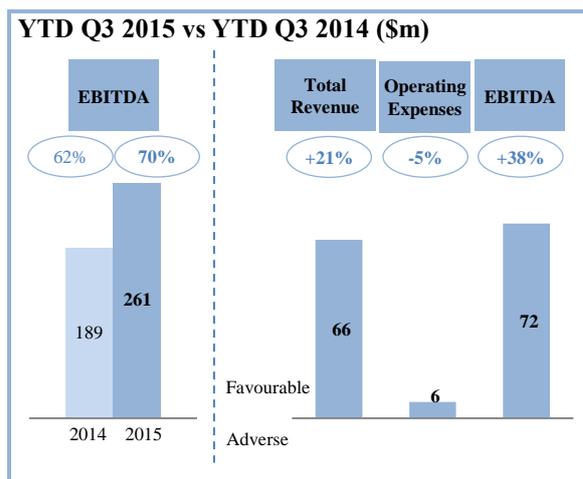
**Business Update**

At the end of September 2015, the 110 EPs using HKEx’s Hosting Services accounted for approximately 44 per cent of HKEx’s securities market turnover and about 50 per cent of the trading volume of its derivatives market.

The replacement of First and Second Trading Terminals of the current Automatic Order Matching and Execution System, or AMS, by the New Securities Trading Devices was completed in Q3 2015.

## Analysis of Results

Revenue and other income rose as a result of increased sales of throttles, network usage fees relating to Stock Connect and Cash Market trading system line rental income following the launch of the Orion Central Gateway in June 2014. Operating expenses dropped due to reduced information technology costs directly consumed by Participants.



## Corporate Items

“Corporate Items” is not a business segment but comprises central income (including net investment income of Corporate Funds), costs of central support functions that provide services to all operating segments and other costs not directly related to any operating segments.

Total income rose due to a one-off gain of \$445 million on the disposal of a leasehold property, but was partly offset by lower investment income. The drop in investment income was attributable to lower fair value gains of investments but was partly offset by a \$31 million gain on sale of LME’s remaining investment in shares of LCH.Clearnet Group Limited in 2015.

Revenue and Other Income	YTD Q3	
	2015 \$m	2014 \$m
Net investment income	57	115
Gain on disposal of a leasehold property	445	–
Others	4	3
<b>Total</b>	<b>506</b>	<b>118</b>

## FINANCIAL REVIEW

### Financial Assets and Financial Liabilities of Margin Funds and Clearing House Funds

Margin Fund deposits of \$151.8 billion at 30 September 2015 were \$22.3 billion higher than at 31 December 2014. This arose from an increase in open interest in futures and options contracts on HKCC and higher margin requirement per contract at 30 September 2015. However, Clearing House Fund contributions dropped from \$9.4 billion at 31 December 2014 to \$7.7 billion at 30 September 2015 due to lower contributions required from Participants in response to changes in market volatility and risk exposures. Funds received were invested in cash and cash equivalents, financial assets measured at amortised cost and financial assets measured at fair value through profit or loss.

### Borrowings

During YTD Q3 2015, all US\$500 million of Convertible Bonds due 2017 (Bonds) were converted into 24,594,225 HKEx shares at a conversion price of HK\$157.62 per share.

In August 2015, OTC Clear issued an additional 420 non-voting ordinary shares to holders of non-voting ordinary shares (non-controlling interests) at a consideration of \$88 million. As part of the arrangement, put options were written by HKEx to the non-controlling interests to sell part or all of their non-voting ordinary shares in OTC Clear to HKEx at the initial

subscription price of \$210,000 per share less accumulated dividends received by the non-controlling interests. The put options are exercisable five years after the shares were issued. The potential cash payments related to the put options were initially recognised at fair value of \$76 million within borrowings.

### **Capital Expenditure and Commitments**

During YTD Q3 2015, the Group incurred capital expenditure of \$458 million (YTD Q3 2014: \$349 million) on the development and upgrade of various trading and clearing systems including the commodities trading and clearing systems, a cash clearing system, trading and clearing systems to facilitate mutual stock market access between the mainland of China and Hong Kong, and a corporate Enterprise Resource Planning system. The Group's capital expenditure commitments at 30 September 2015, including those authorised by the Board but not yet contracted for, amounted to \$630 million (31 December 2014: \$574 million).

### **Contingent Liabilities**

At 30 September 2015, there were no significant changes in the Group's contingent liabilities compared to 31 December 2014, except as described below.

In 2013, the LME, LMEH and HKEx were named as defendants in aluminium warehousing litigation alleging anti-competitive behaviour in the US. Following vigorous defence by the Group, the US District Court for the Southern District of New York (District Court) dismissed all the claims in a series of orders. In 2014, plaintiffs classified as "consumer end users" and "commercial end users" filed appeals against the District Court's decisions but the appeals were all dismissed by the US Court of Appeals in July 2015 with the agreement of the plaintiffs. While the direct action plaintiffs and plaintiffs classified as "first level" purchasers do not currently have a right to appeal against the District Court's decisions, they may do so after their claims against the other non-HKEx group defendants have concluded or if the court grants them permission to appeal in the meantime. It is not clear when the litigation against the non-HKEx group defendants will conclude but to date, no application to appeal has been filed by any of the direct action plaintiffs or the "first level" purchasers against the District Court's decisions.

### **Charges on Assets**

Debt securities held by one of the Group's subsidiaries, LME Clear, as non-cash collateral for margins posted by its Clearing Participants totalling \$83,918 million at 30 September 2015 (31 December 2014: \$79,495 million), and certain financial assets amounting to \$6,510 million at 30 September 2015 (31 December 2014: \$4,575 million), have been repledged to LME Clear's investment agent and custodian banks under first floating charge and security arrangements for the settlement and depository services they provide in respect of the collateral and investments held. The floating charge could convert to a fixed charge in the event of contract termination, or default or insolvency of LME Clear.

### **Changes since 31 December 2014**

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 2014.

It is the Group's practice to declare a dividend only at the half-year and year-end and no dividend will be proposed for Q3 2015 (Q3 2014: \$Nil).

### **Review of Financial Statements**

The Audit Committee has reviewed the Group's Unaudited Condensed Consolidated Financial Statements for YTD Q3 2015.

**CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)**

	Nine months ended 30 Sept 2015 \$m	Nine months ended 30 Sept 2014 \$m	Three months ended 30 Sept 2015 \$m	Three months ended 30 Sept 2014 \$m
Trading fees and trading tariff	4,321	2,721	1,380	956
Stock Exchange listing fees	845	820	281	279
Clearing and settlement fees	2,478	1,319	802	476
Depository, custody and nominee services fees	728	597	245	218
Market data fees	596	576	210	194
Other revenue	650	525	243	172
<b>REVENUE</b>	<b>9,618</b>	<b>6,558</b>	<b>3,161</b>	<b>2,295</b>
Investment income and other income	537	534	141	176
Gain on disposal of a leasehold property	445	–	445	–
<b>REVENUE AND OTHER INCOME</b>	<b>10,600</b>	<b>7,092</b>	<b>3,747</b>	<b>2,471</b>
<b>OPERATING EXPENSES</b>				
Staff costs and related expenses	(1,562)	(1,266)	(528)	(444)
Information technology and computer maintenance expenses	(385)	(375)	(134)	(114)
Premises expenses	(214)	(220)	(75)	(75)
Product marketing and promotion expenses	(32)	(23)	(11)	(5)
Legal and professional fees	(62)	(146)	(33)	(43)
Other operating expenses:				
Reversal of provision for impairment losses arising from Participants' default on market contracts	77	54	–	–
Others	(283)	(200)	(100)	(72)
	<b>(2,461)</b>	<b>(2,176)</b>	<b>(881)</b>	<b>(753)</b>
<b>EBITDA</b>	<b>8,139</b>	<b>4,916</b>	<b>2,866</b>	<b>1,718</b>
Depreciation and amortisation	(500)	(481)	(175)	(157)
<b>OPERATING PROFIT</b>	<b>7,639</b>	<b>4,435</b>	<b>2,691</b>	<b>1,561</b>
Finance costs	(95)	(153)	(18)	(55)
Share of loss of a joint venture	(7)	(7)	(2)	(2)
<b>PROFIT BEFORE TAXATION</b>	<b>7,537</b>	<b>4,275</b>	<b>2,671</b>	<b>1,504</b>
<b>TAXATION</b>	<b>(1,130)</b>	<b>(640)</b>	<b>(347)</b>	<b>(223)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>6,407</b>	<b>3,635</b>	<b>2,324</b>	<b>1,281</b>
<b>PROFIT/(LOSS) ATTRIBUTABLE TO:</b>				
- Shareholders of HKEx	6,425	3,654	2,330	1,287
- Non-controlling interests	(18)	(19)	(6)	(6)
<b>PROFIT FOR THE PERIOD</b>	<b>6,407</b>	<b>3,635</b>	<b>2,324</b>	<b>1,281</b>
<b>Basic earnings per share</b>	<b>\$5.44</b>	<b>\$3.14</b>	<b>\$1.95</b>	<b>\$1.10</b>
<b>Diluted earnings per share</b>	<b>\$5.41</b>	<b>\$3.14</b>	<b>\$1.94</b>	<b>\$1.10</b>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(UNAUDITED)**

	Nine months ended 30 Sept 2015 \$m	Nine months ended 30 Sept 2014 \$m	Three months ended 30 Sept 2015 \$m	Three months ended 30 Sept 2014 \$m
<b>PROFIT FOR THE PERIOD</b>	<b>6,407</b>	3,635	<b>2,324</b>	1,281
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Currency translation differences of foreign subsidiaries recorded in exchange reserve	(7)	(295)	(4)	(899)
<b>OTHER COMPREHENSIVE INCOME</b>	<b>(7)</b>	(295)	<b>(4)</b>	(899)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>6,400</b>	3,340	<b>2,320</b>	382
<b>TOTAL COMPREHENSIVE INCOME</b>				
<b>ATTRIBUTABLE TO:</b>				
- Shareholders of HKEx	6,418	3,359	2,326	388
- Non-controlling interests	(18)	(19)	(6)	(6)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>6,400</b>	3,340	<b>2,320</b>	382

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

	At 30 Sept 2015			At 31 Dec 2014		
	Current \$m	Non-current \$m	Total \$m	Current \$m	Non-current \$m	Total \$m
<b>ASSETS</b>						
Cash and cash equivalents	134,125	–	134,125	136,778	–	136,778
Financial assets measured at fair value through profit or loss	85,829	–	85,829	62,686	–	62,686
Financial assets measured at amortised cost	32,733	57	32,790	10,199	57	10,256
Accounts receivable, prepayments and deposits	21,128	22	21,150	22,517	6	22,523
Taxation recoverable	1	–	1	8	–	8
Interest in a joint venture	–	70	70	–	77	77
Goodwill and other intangible assets	–	17,866	17,866	–	17,901	17,901
Fixed assets	–	1,528	1,528	–	1,603	1,603
Lease premium for land	–	22	22	–	23	23
Deferred tax assets	–	30	30	–	5	5
<b>Total assets</b>	<b>273,816</b>	<b>19,595</b>	<b>293,411</b>	<b>232,188</b>	<b>19,672</b>	<b>251,860</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	78,491	–	78,491	59,680	–	59,680
Margin deposits, Mainland security and settlement deposits, and cash collateral from Clearing Participants	151,818	–	151,818	129,484	–	129,484
Accounts payable, accruals and other liabilities	20,764	–	20,764	22,835	14	22,849
Deferred revenue	340	–	340	646	–	646
Taxation payable	1,256	–	1,256	348	–	348
Other financial liabilities	37	–	37	84	–	84
Participants' contributions to Clearing House Funds	7,728	–	7,728	9,426	–	9,426
Borrowings	–	3,406	3,406	–	7,026	7,026
Provisions	73	70	143	61	58	119
Deferred tax liabilities	–	824	824	–	839	839
<b>Total liabilities</b>	<b>260,507</b>	<b>4,300</b>	<b>264,807</b>	<b>222,564</b>	<b>7,937</b>	<b>230,501</b>
<b>Equity</b>						
Share capital			19,285			12,225
Shares held for Share Award Scheme			(483)			(482)
Employee share-based compensation reserve			252			142
Exchange reserve			(254)			(247)
Convertible bond reserve			–			409
Designated reserves			742			643
Reserve relating to written put options to non-controlling interests			(293)			(217)
Retained earnings						
- Proposed dividend			–			2,505
- Others			9,202			6,295
<b>Equity attributable to shareholders of HKE<sub>x</sub></b>			<b>28,451</b>			<b>21,273</b>
Non-controlling interests			153			86
<b>Total equity</b>			<b>28,604</b>			<b>21,359</b>
<b>Total liabilities and equity</b>			<b>293,411</b>			<b>251,860</b>
<b>Net current assets</b>			<b>13,309</b>			<b>9,624</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)****1. Basis of Preparation and Accounting Policies**

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2014.

The financial information relating to the year ended 31 December 2014 that is included in this Quarterly Results Announcement 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 2014 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).

By Order of the Board  
**Hong Kong Exchanges and Clearing Limited**  
**Joseph MAU**  
Company Secretary

Hong Kong, 11 November 2015

At the date of this announcement, the Board comprises 12 Independent Non-executive Directors, namely Mr CHOW Chung Kong (Chairman), Mr CHAN Tze Ching, Ignatius, Mr Timothy George FRESHWATER, Ms FUNG Yuen Mei, Anita, Mr Rafael GIL-TIENDA, Mr John Barrie HARRISON, Dr HU Zulu, Fred, Dr KWOK Chi Piu, Bill, Mr LEE Kwan Ho, Vincent Marshall, Mrs LEUNG KO May Yee, Margaret, Mr John Mackay McCulloch WILLIAMSON and Mr WONG Sai Hung, Oscar, and one Executive Director, Mr LI Xiaojia, Charles, who is also HKEx's Chief Executive.