



2015 was the 15th anniversary of the Company's listing. Whilst celebrating the anniversary, we reflected on our past and are glad that HKEX has evolved from a local exchange into a global multiple asset-class exchange group through the accomplishment of a number of significant initiatives which have paved the way for the Group's long-term success.

Performance and Dividend

Following a notable uplift in trading volume in the second quarter of 2015, the Hong Kong stock market trended downward throughout the third and fourth quarters in light of the increased uncertainties and concerns over the global and China's economic prospects. Despite the volatility experienced during the year, our markets demonstrated their strengths as mature, orderly and fair. Our risk management measures have remained effective, and our trading and clearing systems continue to perform up to our high standards.

In 2015, there were a number of highs in our markets: our securities market was ranked first globally for IPO fundraising; our securities market and derivatives market had a number of record highs in their trading activity; and the turnover of our securitised derivatives² remained the world's largest for the ninth consecutive year¹.

Following robust performances across all segments, including solid contributions from the LME and LME Clear, we are pleased to announce a strong set of financial results for 2015. For the year ended 31 December 2015, the Group's total revenue and other income reached \$13.4 billion, up 36 per cent from 2014, resulting in a record high profit attributable to shareholders of \$7,956 million, up 54 per cent. The Board recommends a final dividend of \$2.87 per share, resulting in the full-year dividend of \$5.95 per share, an increase of 49 per cent as compared with that for 2014.

Strategic Accomplishments and Plans

2015 was the final year of our previous strategic plan. We are pleased that milestones have been laid in line with the plan, which paved the way for us to take advantage of the opportunities available. Details of the Group's performance in 2015 and new initiatives are set out in the Chief Executive's Review and Business Review sections of this Annual Report.

Key Highs in 2015

Record highs for HKEX

IPO and post-IPO fundraising	\$1.1 trillion
Total securities market turnover	\$26.1 trillion
ETF turnover	\$2.2 trillion
Total turnover of futures and options	189,824,363 contracts
Open interest of futures and options	13,968,838 contracts on 25 Sep 2015

World's highest for the year¹

IPO fundraising	\$263.1 billion
Total turnover of securitised derivatives ²	\$6.3 trillion

¹ Source: World Federation of Exchanges

² DWs and CBBCs

With the International Monetary Fund's decision to include RMB in its Special Drawing Rights basket, the upcoming QDII2 scheme and the "Belt and Road" initiative, two way capital flows as well as RMB internationalisation are expected to accelerate. As noted in our new strategic plan announced on 21 January 2016, we aim to extend and deepen HKEX's value proposition as China and the world markets accelerate their mutual integration. Building on the breakthrough of Stock Connect, we will seek to continue strengthening our role in providing the most competitive and convenient cross-border platform for the Mainland and international investors, and expanding our mutual market access strategy to a wider range of asset classes including commodities, fixed income and currencies. We will use the LME's global strength in physical commodities to expand its global benchmarks' reach in Asia, in particular on the Mainland, and to help develop physical commodity benchmarks on the Mainland.

Our new strategic plan is outlined in the HKEX Strategic Plan 2016-2018 section of this Annual Report, and is available on the HKEX website.

Quality Market

We never lose sight of our roles in maintaining the quality and integrity of our markets. In Hong Kong, we announced in 2015 our plan to implement a Volatility Control Mechanism and a Closing Auction Session to put us on par with the operations of other exchanges. We also made changes to the Corporate Governance Code and Corporate Governance Report and the Environmental, Social and Governance Reporting Guide to strengthen the oversight of issuers' internal control and risk management and ESG disclosures. In the UK, the LME completed the final stages of its 12-step warehouse reform programme in 2015 to address the warehouse queue problem with the implementation of load-out rate increase and queue-based rent capping. The Group will continue to work closely with its regulators and other stakeholders to ensure maintaining robust market regulation in the evolving market environment.

Environmental, Social and Governance Performance

We are committed to good ESG practices, as they help us fulfil our obligations to our stakeholders. Sound and effective risk management measures are implemented to ensure our business is conducted responsibly and remains sustainable. Following the establishment of the Risk Committee in March 2015 to oversee the Group's overall risk management, we include a Risk Committee Report in this Annual Report to outline our risk management framework, key risk exposures and mitigation measures, and to summarise the work performed by the committee during the year. In 2015, the Board approved the implementation of Group-wide anti-bribery, anti-corruption and whistleblowing policies to reinforce a strong culture of ethics and compliance across the organisation.

As a responsible corporate citizen, we continue our wide range of CSR-related initiatives to support the communities where the Group operates. Our commitments and efforts are summarised in our 2015 CSR Report which will be published on the HKEX website together with this Annual Report.

Looking Ahead

The political instability spreading from the Middle-East to Europe, the pace of the US interest rate-hike cycle, the fall in global commodities prices, and the slowdown in the Mainland's economy have all cast a shadow over the global financial markets. In Hong Kong, in anticipation of possible increases in Hong Kong interest rates, there have been corrections in asset values since mid-2015. At HKEX, we will continue our efforts to sharpen our competitiveness to meet the challenges ahead. We will use our best efforts to pursue our strategic goals and to take advantage of our opportunities as the Mainland continues to develop its capital markets to make them more open.

I am grateful for the good guidance and wise counsel from my fellow Board members. In particular, I would like to express my gratitude to Mr Oscar Wong for his advice and contributions throughout his 13 years of service on the Board. We appreciate the ongoing support of our Shareholders and other stakeholders, as well as our employees' unwavering dedication to working collaboratively to achieve our strategic goals.

CHOW Chung Kong
Chairman

Hong Kong, 2 March 2016