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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 THREE MONTHS ENDED 31 MARCH 2015**

The board of directors (Board) of Hong Kong Exchanges and Clearing Limited (HKEx or the Company) is pleased to submit the unaudited consolidated results of the Company and its subsidiaries¹ (collectively, the Group) for the three months ended 31 March 2015.

FINANCIAL HIGHLIGHTS

Financial figures are expressed in \$million (\$m) unless otherwise stated	Three months ended 31 Mar 2015 \$m	Three months ended 31 Mar 2014 \$m	Change
Revenue and other income	2,796	2,335	20%
Operating expenses	718	734	(2%)
EBITDA ²	2,078	1,601	30%
Profit attributable to shareholders	1,575	1,178	34%
Basic earnings per share	\$1.35	\$1.02	32%

- Revenue and other income for the three months ended 31 March 2015 (Q1 2015) reached \$2.8 billion, an increase of 20 per cent (\$461 million) compared with the same period in 2014 (Q1 2014).
- The strong growth in revenue and other income reflects higher trading and clearing fees from increased trading on the Stock Exchange, the commercialisation of LME trading fees from January 2015 and the launch of LME Clear in September 2014.
- Operating expenses decreased by 2 per cent against Q1 2014 due to a \$77 million recovery from the liquidators of Lehman Brothers Securities Asia Limited in March 2015. Excluding this recovery, operating expenses increased by 8 per cent, primarily as a result of increased headcount and annual payroll adjustments, which were partly offset by a reduction in legal costs for defending litigation.
- EBITDA increased by 30 per cent to \$2,078 million compared to Q1 2014 reflecting an overall EBITDA margin of 74 per cent – 5 per cent higher than Q1 2014 and 4 per cent higher than the 70 per cent achieved for the year ended 31 December 2014.
- Profit attributable to shareholders increased by 34 per cent to \$1,575 million against Q1 2014. Higher EBITDA was partly offset by the increase in taxation attributable to a higher proportion of profits generated by LME entities, which bear higher tax rates.
- Profit attributable to shareholders for Q1 2015 was 4 per cent higher than the previous quarter (Q4 2014) due principally to the effect of the commercialisation of LME trading fees in January 2015.

¹ 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 (SEOCH), OTC Clearing Hong Kong Limited (OTC Clear), LME Holdings Limited (LMEH), The London Metal Exchange (LME), LME Clear Limited (LME Clear) and other subsidiaries.

² 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

	Three months ended 31 Mar 2015		Three months ended 31 Mar 2014		Change	
	Revenue and other income	EBITDA	Revenue and other income	EBITDA	Revenue and other income	EBITDA
	\$m	\$m	\$m	\$m	%	%
Results by segment:						
Cash	725	596	719	608	1%	(2%)
Equity and Financial Derivatives	464	357	444	334	5%	7%
Commodities	447	322	315	161	42%	100%
Clearing	1,001	892	725	574	38%	55%
Platform and Infrastructure	111	76	97	61	14%	25%
Corporate Items	48	(165)	35	(137)	37%	20%
	2,796	2,078	2,335	1,601	20%	30%

Cash Segment

Key Market Indicators

	Three months ended 31 Mar 2015	Three months ended 31 Mar 2014	Change
ADT of equity products traded on the Stock Exchange (\$billion or \$bn)	65.5	56.1	17%
Number of newly listed companies on the Main Board [^]	19	20	(5%)
Number of newly listed companies on the GEM	9	5	80%
Number of companies listed on the Main Board at 31 Mar	1,565	1,471	6%
Number of companies listed on the GEM at 31 Mar	210	195	8%
Total	1,775	1,666	7%

[^] Including 3 transfers from the GEM (2014: 2)

Business Update

In March 2015, SEHK published its “Review of Disclosure in Issuers’ Annual Reports to Monitor Rule Compliance – Report 2014” on the findings and recommendations from a review of issuers’ annual reports for the financial years ended between December 2013 and November 2014. SEHK has reviewed the responses it received to its concept paper on weighted voting rights and plans to publish its conclusions in the first half of 2015, subject to discussion with the Listing Committee.

HKEx published a consultation paper on 16 January 2015 on the proposed introduction of a Volatility Control Mechanism for the purpose of preserving market integrity in its securities and derivatives markets and a Closing Auction Session to facilitate trade execution at securities’ closing prices. The consultation ended on 10 April 2015. HKEx is reviewing the feedback received and will publish the consultation conclusions in due course.

To increase the accessibility of real-time Hong Kong market data in the Mainland, HKEx launched new market data programmes with a more flexible subscription fee structure in March 2015 for information vendors and Mainland brokers.

HKEx has also continued its programme of market promotion activities for the Shanghai-Hong Kong Stock Connect (Stock Connect). These included a training seminar on corporate actions in Shanghai with the Shanghai Stock Exchange (SSE) and the China Securities Depository and Clearing Corporation Limited (ChinaClear) and a seminar on listing with the Finance Office of Shandong Province and InvestHK in Shandong.

Stock Connect has been operating smoothly since its launch in November 2014. During Q1 2015, the average daily trading turnover (buy and sell trades) of Northbound Trading and Southbound Trading was Renminbi (RMB) 5,349 million and HK\$1,392 million respectively. Since 2 March 2015, short selling of eligible SSE Securities (shares eligible for trading under Northbound Trading) has been allowed. On 30 March 2015, an enhancement was introduced to enable investors to sell their SSE Securities held with custodians without having to deliver the securities from their custodians to brokers before commencement of trading on a trading day.

Analysis of Results

	Three months ended 31 Mar 2015 \$m	Three months ended 31 Mar 2014 \$m	Change
Trading fees and trading tariff [#]	454	402	13%
Stock Exchange listing fees [#]	164	158	4%
Market data fees [#]	99	116	(15%)
Other revenue	8	43	(81%)
Total revenue	725	719	1%
Operating expenses	(129)	(111)	16%
EBITDA	596	608	(2%)
EBITDA margin	82%	85%	(3%)

[#] Excludes derivative warrants (DWs), callable bull/bear contracts (CBBCs) and warrants, which are included in the Equity and Financial Derivatives segment

Increased revenue arose from higher trading fees and trading tariff attributable to the 17 per cent growth in average daily turnover value (ADT) of equity products, but was partly offset by more exempt trades on Exchange-Traded Funds from market makers, lower fees from new equity funds raised, lower brokerage fees on direct initial public offering allotments and a drop in market data fees. Operating expenses increased by 16 per cent mainly due to higher staff costs attributable to increased headcount for the Stock Connect and other initiatives. As a result, the EBITDA margin dropped from 85 per cent in Q1 2014 to 82 per cent.

Equity and Financial Derivatives Segment
Key Market Indicators

	Three months ended 31 Mar 2015	Three months ended 31 Mar 2014	Change
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	20.9	12.2	71%
Average daily number of derivatives contracts traded on the Futures Exchange [^]	309,356	279,943	11%
Average daily number of stock options contracts traded on the Stock Exchange	363,322	274,757	32%
Number of newly listed DWs	1,498	2,188	(32%)
Number of newly listed CBBCs	2,287	3,115	(27%)

[^] Excludes Asia Commodities contracts traded on the Futures Exchange, which are included in the Commodities segment

Business Update

The turnover of Mini H-shares Index Futures reached a record high of 53,091 contracts on 19 January 2015 and the open interest of H-shares Index Futures reached a record high of 348,322 contracts on 26 March 2015. In Q1 2015, the 981,015 contracts that were traded during the after-hours futures trading session (AHFT) were equivalent to 7 per cent of the total volume of the day session. The turnover of H-shares Index Futures during the AHFT reached a record high of 20,515 contracts on 27 March 2015.

To promote the exchange-traded stock options market, enhancements to HKEx's Stock Options Mobile App were made available on both iOS and Android platforms in January 2015. Advanced options education courses for the public were organised in April and further courses will be organised in May 2015. In February 2015, HKEx introduced its "Inside Fixed Income and Currency (FIC) Monthly Newsletter" on the HKEx website to provide updates on recent developments in the FIC market.

Analysis of Results

	Three months ended 31 Mar 2015 \$m	Three months ended 31 Mar 2014 \$m	Change
Trading fees and trading tariff	316	261	21%
Stock Exchange listing fees	99	141	(30%)
Market data fees	47	40	18%
Other revenue	2	2	0%
Total revenue	464	444	5%
Operating expenses	(107)	(110)	(3%)
EBITDA	357	334	7%
EBITDA margin	77%	75%	2%

The increase in trading fees over Q1 2014 reflects higher ADT of DWs, CBBCs and warrants, and higher average daily number of derivatives contracts and stock options contracts traded. The decrease in Stock Exchange listing fees was due to a drop in initial listing fees from a lower number of newly listed DWs and CBBCs. Operating expenses dropped by 3 per cent mainly due to lower premises costs and product marketing and promotion expenses. As a result, compared with Q1 2014, the EBITDA margin increased by 2 per cent to 77 per cent.

Commodities Segment

Key Market Indicators

	Three months ended 31 Mar 2015	Three months ended 31 Mar 2014	Change
Average daily volume of metals contracts traded on the LME (lots)	695,771	703,779	(1%)

Business Update

Despite a record high volume of 1.27 million lots being recorded on 14 January 2015, declines in turnover were experienced by the majority of products as compared with Q1 2014, including Aluminium, Aluminium Alloy, Cobalt, Lead, Molybdenum, Tin and Zinc. Nevertheless, the total futures market open interest (MOI) at the end of the quarter was 2,410,181 lots, a 6 per cent increase from the MOI reported at the end of 2014. An average of 136,878 lots per day traded (ticker value) across the LMEselect, the electronic platform for the trading of all LME contracts, in Q1 2015, was also up about 4 per cent compared to the preceding quarter.

A number of steps have been taken as part of an ongoing programme designed to increase liquidity on the LME, the “Liquidity Roadmap”. These have included aligning the LMEselect tick sizes in January 2015 with those on the Ring, thus promoting tighter spreads and deeper liquidity, and lifting the order to trade ratio on outright third Wednesdays for Aluminium, Copper and Zinc promoting liquidity for these dates. In April, the latest version of the LMEselect was released which included pre-trade risk management that allows LME Members to on board their customers in a more efficient manner. In the second quarter of 2015, subject to regulatory approval, liquidity provider programmes will be launched for the LME’s new and existing customers to promote liquidity on the outright three month and third Wednesday contracts. More information on the Liquidity Roadmap is set out on the LME website.

On 18 March 2015, the LME announced that it had disposed of its remaining shareholding in LCH.Clearnet Group Limited (LCH) to Borsa Istanbul. The LME and HKEx also entered into a partnership agreement with Borsa Istanbul under which the LME will license the LME Steel Billet settlement data and Borsa Istanbul will have the right to disseminate real-time pricing data from the LME and HKEx. The LME and Borsa Istanbul have agreed to work together in developing further products and services for the steel market.

The LME has taken further steps to reform its warehousing network. A consultation on increasing the load out requirements under the Linked Load-In Load-Out obligations for warehouses with structural queues was undertaken and a discussion paper on further possible reforms of the warehousing network was released on 2 March 2015. Details of those two initiatives are set out on the LME website.

The LME continues to work on the development of new products, including Aluminium premium contracts and ferrous contracts.

HKEx is actively engaging with the market on its London Metal Mini Futures contracts through various promotional schemes including its Joint Promotional Programme (JPP) and Active Trader Programme with Exchange Participants (EPs) and physical players. Six EPs have applied for the JPP and there are eight participants in the latter programme.

Analysis of Results

	Three months ended 31 Mar 2015 \$m	Three months ended 31 Mar 2014 \$m	Change
Trading fees and trading tariff	368	230	60%
Market data fees	43	45	(4%)
Other revenue	36	40	(10%)
Total revenue	447	315	42%
Operating expenses	(125)	(154)	(19%)
EBITDA	322	161	100%
EBITDA margin	72%	51%	21%

Revenue and other income of the Commodities segment increased by 42 per cent to \$447 million as a result of the commercialisation of trading fees since January 2015. Operating expenses dropped by \$29 million or 19 per cent, due to the reversal of \$7 million of legal fees (including \$5 million of recovery from the insurer) in respect of litigation in the United Kingdom and the United States (US) (2014: \$20 million of legal fees were incurred). As a result, EBITDA doubled to \$322 million and the EBITDA margin rose from 51 per cent in Q1 2014 to 72 per cent in Q1 2015.

Clearing Segment

Business Update

In March 2015, HKSCC, HKCC and SEOCH engaged an external consultant to conduct independent validations of their risk management models and policies. They aim to complete their reviews before the end of this year.

Following past recoveries from the liquidators of Lehman Brothers Securities Asia Limited (LBSA), HKSCC received further dividend distributions in January and in March, and has now received 100 per cent of its admitted claims.

HKCC and SEOCH will provide improved “Drop Copy” services by enhancing the execution activity data provided to General Clearing Participants, which will facilitate their risk management activities for their respective Non-Clearing Participants.

HKEx provided an additional \$265 million of funding to OTC Clear in February 2015, through the subscription for a further 1,260 ordinary shares. Additional share subscriptions from OTC Clear’s other shareholders will take place in June. This additional funding will support OTC Clear’s future development needs and product expansion plans. In the coming

months, OTC Clear will apply for exempt derivative clearing organisation status from the Commodity Futures Trading Commission in the US and will prepare for the introduction of client clearing and non-cash collateral services.

On 27 April 2015, HKSCC, HKCC, SEOCH and OTC Clear were recognised by the European Securities and Markets Authority as third-country clearing houses under the European Market Infrastructure Regulation, or EMIR, allowing them to offer clearing services to European financial institutions such as banks.

LME Clear has performed well throughout its first 6 months of operation, including in January 2015 demonstrating robust risk management during a period of extreme market volatility. During Q1 2015, LME Clear introduced a new method of calculating risk arising on price spreads between contract dates, which has reduced the overall amount of margin posted by LME Clear's Clearing Members and their clients. LME Clear intends to expand its collateral service to accept offshore RMB in the third quarter of 2015, subject to regulatory approval. Similarly, other new services targeted for launch in 2015 include a position transfer tool, accepting LME warrants as margin against Member risk positions, and a compression facility to optimise Member capital requirements.

Analysis of Results

	Three months ended 31 Mar 2015 \$m	Three months ended 31 Mar 2014 \$m	Change
Trading fees and trading tariff – allocated from Equity and Financial Derivatives segment	52	45	16%
Clearing and settlement fees	676	453	49%
Depository, custody and nominee services fees	100	92	9%
Other revenue and sundry income	29	6	383%
	857	596	44%
Net investment income	144	129	12%
Total revenue and other income	1,001	725	38%
Operating expenses	(109)	(151)	(28%)
EBITDA	892	574	55%
EBITDA margin	89%	79%	10%

The growth in revenue and other income was mainly due to increases in clearing fees, net investment income and accommodation income. LME Clear was launched in September 2014 and in Q1 2015 generated \$171 million of clearing fees, \$13 million of net investment income and \$16 million of accommodation income. Clearing fees in Hong Kong also rose with the increase in ADT on the Stock Exchange but this was partly offset by the higher average transaction size that has led to lower proportion of transactions being subject to the minimum fee. Operating expenses dropped by 28 per cent due to a recovery of \$77 million from LBSA's liquidators. As a result, EBITDA of the segment rose by 55 per cent to \$892 million as compared to Q1 2014, and the EBITDA margin improved from 79 per cent to 89 per cent.

Platform and Infrastructure Segment

Business Update

The replacement of the Multi-workstation Systems for securities trading provided by HKEx with vendor supplied New Securities Trading Devices was completed in March 2015.

At the end of March 2015, 101 EPs were using HKEx's Hosting Services, and they generated, in aggregate, approximately 37 per cent of the Cash Market turnover and about 48 per cent of the trading volume of the Derivatives Market.

Analysis of Results

	Three months ended 31 Mar 2015 \$m	Three months ended 31 Mar 2014 \$m	Change
Network, terminal user, dataline and software sub-license fees	85	73	16%
Hosting services fees	24	22	9%
Others	2	2	0%
Total revenue	111	97	14%
Operating expenses	(35)	(36)	(3%)
EBITDA	76	61	25%
EBITDA margin	68%	63%	5%

Revenue and other income of the Platform and Infrastructure segment rose by 14 per cent over Q1 2014 to \$111 million, as a result of increased network usage fees relating to Stock Connect. Operating expenses dropped by \$1 million due to reduced information technology costs consumed by participants. As a result, the EBITDA margin improved from 63 per cent in Q1 2014 to 68 per cent in Q1 2015.

Corporate Items

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

Revenue and Other Income

	Three months ended 31 Mar 2015 \$m	Three months ended 31 Mar 2014 \$m	Change
Net investment income	46	33	39%
Others	2	2	0%
Total	48	35	37%

Revenue and other income increased by \$13 million to \$48 million against Q1 2014, due to a \$31 million gain on sale of the remaining stake of the investment in shares of LCH in Q1 2015 and higher fair value gains of investments, but was partly offset by higher foreign exchange losses.

FINANCIAL REVIEW

Financial Assets and Financial Liabilities by Funds

	At 31 Mar 2015 \$m	At 31 Dec 2014 \$m	Change
Financial assets			
Cash and cash equivalents	146,353	136,778	7%
Financial assets measured at fair value through profit or loss	68,847	62,686	10%
Financial assets measured at amortised cost	14,706	10,256	43%
Total	229,906	209,720	10%

The Group's financial assets comprised financial assets of the Corporate Funds, Margin Funds, Clearing House Funds, base metals derivatives contracts, and cash prepayments for A-shares traded under the Stock Connect. The amounts attributable to the respective categories were as follows:

	At 31 Mar 2015 \$m	At 31 Dec 2014 \$m	Change
Financial assets			
Corporate Funds	12,017	10,264	17%
Margin Funds [^]	142,169	128,869	10%
Clearing House Funds	8,991	10,289	(13%)
Base metals derivatives contracts	66,407	59,679	11%
Cash prepayments for A-shares	322	619	(48%)
Total	229,906	209,720	10%

[^] Excludes margin receivable from Clearing Participants and Settlement Reserve Fund and Settlement Guarantee Fund which have been paid to ChinaClear of \$894 million (31 December 2014: \$615 million)

	At 31 Mar 2015 \$m	At 31 Dec 2014 \$m	Change
Financial liabilities			
Base metals derivatives contracts	66,407	59,679	11%
Other financial liabilities at fair value through profit or loss of Corporate Funds	2	1	100%
Margin deposits, Mainland security and settlement deposits, and cash collateral from Clearing Participants	143,063	129,484	10%
Participants' contributions to Clearing House Funds	8,006	9,426	(15%)
Total	217,478	198,590	10%

The increase in financial assets and financial liabilities of Margin Funds at 31 March 2015 compared to 31 December 2014 was mainly due to an increase in open interest in futures and options contracts on HKCC and higher margin requirement per contract at 31 March 2015.

The decrease in financial assets and financial liabilities of Clearing House Funds at 31 March 2015 compared to 31 December 2014 was mainly attributable to the decrease in additional contributions from Participants in response to market fluctuations and changes in risk exposures.

Corporate Funds at 31 March 2015 increased by \$1,753 million or 17 per cent during Q1 2015 due to cash generated from profits during the period and other working capital changes.

Borrowings

Subsequent to 31 March 2015 and up to the date before this announcement (12 May 2015), bondholders for an aggregate principal amount of US\$288.9 million (approximately HK\$2,240 million) representing approximately 57.8 per cent of the US\$500 million guaranteed Convertible Bonds due 2017 (Bonds) had applied to convert their holdings into ordinary HKEx shares (Shares) at the prevailing adjusted conversion price of \$157.62 per share. These amounts due have been, or will be, cancelled in accordance with the terms and conditions of the Bonds. As a result, a total number of 14,209,709 Shares, representing approximately 1.2 per cent of the total Shares in issue as at 31 March 2015 (1,168,309,636 Shares), have been or will be issued. After the conversion, assuming there are no other changes in net assets since 31 March 2015, the gross debt to equity ratio (defined as gross debt divided by adjusted capital (ie, all components of shareholders' equity other than designated reserves)) will decrease from 32 per cent as of 31 March 2015 to 20 per cent.

Capital Expenditure and Commitments

During Q1 2015, the Group incurred capital expenditure of \$89 million (2014: \$111 million) on the development and upgrade of various trading and clearing systems including the commodities trading and clearing systems, and trading and clearing systems to facilitate mutual stock market access between the mainland of China and Hong Kong.

The Group's capital expenditure commitments at 31 March 2015, including those authorised by the Board but not yet contracted for, amounted to \$613 million (31 December 2014: \$574 million) and were related principally to the development and enhancement of information technology systems including a market surveillance system, clearing systems for over-the-counter derivatives, a Central Gateway for Cash Market trading, trading and clearing systems to facilitate mutual stock market access between the mainland of China and Hong Kong and a corporate Enterprise Resources Planning system. The Group has adequate resources to fund its capital expenditure commitments.

Contingent Liabilities

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

(i) US Litigation concerning aluminium prices

Since August 2013, 26 class actions have been filed against the LME in the US alleging anti-competitive and monopolistic behaviour in the warehousing industry in connection

with aluminium prices. In March 2014, 24 of the class actions were consolidated into 3 complaints (the “first level” purchasers of primary aluminium complaint, the consumer end-users of aluminium complaint and the commercial end-users of aluminium complaint), with 2 complaints remaining unconsolidated. HKEx was named as a defendant only in the “first level” purchasers of primary aluminium complaint; LMEH was named as a defendant in all 3 of the consolidated complaints, and the LME was named in all 5 of the complaints.

At the end of August 2014, the US District Court for the Southern District of New York (US District Court) dismissed all 5 complaints brought against the LME on the ground of sovereign immunity. The US District Court also dismissed all the claims brought against HKEx and LMEH, but granted the plaintiffs of the “first level” purchasers complaint the right to amend their claims.

In September 2014, the plaintiffs of the dismissed consumer end-users and commercial end-users of aluminium complaints filed appeals before the US Court of Appeals for the Second Circuit. These appeals are currently stayed.

In October 2014, the plaintiffs of the “first level” purchasers complaint amended their complaint, again naming the LME, LMEH, and HKEx as defendants, but the US District Court dismissed the complaint against HKEx and LMEH again in March 2015 on the basis that the court lacked personal jurisdiction over them. Pursuant to this order and the order made in August 2014, all of the “first level” purchaser plaintiffs’ claims against the LME, LMEH, and HKEx have been dismissed, subject to the plaintiffs’ right to appeal.

(ii) US Litigation concerning zinc prices

Since May 2014, 3 class actions have been filed against the LME, LMEH, and HKEx in the US alleging anti-competitive and monopolistic behaviour in the warehousing market in connection with zinc prices. On 8 April 2015, the US District Court ordered the plaintiffs to file their consolidated amended complaint by no later than 27 May 2015.

The LME and HKEx management continue to take the view that all the lawsuits are without merit, and each of the LME, LMEH and HKEx will contest them vigorously.

As it is not yet clear how the claims will be pursued by plaintiffs, the Group does not currently have sufficient information to estimate the financial effect (if any) relating to the lawsuits, the timing of the ultimate resolution of the proceedings, or what the eventual outcomes might be.

Charges on Assets

One of the Group’s subsidiaries, LME Clear, receives debt securities as non-cash collateral for margins posted by its Clearing Participants. It also holds debt securities as collateral in respect of its investments in overnight triparty reverse repurchase agreements under which it is obliged to return equivalent securities to the counterparties at maturity of the reverse repurchase agreements. The fair value of this collateral was US\$10,510 million (HK\$81,485 million) at 31 March 2015 (31 December 2014: HK\$79,495 million).

This non-cash collateral, which was not recorded on the consolidated statement of financial position of the Group at 31 March 2015, together with certain short-term government bonds accounted for as cash and cash equivalents amounting to US\$790 million (HK\$6,125 million)

at 31 March 2015 (31 December 2014: HK\$4,575 million), has 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. Therefore, no dividend will be proposed for Q1 2015 (Q1 2014: \$Nil). Due to fluctuations in market conditions and changes in the operating environment, certain categories of revenue, other income and operating expenses may vary substantially from quarter to quarter. Therefore, quarterly results should not be extrapolated to project the Group's full-year performance.

Review of Financial Statements

The Audit Committee has reviewed the Group's Unaudited Condensed Consolidated Financial Statements for Q1 2015 in conjunction with HKEx's internal auditor.

Purchase, Sale or Redemption of HKEx's Listed Securities

During Q1 2015, neither HKEx nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Note	Three months ended 31 Mar 2015 \$m	Three months ended 31 Mar 2014 \$m
Trading fees and trading tariff		1,190	938
Stock Exchange listing fees		263	299
Clearing and settlement fees		676	453
Depository, custody and nominee services fees		100	92
Market data fees		189	201
Other revenue		186	189
REVENUE AND TURNOVER		2,604	2,172
Investment income and other income		192	163
REVENUE AND OTHER INCOME		2,796	2,335
OPERATING EXPENSES			
Staff costs and related expenses		(494)	(411)
Information technology and computer maintenance expenses		(128)	(136)
Premises expenses		(69)	(72)
Product marketing and promotion expenses		(7)	(6)
Legal and professional fees		(12)	(47)
Other operating expenses:			
Reversal of provision for impairment losses arising from			
Participants' default on market contracts	2	77	-
Others		(85)	(62)
		(718)	(734)
EBITDA		2,078	1,601
Depreciation and amortisation		(163)	(164)
OPERATING PROFIT		1,915	1,437
Finance costs		(46)	(51)
Share of loss of a joint venture		(2)	(3)
PROFIT BEFORE TAXATION		1,867	1,383
TAXATION		(298)	(212)
PROFIT FOR THE PERIOD		1,569	1,171
PROFIT/(LOSS) ATTRIBUTABLE TO:			
- Shareholders of HKEx		1,575	1,178
- Non-controlling interests		(6)	(7)
PROFIT FOR THE PERIOD		1,569	1,171
Basic earnings per share	3	\$1.35	\$1.02
Diluted earnings per share	3	\$1.34	\$1.01

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Three months ended 31 Mar 2015 \$m	Three months ended 31 Mar 2014 \$m
PROFIT FOR THE PERIOD	1,569	1,171
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences of foreign subsidiaries recorded in exchange reserve	(2)	127
OTHER COMPREHENSIVE INCOME	(2)	127
TOTAL COMPREHENSIVE INCOME	1,567	1,298
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Shareholders of HKEx	1,573	1,305
- Non-controlling interests	(6)	(7)
TOTAL COMPREHENSIVE INCOME	1,567	1,298

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	At 31 Mar 2015			At 31 Dec 2014			
	Note	Current \$m	Non-current \$m	Total \$m	Current \$m	Non-current \$m	Total \$m
ASSETS							
Cash and cash equivalents		146,353	–	146,353	136,778	–	136,778
Financial assets measured at fair value through profit or loss		68,847	–	68,847	62,686	–	62,686
Financial assets measured at amortised cost		14,649	57	14,706	10,199	57	10,256
Accounts receivable, prepayments and deposits		29,413	6	29,419	22,517	6	22,523
Taxation recoverable		4	–	4	8	–	8
Interest in a joint venture		–	75	75	–	77	77
Goodwill and other intangible assets		–	17,858	17,858	–	17,901	17,901
Fixed assets		–	1,568	1,568	–	1,603	1,603
Lease premium for land		–	22	22	–	23	23
Deferred tax assets		–	32	32	–	5	5
Total assets		259,266	19,618	278,884	232,188	19,672	251,860
LIABILITIES AND EQUITY							
Liabilities							
Financial liabilities at fair value through profit or loss		66,409	–	66,409	59,680	–	59,680
Margin deposits, Mainland security and settlement deposits, and cash collateral from Clearing Participants		143,063	–	143,063	129,484	–	129,484
Accounts payable, accruals and other liabilities		29,202	11	29,213	22,835	14	22,849
Deferred revenue		605	–	605	646	–	646
Taxation payable		490	–	490	348	–	348
Other financial liabilities		108	–	108	84	–	84
Participants' contributions to Clearing House Funds		8,006	–	8,006	9,426	–	9,426
Borrowings		–	7,056	7,056	–	7,026	7,026
Provisions		71	61	132	61	58	119
Deferred tax liabilities		–	829	829	–	839	839
Total liabilities		247,954	7,957	255,911	222,564	7,937	230,501
Equity							
Share capital				12,228			12,225
Shares held for Share Award Scheme				(480)			(482)
Employee share-based compensation reserve				184			142
Exchange reserve				(249)			(247)
Convertible bond reserve				409			409
Designated reserves				741			643
Reserve relating to written put options to non-controlling interests				(217)			(217)
Retained earnings							
- Proposed dividend				2,506			2,505
- Others				7,736			6,295
Equity attributable to shareholders of HKEX				22,858			21,273
Non-controlling interests				115			86
Total equity				22,973			21,359
Total liabilities and equity				278,884			251,860
Net current assets				11,312			9,624
Total assets less current liabilities				30,930			29,296

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Note	Three months ended 31 Mar 2015 \$m	Three months ended 31 Mar 2014 \$m
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash inflow from operating activities	4	2,260	513
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchases of fixed assets and intangible assets		(119)	(163)
Net (increase)/decrease in financial assets of the Corporate Funds:			
Increase in time deposits with original maturities more than three months		(254)	(254)
Net proceeds from sales of financial assets measured at fair value through profit or loss		187	–
Interest received from financial assets measured at fair value through profit or loss		4	7
Net cash outflow from investing activities		(182)	(410)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares upon exercise of employee share options		3	6
Proceeds from issuance of senior notes due 2019		–	737
Payments of transaction costs on issuance of senior notes due 2019		–	(2)
Repayments of bank borrowings		–	(737)
Payments of finance costs		(16)	(10)
Net cash outflow from financing activities		(13)	(6)
Net increase in cash and cash equivalents		2,065	97
Cash and cash equivalents at 1 Jan		8,067	6,375
Exchange differences on cash and cash equivalents		–	6
Cash and cash equivalents at 31 Mar		10,132	6,478
Analysis of cash and cash equivalents			
Cash and cash equivalents of Corporate Funds		10,132	6,596
Less:			
Cash earmarked for contribution to the Rates and FX Guarantee Resources of OTC Clear (note (a))		–	(118)
		10,132	6,478

- (a) At 31 March 2014, \$156 million of the Group's Corporate Funds, including \$118 million of cash and cash equivalents and \$38 million of time deposits with original maturities more than three months, was earmarked for contribution to the Rates and FX Guarantee Resources of OTC Clear. This was subsequently transferred to separately designated and managed accounts in April 2014 and was included in Clearing House Funds for presentation purposes at 31 March 2015.

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

These unaudited condensed consolidated financial statements should be read in conjunction with the 2014 annual consolidated financial statements. 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 condensed consolidated statement of financial position as at 31 December 2014 included in this Quarterly Results Announcement as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. The Company has delivered the consolidated financial statements for the year ended 31 December 2014 to the Registrar of Companies as required by the Hong Kong Companies Ordinance. The Company's auditor has reported on those financial statements. The auditor's report was unqualified, and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

2. Reversal of Provision for Impairment Losses Arising from Participants' Default on Market Contracts

In prior years, the Group lodged claims with the LBSA's liquidators in respect of losses of approximately \$160 million previously recognised in the Group's results. In March 2015, the liquidators paid a third interim dividend and \$77 million has been recognised in the Group's unaudited condensed consolidated income statement for the three months ended 31 March 2015, as a reversal of a provision for impairment losses booked in prior years. Following receipt of this dividend, together with the two interim dividends declared in 2014, the full amount of the claim lodged has now been recovered.

3. Earnings per Share

The calculation of basic earnings per share for the three months ended 31 March 2015 is based on profit attributable to HKEX's shareholders during the period and the weighted average number of shares in issue, after deducting shares held for the HKEX Employees' Share Award Scheme (Share Award Scheme), of 1,165 million (2014: 1,160 million).

The calculation of diluted earnings per share for the three months ended 31 March 2015 is based on profit attributable to HKEX's shareholders during the period, adjusted by interest expenses of the Bonds (net of tax) and the adjusted weighted average number of shares of 1,193 million (2014: 1,162 million). The adjusted weighted average number of shares is derived from deducting shares held for the Share Award Scheme and reflecting the potential dilutive effects of awarded shares, share options related to employee incentive schemes and the outstanding Bonds. The effects of outstanding Bonds are not included in the computation during the three months ended 31 March 2014 as they were anti-dilutive during that period.

4. Notes to the Condensed Consolidated Statement of Cash Flows

Reconciliation of profit before taxation to net cash inflow from operating activities:

	Three months ended 31 Mar 2015 \$m	Three months ended 31 Mar 2014 \$m
Profit before taxation	1,867	1,383
Adjustments for:		
Net interest income	(159)	(142)
Net fair value gains including interest income on financial assets measured at fair value through profit or loss and financial liabilities at fair value through profit or loss	(53)	(14)
Finance costs	46	51
Depreciation and amortisation	163	164
Other non-cash transactions	(21)	42
Net changes in cash prepayments for A-shares	297	–
Net changes in financial assets and financial liabilities of Clearing House Funds and Margin Funds	(99)	(1)
Net changes in financial assets measured at fair value through profit or loss less financial liabilities at fair value through profit or loss	419	17
Other working capital changes	(184)	(946)
Net cash inflow from operations	2,276	554
Interest received from operating activities	177	156
Income tax paid	(189)	(197)
Others	(4)	–
Net cash inflow from operating activities	2,260	513

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

Hong Kong, 13 May 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 Zuli, 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.