

Financial Statistics since the Year of Merger

	2005	As restated ^Ω 2004	2003	2002	2001	2000
KEY MARKET STATISTICS						
Average daily turnover value on the Stock Exchange <i>in \$ billion</i>	18.3	16.0	10.4	6.7	8.2	12.7
Average daily number of derivatives contracts traded on the Futures Exchange	68,157	56,752	41,889	30,038	27,192	22,118
Average daily number of stock options contracts traded on the Stock Exchange	35,385	22,720	17,122	15,203	16,567	16,958
PROFIT AND LOSS ACCOUNT <i>in \$ million</i>						
Income	2,694	2,394	2,020	1,808	1,998	2,312
Operating expenses	1,145	1,156	1,224	1,165	1,179	1,331
Operating profit	1,549	1,238	796	643	819	981
Share of profits less losses of associates	18	13	9	5	–	–
Profit before taxation	1,567	1,251	805	648	819	981
Taxation	(227)	(194)	(112)	(59)	(85)	(98)
Profit attributable to shareholders	1,340	1,057	693	589	734	883
Dividend per share <i>in \$</i>						
– Interim and final dividends	1.13	0.90	0.60	0.51	0.33	0.33
– Special dividend	–	–	1.68	–	–	–
	1.13	0.90	2.28	0.51	0.33	0.33
Earnings per share <i>in \$</i>	1.26	1.00	0.66	0.56	0.71	0.85
BALANCE SHEET <i>in \$ million</i>						
Non-current assets	1,905	2,423	2,690	1,886	1,803	2,199
Current assets	21,055	19,020	17,118	12,147	11,927	11,948
Current liabilities	(17,698)	(15,955)	(13,048)	(7,939)	(7,888)	(8,672)
Net current assets	3,357	3,065	4,070	4,208	4,039	3,276
Total assets less current liabilities	5,262	5,488	6,760	6,094	5,842	5,475
Non-current liabilities	(895)	(1,456)	(1,146)	(600)	(620)	(620)
Shareholders' funds	4,367	4,032	5,614	5,494	5,222	4,855
Net assets per share <i>in \$</i> [^]	4.11	3.82	5.35	5.26	5.02	4.67
FINANCIAL RATIOS						
Dividend payout ratio [@]	90%	90%	91%	91%	46%	39%
Cost to income ratio [*]	42%	48%	60%	64%	59%	58%
Return on equity [#]	31%	26%	12%	11%	14%	18%
Current ratio	1.2	1.2	1.3	1.5	1.5	1.4

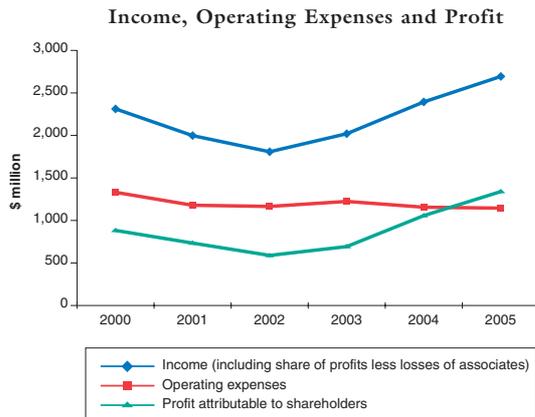
^Ω Following the adoption of HKAS 39 and HKFRS 4 (Amendment), certain 2004 figures previously reported have been restated.

[^] Based on number of shares issued and fully paid as at 31 December

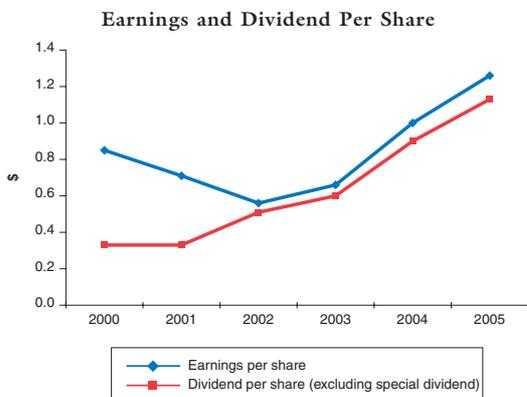
[@] The calculation of dividend payout ratio does not take into account of special dividend.

^{*} For the purpose of computation of cost to income ratio, income includes share of profits less losses of associates.

[#] Based on shareholders' funds as at 31 December

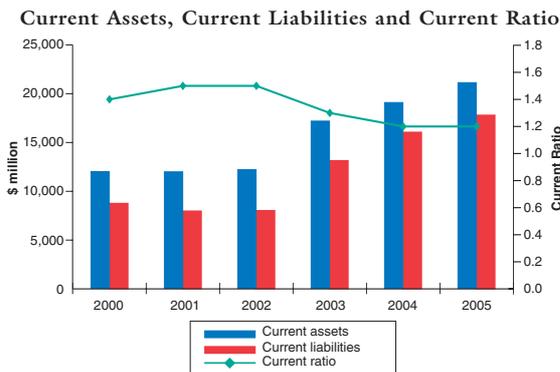


Profit attributable to shareholders declined during 2000 to 2002 as the market sentiment was adversely affected by the weak global economic environment, risk of war against Iraq and accounting scandals in the US. It started to pick up in 2003 following the end of the Severe Acute Respiratory Syndrome threat as there were increasing hopes of a revival in the Hong Kong economy. Thereafter, activity on the Cash and Derivatives Markets continued to gather increasing momentum, culminating in record high income of the Group in 2005. Due to stringent cost controls, operating expenses were kept relatively stable and the lowest operating expenses were achieved in 2005. As a result, profit attributable to shareholders was at record high in 2005.

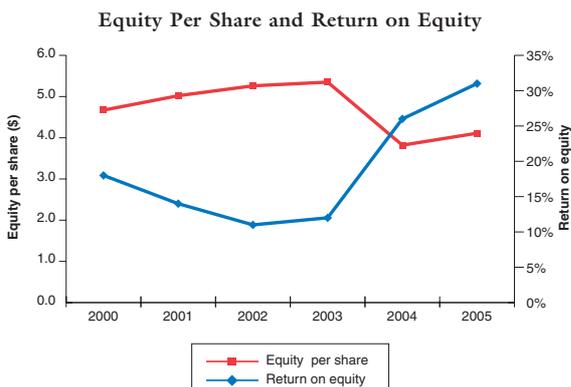


As there were no significant changes in the issued share capital, earnings per share followed the same trend as profit attributable to shareholders and reached a new high in 2005.

Since 2002, the Board has adopted a dividend policy of providing shareholders with regular dividends with a target payout ratio of 90%. Thereafter, dividend per share moved in line with earnings per share.



Current assets and current liabilities of the Group are directly affected by the amount of CNS money obligations receivable and payable under the T+2 settlement cycle and the size of the Margin Funds. Current assets and current liabilities as at 31 December 2005 were the highest compared to previous year ends as the size of the Margin Funds rose as a result of increased open interest in derivative contracts.



Equity per share has been increasing steadily due to profits retained until 2004 when a special dividend of \$1.68 per share was paid in May 2004.

Return on equity moved in line with profit attributable to shareholders. The sharp increase in return on equity in 2004 was also due to the special dividend paid in May 2004.