Hong Kong Exchanges and Clearing Limited
香港交易及結算所有限公司

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

(Financial figures in this announcement are expressed in Hong Kong Dollar ("HKD"))

2008 INTERIM RESULTS

The board of directors ("Board") of Hong Kong Exchanges and Clearing Limited ("HKEx") submits the unaudited consolidated results of HKEx and its subsidiaries ("Group") for the six months ended 30 June 2008 as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 Jun 2008	Six months ended 30 Jun 2007	Change	**Three months ended 30 Jun 2008**	Three months ended 30 Jun 2007	Change
KEY MARKET STATISTICS						
Average daily turnover value on the Stock Exchange	**$87.3 billion**	$59.2 billion	47%	**$76.1 billion**	$65.9 billion	15%
Average daily number of derivatives contracts traded on the Futures Exchange	**191,179**	145,852	31%	**176,748**	147,572	20%
Average daily number of stock options contracts traded on the Stock Exchange	**238,970**	131,040	82%	**212,191**	137,742	54%

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Change	**Unaudited Three months ended 30 Jun 2008 $'000**	Unaudited Three months ended 30 Jun 2007 $'000	Change
RESULTS						
Income	**4,211,331**	3,156,938	33%	**1,926,687**	1,757,999	10%
Operating expenses	**768,943**	665,644	16%	**386,384**	343,001	13%
Operating profit	**3,442,388**	2,491,294	38%	**1,540,303**	1,414,998	9%
Gain on disposal of an associate	-	206,317	(100%)	-	206,317	(100%)
Share of profit of an associate	-	5,587	(100%)	-	-	N/A
Profit before taxation	**3,442,388**	2,703,198	27%	**1,540,303**	1,621,315	(5%)
Taxation	**(467,982)**	(372,897)	25%	**(215,638)**	(213,551)	1%
Profit attributable to shareholders	**2,974,406**	2,330,301	28%	**1,324,665**	1,407,764	(6%)
Basic earnings per share	**$2.78**	$2.19	27%	**$1.24**	$1.32	(6%)
Diluted earnings per share	**$2.76**	$2.16	28%	**$1.23**	$1.31	(6%)
Interim dividend per share	**$2.49**	$1.79	39%	**$2.49**	$1.79	39%
Dividend payout ratio	**90%**	82%	N/A	**N/A**	N/A	N/A
Dividend payout ratio (excluding gain on disposal of an associate)	**90%**	90%	N/A	**N/A**	N/A	N/A

	Unaudited at 30 Jun 2008	Audited at 31 Dec 2007	Change
KEY ITEMS IN CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Shareholders' funds ($'000)	**7,714,719**	8,377,348	(8%)
Total assets * ($'000)	**61,721,600**	87,944,189	(30%)
Net assets per share #	**$7.19**	$7.83	(8%)

* The Group's total assets include the Margin Funds received from Participants on futures and options contracts.

Based on 1,072,417,604 shares as at 30 June 2008, being 1,073,646,846 shares issued and fully paid less 1,229,242 shares held for the Share Award Scheme (31 December 2007: 1,069,228,714 shares, being 1,070,285,346 shares issued and fully paid less 1,056,632 shares held for the Share Award Scheme)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Listing

Web Proof Information Pack ("WPIP")

On 1 January 2008, The Stock Exchange of Hong Kong Limited ("Exchange" or "SEHK" or "Stock Exchange") launched a pilot scheme for posting a WPIP on the HKEx website prior to the issue of an initial public offering ("IPO") prospectus. No major issues were identified during the operation of the pilot scheme which ended on 31 March 2008. The Exchange will publish a paper on the conclusions of the pilot implementation and plans to codify the requirement to post a WPIP in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Main Board Listing Rules") and the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (collectively "Listing Rules") this year.

2008 Combined Consultation Paper

SEHK published a 2008 Combined Consultation Paper on 11 January 2008 to seek the market's comments on 18 substantive policy and corporate governance issues, issues pertaining to initial listing criteria and proposed amendments to the Listing Rules. The consultation ended on 7 April 2008 with 100 submissions. The Exchange is in the process of analysing the submissions and will publish the consultation conclusions in due course.

Joint Consultation Paper on Issue of Paper Application Forms with Electronic Prospectuses

On 1 April 2008, the Securities and Futures Commission ("SFC") and SEHK published a joint consultation paper on the proposal to allow distribution of paper application forms for public offers at receiving banks without accompanying hard-copy prospectuses on the condition that electronic prospectuses are available online and other requirements aimed at investor protection are satisfied. The consultation ended on 30 May 2008 with 12 responses which are being analysed. The consultation conclusions are planned to be published in the fourth quarter of 2008.

Publication of Growth Enterprise Market ("GEM") Consultation Conclusions

Pursuant to the consultation conclusions of the GEM Review published on 2 May 2008, the Listing Rules were revised to reposition GEM as a second board and as a stepping stone to the Main Board. The revised rules took effect on 1 July 2008.

Introduction of Depositary Receipt Framework in Hong Kong

As part of the effort to promote the listing of more overseas companies in Hong Kong, the Hong Kong depositary receipt ("HDR") framework became effective on 1 July 2008. An issuer seeking to list in Hong Kong through HDRs will have to comply with generally the same requirements as an issuer of shares.

Shortening the Deadlines for Half-Year and Annual Reporting by Main Board Issuers

On 18 July 2008, the Exchange published its Consultation Conclusion on Shortening the Deadlines for Half-Year and Annual Reporting by Main Board Issuers. Amendments have been made to the Main Board Listing Rules to accelerate the deadlines for the release of half-year results announcements and annual results announcements, covering accounting periods ending on or after 30 June 2010 and 31 December 2010 respectively.

Cash Market

Market Performance

In the first half of 2008, 21 companies were newly listed on the Main Board (including four transferred from GEM) and two on GEM, and four Main Board companies and six GEM companies were delisted. Total capital raised, including post-listing funds, reached $122.2 billion. As at 30 June 2008, 1,065 and 189 companies were listed on the Main Board and GEM respectively with a total market capitalisation of about $16,356.0 billion. In addition, there were 4,599 derivatives warrants ("DWs"), 453 Callable Bull/Bear Contracts ("CBBCs"), seven Real Estate Investment Trusts, 23 Exchange Traded Funds ("ETFs") and 175 debt securities listed as at 30 June 2008. The average daily turnover in the first half of 2008 was about $87.0 billion on the Main Board and about $321 million on GEM.

Introduction of Five-Digit Stock Codes

Five-digit stock codes were successfully rolled out on 7 April 2008. Those within the range of 10000 to 29999 have been assigned to new DWs listed on or after 7 April 2008; while those within the range of 30000 to 32499 have been assigned to new CBBCs listed on or after 13 May 2008.

More stock codes are now available to support the growth in the number of listed securities, and HKEx has greater flexibility to differentiate the various types of products traded in the Cash Market with stock codes.

Introduction of Closing Auction Session ("CAS")

After completion of extensive system tests and market rehearsals, the CAS was launched on 26 May 2008. With the launch, the trading hours of the securities market have been extended by 10 minutes to 4:10pm on normal trading days and to 12:40pm on half-day trading days.

To continuously enhance market infrastructure, HKEx will issue another consultation paper in the third quarter of this year to solicit market views on possible improvements to the CAS. Meanwhile, HKEx in conjunction with the SFC, will continue with market education programmes to ensure practitioners and the investing public are familiar with the trading mechanism and operations of the CAS.

Removal of Parallel Trading Arrangement

HKEx has been discussing with market participants regarding their preparations and latest views on the removal of parallel trading arrangement. The removal has been rescheduled to the second half of next year to give market participants more time to prepare for the changes. HKEx will publish a document with details of the operational implications and continue to work closely with market participants to ensure a smooth implementation of the changes.

CBBC Market Development

The CBBC market in Hong Kong has grown substantially since its launch, from an average daily turnover of below $100 million in the initial 12 months to about $2.2 billion in the first half of this year. The number of newly listed CBBCs also surged to 953 in the first half of this year.

Eight issuers have launched CBBCs in the Hong Kong securities market. As at the end of June 2008, there were 453 CBBCs listed and their underlying assets included two Hong Kong stock indices, 21 Hong Kong-listed stocks and two overseas stock indices. The market development in terms of the number of bull and bear contracts listed has been becoming more balanced.

Listing of Gold ETF

The first gold ETF, SPDR Gold Trust, was listed on the Stock Exchange on 31 July 2008. It is one of the largest and most liquid commodity ETFs globally with total net assets of approximately $148 billion. The listing of the gold ETF gives investors an additional channel to access the international gold market.

Derivatives Market

Market Performance

In the first half of 2008, the total turnover of futures and options recorded a 54 per cent increase over that of the same period in 2007. Among the major derivatives products, stock options and Hang Seng China Enterprises Index ("H-shares Index") futures recorded a remarkable increase of 81 per cent and 68 per cent respectively. In addition, the total futures and options turnover volume surpassed the one million contract mark for two consecutive days, ie 1,180,005 and 1,160,428 contracts on 26 and 27 March 2008 respectively.

Flexible Position Limits

With effect from 3 January 2008, Exchange Participants ("EPs" or "Participants") and their affiliates which demonstrate a relevant business need to facilitate the provision of services to clients may apply to the SFC for an increase in position limits up to 50 per cent above the statutory limits prescribed for Hang Seng Index ("HSI") futures and options, and H-shares Index futures and options contracts.

Enhancement of Block Trade Execution Arrangement

Effective 28 April 2008, aggregation of orders on block trades by EPs for one side or both sides will be allowed upon fulfilment of certain criteria, which could facilitate execution of large client orders in an efficient manner and booking of over-the-counter trades to Hong Kong Futures Exchange Limited ("HKFE" or "Futures Exchange").

New Trading Hours

With the introduction of the CAS for the securities market on 26 May 2008, the trading hours for stock index futures and options were extended to 4:30pm on normal trading days and 1:00pm on half-day trading days, except the last trading day for which the closing time remains 4:00pm.

Market Maker Obligation Revisions and Facility Improvement

In order to facilitate market makers in providing quotes more efficiently through the Hong Kong Futures Automated Trading System ("HKATS"), the mass quote ratio for dissemination of quotes was increased from 1:2 to 1:4 on 16 June 2008. In addition, to improve the performance of market makers, effective 2 July 2008, stock options market makers are required to respond to at least 200 quote requests per minute (compared to the previous requirement of at least 50 quote requests per minute), and to provide price quotes for 30 or more contracts on stock option classes under Liquidity Level 1, and 15 or more contracts on classes under Liquidity Level 2 (compared to the previous minimum of 60 contracts under Liquidity Level 1, and 30 under Liquidity Level 2).

Introduction of New Products

HKEx introduced the Mini H-shares Index futures contract on 31 March 2008 to facilitate participation of small investors. The contract value of the Mini H-shares Index futures is one-fifth of the contract size of the standard H-shares Index futures.

Following the introduction of three stock option classes on 10 June 2008, the Derivatives Market offers a total of 50 stock option classes, covering blue chips, H shares, red chips and other popular stocks as the underlying securities.

In mid-June 2008, the SFC approved the relevant trading and clearing rule amendments for the introduction of gold futures effective 20 October 2008. The gold futures will be based on the Loco-London gold standard with gold fineness of not less than 995. The contract size will be 100 troy ounces and will be traded and cash-settled in US Dollar ("USD").

To facilitate participation of gold market professionals in the HKFE markets (including gold futures), HKEx has approved the plan to offer non-transferable HKFE trading rights, at a fee of $25,000 each, to members of Chinese Gold and Silver Exchange Society or their designated affiliates, which could obtain the licence from the SFC to deal in futures contracts. Such HKFE trading rights shall have the same status as other non-transferable HKFE trading rights, and holders will have the right to trade any HKFE products.

Clearing

Stock Withdrawal Fee Concession

Effective 14 January 2008, the Central Clearing and Settlement System ("CCASS") Participants may apply for a stock withdrawal fee concession if the shares to be withdrawn had been previously deposited into the CCASS Depository in a jumbo certificate by the same CCASS Participant and on behalf of the same client, or if the withdrawal is for the purpose of making a requisition to convene a special general meeting. For each successful application, the normal stock withdrawal fee of $3.5 per board lot is reduced to a flat fee of $1,000 per application plus scrip fee of $2.5 per certificate that is payable to the share registrar for re-registration of the deposited shares.

CCASS Service Enhancements

On 28 April 2008, the number of Stock Segregated Accounts used by CCASS Clearing and Custodian Participants for internal control and reconciliation purposes was increased from nine to 15, and the use of digital certificates by listed issuers to download Participant Shareholding Reports was replaced by user IDs and passwords.

Introduction of CCASS Shareholding Disclosure Service

HKEx introduced a new CCASS Shareholding Disclosure service to the public on 28 April 2008. The shareholding information of CCASS Participants (other than non-consenting Investor Participants ("IPs")) in Hong Kong-listed companies kept by Hong Kong Securities Clearing Company Limited ("HKSCC") is available free of charge to the public via the HKExnews website. The shareholding of IPs who have not consented to such disclosure will be shown in aggregate.

Lowering In-The-Money ("ITM") Triggering Percentage for Automatic Generation of Stock Options Exercise Requests

On a stock option expiry day, the Derivatives Clearing and Settlement System ("DCASS") will automatically generate for The SEHK Options Clearing House Limited ("SEOCH") Participants exercise requests in respect of each open long spot month contract which is ITM by or above the prescribed percentage ("ITM Triggering Percentage"). The ITM Triggering Percentage was lowered from 3 per cent to 1.5 per cent effective 30 January 2008, the first expiry day of stock options in 2008. As a result, more open long spot month contracts could be exercised automatically, thereby reducing the operational workload of SEOCH Participants.

Participant Services

Streamlining Admission and Registration Procedures for EPs

Effective 20 June 2008, an EP will not be required to register its employees who have access to the trading devices of HKEx as Authorised Clerk or Registered User. Simultaneously, examinations for operating the Automatic Order Matching and Execution System/Third Generation ("AMS/3") terminals and HKATS workstations have been terminated while respective training courses continue. Trader IDs, HKATS usernames and passwords will be issued as appropriate to the EPs instead of to the traders. In addition, all Responsible Officers licensed by the SFC are automatically registered with HKEx. Similarly, any registration or change in the information of substantial shareholders approved by the SFC is no longer required to be duplicated, certified and filed with HKEx.

Participant Training and Market Education

For the period under review, HKEx organised 27 Continuous Professional Training courses jointly with the Hong Kong Securities Institute, with over 850 attendees. In addition, we held 15 training courses on AMS/3 and 10 on HKATS to familiarise EPs with their operations and the relevant trading rules and procedures. A total of 22 briefing sessions on derivatives products were also organised and had attracted about 2,000 representatives from EPs.

To promote Mainland-related equity futures and options to retail investors, HKEx, with the cooperation of 12 EPs, organised an Investment Expo on 13 January 2008, which attracted more than 2,600 participants.

To raise investors' awareness and interest in trading the newly launched Mini H-shares Index futures, HKEx sponsored three participating EPs to organise online trading simulation games. The games attracted over 5,000 participants. The three EPs also promoted the product through product briefings and newspaper advertisements.

EP Recruitment

On 20 May 2008, HKEx held seminars on Hong Kong's market infrastructure and EP admission procedures in Beijing for Mainland broker firms which might be able to set up branch offices in Hong Kong under the third phase of the Closer Economic Partnership Arrangement ("CEPA"). Representatives from 28 firms attended the seminars.

In the first half of 2008, 10 new SEHK Participants and nine new HKFE Participants were admitted, including those from Australia, Belgium, Hong Kong, Switzerland, Taiwan and the Mainland. Up till now, there have been a total of nine EPs from the Mainland through CEPA.

Promotional Activities

In the first half of 2008, HKEx's Mainland marketing trips covered over 30 cities in 15 provinces. In addition to meeting with government officials and potential issuers, HKEx conducted more than 35 presentations in various places in the Mainland, such as Chongqing, Foshan, Fuzhou, Hangzhou and Jinan, to promote listing in Hong Kong to over 5,000 Mainland participants.

Apart from the Mainland, HKEx also conducted a series of marketing trips in the first half of 2008 around Asia, Europe, Canada and the United States to promote Hong Kong as a premier capital formation centre in Asia. During these trips, HKEx co-organised four conferences and participated in over 20 events organised by international and/or local intermediary firms. It conducted over 100 meetings with potential listing candidates, intermediaries as well as government bodies to keep them abreast of recent developments in the Hong Kong financial market.

In light of the growing interest from mining companies in seeking listings in Hong Kong, HKEx participated in the Asia Mining Congress 2008 in Singapore, the XX Macao Asia Miner – the Exploration Exchange in Macao, as well as the Mines and Money Asia 2008 Conference in Hong Kong. HKEx met and exchanged views with mining companies from around the world, including those from Australia, Canada and the Mainland.

Information Services

Strengthening Technical Requirements for Information Vendors

In March this year, the technical requirements for direct Market Datafeed System ("MDF") vendors were tightened to ensure that their systems are capable of receiving HKEx's market data. Market rehearsals were conducted for MDF and Price Reporting System ("PRS") direct connection vendors for them to demonstrate their systems' capability of auto-detection of line failure and reconnection to HKEx's server within one minute. All direct connection vendors are able to meet the requirement, except one which failed and is required to enhance its system and to participate in re-test session. The results of the market rehearsals have been published on the HKEx website for public reference.

Membership of Financial Information Services Division ("FISD") of the Software & Information Industry Association

HKEx joined the FISD as an Exchange Member in April 2008. The FISD is an international association which aims to foster the development of the market data industry. Its members include exchanges, market data vendors, software vendors, brokers, banks and institutional investors. The FISD will hold the Asia Pacific Financial Information Conference in Hong Kong from 20 to 21 October 2008. HKEx is the host sponsor of the event.

Development of MDF Simulator

A newly developed testing tool, MDF Simulator, was delivered to all MDF direct connection vendors in May 2008 free of charge. The MDF Simulator software replays the transmission of MDF data and was developed to facilitate information vendors' internal function and volume tests. The MDF Simulator can help information vendors adjust the throughput rate to perform tests on various levels of data volume. They can also obtain system performance results from the test reports provided by the MDF Simulator. Hence, MDF direct connection vendors are able to ensure their readiness for major MDF enhancements, such as the MDF capacity upgrade and the introduction of the closing auction session, before the market rehearsals organised by HKEx. This should facilitate the effective use of resources by HKEx and information vendors, and the smooth rollout of market initiatives.

Issuer Information Feed System ("IIS") Indirect Connection

Effective June 2008, IIS vendors, upon complying with all technical requirements of IIS and obtaining HKEx's approval, will be allowed to source IIS data indirectly from another IIS vendor which is connecting to the HKEx IIS directly. The licence fee for IIS remains unchanged at $45,000 per quarter for both IIS direct and indirect connection vendors. This should facilitate the wider distribution of listed companies' announcements.

Expansion of Market Data Services to the Mainland

In recent years, the Mainland market has recorded the greatest increase in the use of HKEx's real-time market data and information sales. As at the end of 2007, there were five information vendors in the Mainland providing HKEx's real-time market data and information services. To further develop its data services in the Mainland, HKEx visited existing as well as potential Mainland information vendors in April and June 2008. In the first half of 2008, four new Mainland real-time information vendors were approved to disseminate our market data and information to Mainland investors, and two licence applications are being processed.

Information Technology

Production System Stability and Reliability

All major trading, clearing and settlement, and market data dissemination systems for the Cash and Derivatives Markets operated by HKEx continued to maintain 100 per cent operational system uptime in the first half of 2008. HKEx will continue its commitment to uphold system stability and reliability.

System Capacity Planning and Upgrade

In the first quarter of 2008, the capacity and technology upgrades for the Cash Market systems, namely AMS/3, Latest Generation of Central Clearing and Settlement System ("CCASS/3") and MDF, were successfully completed to support further growth in Cash Market activities. The SDNet bandwidth upgrade, involving more than 2,100 circuits for various AMS/3 trading devices, was completed in May 2008, which is in preparation for the increase of the market data dissemination rate from 300 to 500 stocks per second scheduled in early August 2008.

For the Derivatives Market, HKEx completed the capacity and technology upgrade of DCASS and PRS on 19 July 2008. The upgrade included the deployment of the latest storage area network (SAN) technology for large scale and high performance enterprise storage systems for

DCASS, as well as the Itanium technology with open and much improved price performance platform for PRS. DCASS and PRS can now handle two million trades per day and 2,200 messages per second respectively, and are capable of supporting the planned business initiatives and projected activity increase in the Derivatives Market.

Obsolete Technology Replacement and Upgrade

Further to the completion of the CCASS/3 capacity and technology upgrade in March 2008, the technology upgrade of the CCASS/3 middle-tier subsystem is in progress. The technology upgrade facilitates system integration and secures quality support from vendors, thereby safeguarding the reliability and stability of the system.

System Consolidation and Operational Efficiency

On 31 March 2008, HKEx successfully launched the upgraded version of Securities Markets Automated Research Training and Surveillance (SMARTS), which is used to monitor the trading of HKEx's products and EPs' activities. The system upgrade offers enhanced features and improved data processing performance to further strengthen HKEx's Market Surveillance and Enforcement Department's analysis capability of detecting unusual market movements and trading activities.

In June 2008, HKEx completed the development of the Participant Financial Resources Surveillance System to automate the processing of EPs' financial return data, which will enhance HKEx's analysis and market surveillance capabilities.

Independent Review of Information Technology Governance ("ITG") and Electronic Disclosure System ("EDS")

HKEx is fully aware that the availability, integrity and stability of the IT systems are crucial to support the business needs and day-to-day operations of HKEx, as well as to Hong Kong as a financial marketplace.

In the second quarter of 2008, HKEx commissioned an external consulting firm to perform an independent review of its ITG to ensure that HKEx's technology systems are able to sustain its strategies and objectives and to manage the related IT risks appropriately. In addition, the consultant would also review the operations of HKEx's EDS to assess whether technology risk, security risk and operations risk arising from EDS are managed properly. Both reviews are expected to be completed by the end of third quarter of 2008.

HKEx Corporate Website Revamp

HKEx issued a Request for Proposal on 21 April 2008 to seek a qualified vendor to provide consultancy services for the revamp of the HKEx corporate website. The evaluation of proposals received is in progress. The vendor to be appointed would be responsible for reviewing the HKEx website, making recommendations for improvements and implementing recommendations approved by HKEx. HKEx aims to benchmark its website with local and international best practices and to deliver a revamped website comparable to the best of its peers.

HKEx Data Centre and IT Office Consolidation

HKEx is relocating its HKATS/DCASS primary data centre and IT office from Central to Quarry Bay. The data centre and the IT system development and support colleagues supporting the Derivatives Market and the Clearing systems and infrastructure will be grouped together in the expanded Quarry Bay data centre in mid-2009.

Risk Management

Default of Participants

On 3 April 2003, HKSCC declared Tai Wah Securities Limited ("TW") a defaulter. TW is currently in liquidation. Recovery from the HKSCC Guarantee Fund will be made if the outstanding balance of about $1.8 million cannot be fully settled upon completion of the liquidation process.

On 2 October 2003, HKFE suspended the participantship of Yicko Futures Limited ("YF") for its failure to meet its obligation to HKFE Clearing Corporation Limited ("HKCC"). YF is currently in liquidation. Recovery from the HKCC Reserve Fund will be made if the outstanding balance of about $7.8 million cannot be fully settled upon completion of the liquidation process.

On 31 August 2007, HKSCC declared Man Lung Hong Securities Limited ("MLH") a defaulter and closed out its unsettled positions in CCASS following the issuance of a restriction notice by the SFC. The High Court subsequently appointed provisional liquidators for MLH. HKSCC will proceed to recover the balance of the closing-out losses of about $178,000.

Treasury

The Group's funds available for investment comprise Corporate Funds, Margin Funds and Clearing House Funds, totalling $69.9 billion on average for the six months ended 30 June 2008 (first half of 2007: $35.5 billion).

As compared with 31 March 2008, the overall size of funds available for investment as at 30 June 2008 decreased by 38 per cent or $28.9 billion to $47.3 billion (31 March 2008: $76.2 billion). Details of the asset allocation of the investments as at 30 June 2008 against those as at 31 March 2008 are set out below.

	Investment Fund Size $ billion		**Bonds**		**Cash or Bank Deposits**		**Global Equities**	
	Jun	Mar	**Jun**	Mar	**Jun**	Mar	**Jun**	Mar
Corporate Funds	**10.0**	12.8	**48%**	45%	**50%**	53%	**2%**	2%
Margin Funds	**35.8**	61.7	**42%**	30%	**58%**	70%	**0%**	0%
Clearing House Funds	**1.5**	1.7	**26%**	24%	**74%**	76%	**0%**	0%
Total	**47.3**	76.2	**43%**	33%	**57%**	67%	**0%**	0%

Investments are kept sufficiently liquid to meet the Group's operating needs and liquidity requirements of the Clearing House Funds and Margin Funds. Excluding equities and mutual funds held under the Corporate Funds ($0.2 billion as at 30 June 2008 and 31 March 2008), which have no maturity date, the maturity profiles of the remaining investments as at 30 June 2008 ($47.1 billion) and 31 March 2008 ($76.0 billion) were as follows:

	Investment Fund Size $ billion		**Overnight**		**>Overnight to 1 month**		**>1 month to 1 year**		**>1 year to 3 years**		**> 3 years**	
	Jun	Mar	**Jun**	Mar	**Jun**	Mar	**Jun**	Mar	**Jun**	Mar	**Jun**	Mar
Corporate Funds	**9.8**	12.6	**23%**	25%	**3%**	38%	**52%**	20%	**16%**	12%	**6%**	5%
Margin Funds	**35.8**	61.7	**36%**	59%	**21%**	10%	**41%**	30%	**2%**	1%	**0%**	0%
Clearing House Funds	**1.5**	1.7	**71%**	70%	**5%**	14%	**24%**	16%	**0%**	0%	**0%**	0%
Total	**47.1**	76.0	**35%**	54%	**17%**	15%	**42%**	28%	**5%**	2%	**1%**	1%

Credit exposure is well diversified. The Group's bond portfolio held is of investment grade and, as at 30 June 2008, had a weighted average credit rating of Aa1 (31 March 2008: Aa1) and a weighted average maturity of 0.7 year (31 March 2008: 0.6 year). Deposits are placed only with the note-issuing banks in Hong Kong, investment grade licensed banks and restricted licence banks approved by the Board from time to time.

Risk management techniques, such as Value-at-Risk ("VaR") and portfolio stress testing, are used to identify, measure, monitor and control market risks. VaR measures the expected maximum loss over a given time interval (a holding period of 10 trading days is used by the Group) at a given confidence level (95 per cent confidence interval is adopted by the Group) based on historical data (one year is used by the Group). The overall risk, as measured by the VaR methodology, during the second quarter of 2008 and the first quarter of 2008 was as follows:

	Average VaR $ million		**Highest VaR** $ million		**Lowest VaR** $ million	
	Apr-Jun	Jan-Mar	**Apr-Jun**	Jan-Mar	**Apr-Jun**	Jan-Mar
Corporate Funds	**17.7**	17.7	**18.8**	19.2	**16.9**	15.2
Margin Funds	**21.0**	26.5	**24.2**	31.3	**17.1**	20.4
Clearing House Funds	**0.6**	0.4	**0.9**	0.4	**0.2**	0.3

Details of the Group's net investment income are set out in the Income section under the Financial Review.

FINANCIAL REVIEW

Overall Performance

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000
RESULTS		
Income:		
Income affected by market turnover	**2,624,437**	1,954,516
Stock Exchange listing fees	**355,960**	294,000
Income from sale of information	**354,419**	275,686
Net investment income	**589,951**	452,740
Gain on disposal of properties	**68,641**	-
Other income	**217,923**	179,996
	4,211,331	3,156,938
Operating expenses	**768,943**	665,644
Operating profit	**3,442,388**	2,491,294
Gain on disposal of an associate	**-**	206,317
Share of profit of an associate	**-**	5,587
Profit before taxation	**3,442,388**	2,703,198
Taxation	**(467,982)**	(372,897)
Profit attributable to shareholders	**2,974,406**	2,330,301

The Group recorded a profit attributable to shareholders of $2,974 million for the first six months of 2008 (first quarter: $1,650 million; second quarter: $1,324 million) compared with $2,330 million for the same period in 2007 (2007 first quarter: $922 million; second quarter: $1,408 million).

The rise in profit for the six months ended 30 June 2008 against that of 2007 was primarily attributable to the higher turnover-related income resulting from an increase in the level of activities in the Cash and Derivatives Markets and growth in net investment income on account of higher net interest income in 2008, notwithstanding the gain on disposal of an associate in 2007 which was not repeated in 2008.

Total operating expenses increased by 16 per cent during the period mainly due to higher staff costs and information technology and computer maintenance expenses.

Income

(A) Income Affected by Market Turnover

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Change
Trading fees and trading tariff	**1,553,482**	1,074,819	45%
Clearing and settlement fees	**774,860**	571,274	36%
Depository, custody and nominee services fees	**296,095**	308,423	(4%)
Total	**2,624,437**	1,954,516	34%

The increase in trading fees and trading tariff was mainly due to the higher market turnover in the Cash and Derivatives Markets in the first six months of 2008 against that of the corresponding period last year.

Clearing and settlement fees are derived predominantly from Cash Market transactions. The increase in clearing and settlement fees in 2008 was mainly due to the higher market turnover in the Cash Market. Despite being mostly ad valorem fees, clearing and settlement fees are subject to a minimum and a maximum fee per transaction and may not always move exactly with changes in the Cash Market turnover. In 2008, clearing and settlement fees did not increase linearly with the Cash Market turnover as a higher proportion of the value of transactions was subject to the maximum fee and a lower proportion of the value of transactions was subject to the minimum fee.

Depository, custody and nominee services fees dropped mainly due to a decrease in electronic-IPO handling fees as the number of newly listed companies fell. The decrease was partly offset by an increase in scrip fees, dividend collection fees and stock custody fees. Other than electronic-IPO handling fees, the other fees are influenced by the level of Cash Market activities but do not move proportionately with changes in the Cash Market turnover as they vary mostly with the number of board lots rather than the value or turnover of the securities concerned and many are subject to a maximum fee. Moreover, scrip fees are only chargeable on the net increase in individual Participants' aggregate holdings of the securities from one book closing date to the next, and thus are unusually large on the first book closing date after a new listing.

Key Market Indicators

	Six months ended 30 Jun 2008	Six months ended 30 Jun 2007	Change
Average daily turnover value on the Stock Exchange	**$87.3 billion**	$59.2 billion	47%
Average daily number of derivatives contracts traded on the Futures Exchange	**191,179**	145,852	31%
Average daily number of stock options contracts traded on the Stock Exchange	**238,970**	131,040	82%

(B) Stock Exchange Listing Fees

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Change
Annual listing fees	**169,804**	147,041	15%
Initial and subsequent issue listing fees	**183,426**	143,970	27%
Others	**2,730**	2,989	(9%)
Total	**355,960**	294,000	21%

The increase in annual listing fees was attributable to the higher number of listed securities. The rise in initial listing and subsequent issue listing fees was due to the increase in the number of newly listed DWs and CBBCs.

Key Drivers for Annual Listing Fees

	As at 30 Jun 2008	As at 30 Jun 2007	Change
Number of companies listed on Main Board	**1,065**	1,002	6%
Number of companies listed on GEM	**189**	194	(3%)
Total	**1,254**	1,196	5%

Key Drivers for Initial and Subsequent Issue Listing Fees

	Six months ended 30 Jun 2008	Six months ended 30 Jun 2007	Change
Number of newly listed DWs	**2,777**	2,305	20%
Number of newly listed CBBCs	**953**	74	1,188%
Number of newly listed companies on Main Board	**21**	32	(34%)
Number of newly listed companies on GEM	**2**	-	N/A
Total equity funds raised on Main Board	**$117.0 billion**	$187.6 billion	(38%)
Total equity funds raised on GEM	**$5.2 billion**	$7.9 billion	(34%)

(C) Income from Sale of Information

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Change
Income from sale of information	**354,419**	275,686	29%

Income from sale of information rose as demand for information increased in tandem with the activities of the Cash and Derivatives Markets.

(D) Net Investment Income

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Change
Gross investment income	**662,734**	735,622	(10%)
Interest expenses	**(72,783)**	(282,882)	(74%)
Net investment income	**589,951**	452,740	30%

The average amount of funds available for investment is set out below:

	Six months ended 30 Jun 2008 $ billion	Six months ended 30 Jun 2007 $ billion	Change
Corporate Funds	**10.0**	6.4	56%
Margin Funds	**58.2**	27.1	115%
Clearing House Funds	**1.7**	2.0	(15%)
Total	**69.9**	35.5	97%

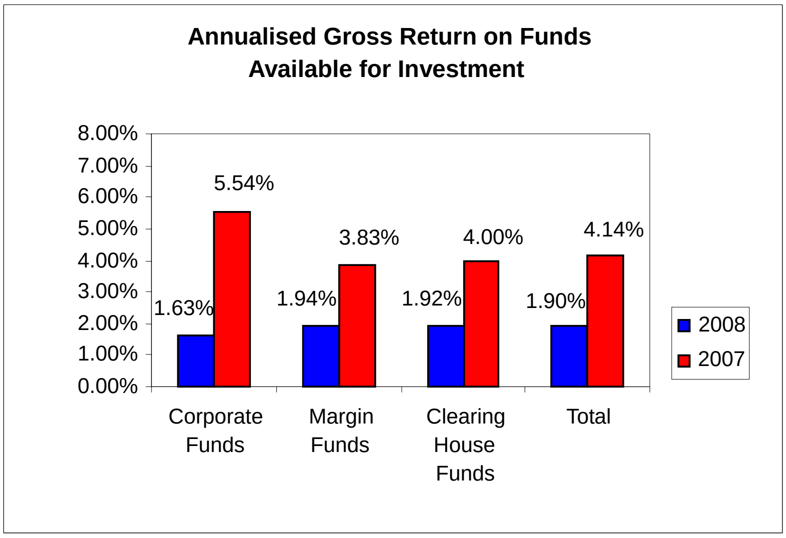
The increase in average amount of Corporate Funds during the period was mainly due to the profit net of dividends paid.

The significant rise in average amount of Margin Funds available for investment during the period was primarily caused by the increased open interest in futures and options contracts and the higher margin rate required per contract.

The lower average amount of Clearing House Funds was mainly due to a decrease in additional contributions from Participants in response to market fluctuations and changes in risk exposure.

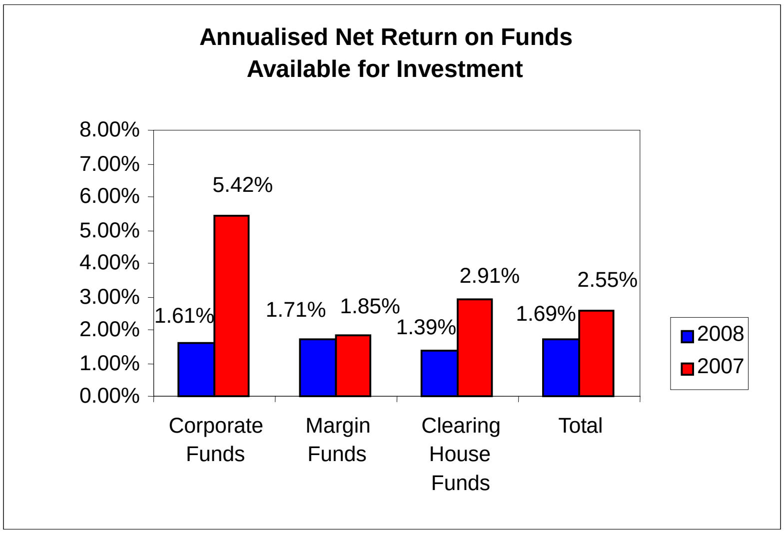
The higher net investment income was primarily due to the significant increase in net interest income of Margin Funds arising from an increase in fund size during the first six months of 2008 as compared with that of the corresponding period in 2007, but partly offset by the drop in interest rates and significant decrease in fair value gains of Corporate Fund investments, reflecting market movements.

The annualised gross return on funds available for investment during the first six months is set out below.



The gross return for all funds was brought down by the decrease in interest rates. The return of the Corporate Funds was also adversely affected by the significant decrease in fair value gains of the Corporate Fund investments, reflecting market movements. The lower return of Margin Funds was also attributable to an increase in the proportion of Margin Funds denominated in Japanese Yen which generated a very low return.

The annualised net return on funds available for investment after the deduction of interest expenses during the first six months is set out below.



The net return of the Margin Funds was similar to that of the corresponding period last year as the decrease in gross return was mostly offset by the drop in the interest rate (savings rate) payable to margin depositors. The decrease in net return on the Clearing House Fund investments was less than the decrease in gross return as a lower proportion of Clearing House Fund contributions was eligible for interest in 2008.

Details of the investment portfolio are set out in the Treasury section under the Business Review.

(E) Gain on Disposal of Properties

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Change
Gain on disposal of properties	**68,641**	-	N/A

The Group sold an investment property and one of the leasehold properties during the first six months of 2008 generating a gain of $68,641,000.

(F) Other Income

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Change
Network, terminal user, dataline and software sub-license fees	**159,820**	107,861	48%
Participants' subscription and application fees	**17,129**	17,051	0%
Brokerage on direct IPO allotments	**4,577**	36,069	(87%)
Trading booth user fees	**4,777**	4,788	(0%)
Fair value gain of an investment property	**-**	1,100	(100%)
Accommodation income	**15,216**	5,340	185%
Sale of Trading Rights	**6,835**	-	N/A
Miscellaneous income	**9,569**	7,787	23%
Total	**217,923**	179,996	21%

Network, terminal user, dataline and software sub-license fees rose due to an increase in sales of open gateway and additional throttle.

Brokerage on direct IPO allotments fell as the number of newly listed companies decreased.

Accommodation income (ie, retention interest charged on securities deposited by Participants as alternatives to cash deposits of the Margin Funds) increased mainly due to the increase in utilisation of non-cash collateral by Participants to meet their margin obligations.

Operating Expenses

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Change
Staff costs and related expenses	**451,986**	386,548	17%
Information technology and computer maintenance expenses	**121,526**	100,697	21%
Premises expenses	**69,722**	65,575	6%
Product marketing and promotion expenses	**9,637**	7,108	36%
Legal and professional fees	**8,850**	4,390	102%
Depreciation	**49,938**	42,456	18%
Other operating expenses	**57,284**	58,870	(3%)
Total	**768,943**	665,644	16%

Staff costs and related expenses increased by $65 million, primarily due to the increase in salary costs and provident fund contributions as a result of the increase in headcount and salary adjustments in 2008, and an increase in performance bonus accrual on account of the improved performance of the Group.

Information technology and computer maintenance expenses of the Group, after excluding services and goods directly consumed by the Participants of $48 million (2007: $34 million), were $74 million (2007: $67 million). The increase in costs of services and goods consumed by the Group was mainly due to higher maintenance costs and line rentals. The increase in costs of services and goods consumed by Participants was primarily due to the increase in the purchases of AMS/3 hardware and software and higher line rentals incurred by the Participants. Costs of services and goods consumed by Participants were mostly recovered from the Participants and the income was included as part of the network, terminal user, dataline and software sub-license fees under Other Income.

Legal and professional fees rose mainly due to the higher legal fees incurred for listing-related matters.

Depreciation increased as the capacity upgrade of certain trading and clearing systems was completed during the period.

Gain on Disposal of an Associate

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Change
Gain on disposal of an associate	**-**	206,317	(100%)

In April 2007, the Group disposed of all of its 30 per cent interest in Computershare Hong Kong Investor Services Limited ("CHIS") as the Board considered the sale represented a good opportunity for the Group to realise the gain on the associate.

Share of Profit of an Associate

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Change
Share of profit of an associate	**-**	5,587	(100%)

As the Group disposed of its entire interest in the associate in April 2007, there was no share of profit in 2008.

Taxation

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Change
Taxation	**467,982**	372,897	25%

Taxation increased mainly attributable to an increase in operating profit, but partly offset by an increase in non-taxable investment income and the reduction of Hong Kong Profits Tax rate from 17.5 per cent to 16.5 per cent.

Comparison of 2008 Second Quarter Performance with 2008 First Quarter Performance

	Unaudited Three months ended 30 Jun 2008 $'000	Unaudited Three months ended 31 Mar 2008 $'000
Income:		
Income affected by market turnover:		
Trading fees and trading tariff	**687,372**	866,110
Clearing and settlement fees	**354,053**	420,807
Depository, custody and nominee services fees	**231,876**	64,219
	1,273,301	1,351,136
Stock Exchange listing fees	**164,848**	191,112
Income from sale of information	**169,358**	185,061
Net investment income	**221,881**	368,070
Gain on disposal of properties	**-**	68,641
Other income	**97,299**	120,624
	1,926,687	2,284,644
Operating expenses	**386,384**	382,559
Profit before taxation	**1,540,303**	1,902,085
Taxation	**(215,638)**	(252,344)
Profit attributable to shareholders	**1,324,665**	1,649,741

Profit attributable to shareholders decreased from $1,650 million in the first quarter of 2008 to $1,324 million in the second quarter of 2008. The fall in profit was mainly driven by the weaker investor sentiment and lower net investment income. Moreover, the gain on disposal of properties in the first quarter was not repeated in the second quarter. The decrease in profit was partly offset by a lower taxation charge.

Trading fees and trading tariff, clearing and settlement fees, and income from sale of information fell in tandem with the activities of the Cash and Derivatives Markets. Stock Exchange listing fees decreased with the lower number of newly listed DWs in the second quarter as compared to the first quarter. Depository, custody and nominee services fees, however, rose as a result of an increase in scrip fee income due to seasonal fluctuations. Net investment income dropped primarily due to the reduction in net interest income which was attributable to the decrease in interest rates and funds available for investment in the second quarter.

Key Market Indicators

	Three months ended 30 Jun 2008	Three months ended 31 Mar 2008	Change
Average daily turnover value on the Stock Exchange	**$76.1 billion**	$98.7 billion	(23%)
Average daily number of derivatives contracts traded on the Futures Exchange	**176,748**	205,853	(14%)
Average daily number of stock options contracts traded on the Stock Exchange	**212,191**	266,199	(20%)

Operating expenses increased by one per cent mainly as a result of the increase in premises expenses, product marketing and promotion expenses and depreciation charge but partly offset by the decrease in performance bonus accrual on account of the lower profit of the Group in the second quarter.

Taxation decreased mainly attributable to the lower operating profit (excluding the non-taxable gain on disposal of properties) but partly offset by a decrease in non-taxable investment income.

Working Capital

Working capital fell by $764 million or 10 per cent to $6,652 million as at 30 June 2008 (31 December 2007: $7,416 million). The reduction was primarily due to the payment of the 2007 final dividend of $3,646 million in May 2008, the $84 million increase in available-for-sale financial assets of Corporate Funds maturing over one year and the decrease in other working capital of $8 million, but was offset by the profit generated during the six months of $2,974 million.

Although the Group has consistently maintained a very liquid position, banking facilities have nevertheless been put in place for contingency purposes. As at 30 June 2008, the Group's total available banking facilities amounted to $3,058 million (31 December 2007: $3,058 million), of which $3,000 million (31 December 2007: $3,000 million) represented repurchase facilities to augment the liquidity of the Margin Funds.

Borrowings by the Group have been rare and are mostly event driven, with little seasonality. As at 30 June 2008 and 31 December 2007, the Group had no bank borrowings and therefore had a zero gearing.

The Group's capital expenditure commitments as at 30 June 2008 were mainly related to the ongoing investments in facilities and technology, and amounted to $175 million (31 December 2007: $165 million). The Group has adequate internal resources to fund its commitments on capital expenditure.

As at 30 June 2008, 99 per cent (31 December 2007: 99 per cent) of the Group's cash and cash equivalents (comprising cash on hand, bank balances and time deposits within three months of maturity when acquired) was denominated in HKD or USD.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets

Save for those disclosed in this announcement, there were no significant investments held, and material acquisitions and disposals of subsidiaries during the period under review, and there is no plan for material investments or capital assets as at the date of this announcement.

Charges on Assets

None of the Group's assets was pledged as at 30 June 2008 and 31 December 2007.

Exposure to Fluctuations in Exchange Rates and Related Hedges

When seeking to optimise the returns on its funds available for investment, the Group may invest in non-HKD securities from time to time. Forward foreign exchange contracts and foreign currency cash and bank deposits have been used to hedge the currency exposure of the Group's non-HKD investments, highly probable forecast transactions and liabilities to mitigate risks arising from fluctuations in exchange rates.

As at 30 June 2008, the aggregate net open foreign currency positions amounted to HK$2,159 million, of which HK$147 million were non-USD exposures (31 December 2007: HK$4,727 million, of which HK$210 million were non-USD exposures) and the maximum gross nominal value of outstanding forward foreign exchange contracts amounted to HK$3,132 million (31 December 2007: HK$2,926 million). All forward foreign exchange contracts would mature within two months (31 December 2007: two months).

Foreign currency margin deposits received by the Group are mainly hedged by investments in the same currencies, but 25 per cent of the HKD liabilities may be invested in USD deposits for a maximum maturity of two weeks.

Contingent Liabilities

As at 30 June 2008, the Group's material contingent liabilities were as follows:

(a) The Group has a contingent liability in respect of potential calls to be made by the SFC to replenish all or part of compensation less recoveries paid by the Unified Exchange Compensation Fund established under the Securities Ordinance up to an amount not exceeding $72 million. Up to 30 June 2008, no calls had been made by the SFC in this connection.

(b) The Stock Exchange has undertaken to indemnify the Collector of Stamp Revenue against any loss of revenue resulting from any underpayment or default or delay in payment of stamp duty by its Participants, up to $200,000 in respect of the default of any one Participant. In the unlikely event that all of its 448 trading Participants as at 30 June 2008 (31 December 2007: 439) defaulted, the maximum contingent liability of the Stock Exchange under the indemnity would amount to $89,600,000 (31 December 2007: $87,800,000). The carrying amount of the financial guarantee contract recognised in the condensed consolidated statement of financial position was $19,909,000 (31 December 2007: $19,909,000).

(c) HKEx gave an undertaking on 6 March 2000 in favour of HKSCC to contribute an amount not exceeding $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 debts and liabilities of HKSCC contracted before HKSCC ceases to be a wholly-owned subsidiary of HKEx, and for the costs, charges and expenses of winding up.

Changes since 31 December 2007

There were no other significant changes in the Group's financial position and from the information disclosed under Management Discussion and Analysis in the annual report for the year ended 31 December 2007.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**Unaudited Six months ended 30 Jun 2008 $'000**	Unaudited Six months ended 30 Jun 2007 $'000	**Unaudited Three months ended 30 Jun 2008 $'000**	Unaudited Three months ended 30 Jun 2007 $'000
INCOME	2				
Trading fees and trading tariff		**1,553,482**	1,074,819	**687,372**	570,406
Stock Exchange listing fees		**355,960**	294,000	**164,848**	150,599
Clearing and settlement fees		**774,860**	571,274	**354,053**	309,770
Depository, custody and nominee services fees		**296,095**	308,423	**231,876**	247,681
Income from sale of information		**354,419**	275,686	**169,358**	148,074
Net investment income	4	**589,951**	452,740	**221,881**	229,597
Gain on disposal of properties	12	**68,641**	-	**-**	-
Other income	5	**217,923**	179,996	**97,299**	101,872
	3	**4,211,331**	3,156,938	**1,926,687**	1,757,999
OPERATING EXPENSES					
Staff costs and related expenses		**451,986**	386,548	**223,086**	204,243
Information technology and computer maintenance expenses		**121,526**	100,697	**59,943**	49,396
Premises expenses		**69,722**	65,575	**35,762**	33,165
Product marketing and promotion expenses		**9,637**	7,108	**6,077**	4,629
Legal and professional fees		**8,850**	4,390	**5,260**	3,016
Depreciation		**49,938**	42,456	**26,275**	19,294
Other operating expenses	6	**57,284**	58,870	**29,981**	29,258
	3	**768,943**	665,644	**386,384**	343,001
OPERATING PROFIT	3	**3,442,388**	2,491,294	**1,540,303**	1,414,998
GAIN ON DISPOSAL OF AN ASSOCIATE	3/7	**-**	206,317	**-**	206,317
SHARE OF PROFIT OF AN ASSOCIATE	3	**-**	5,587	**-**	-
PROFIT BEFORE TAXATION	3	**3,442,388**	2,703,198	**1,540,303**	1,621,315
TAXATION	8	**(467,982)**	(372,897)	**(215,638)**	(213,551)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		**2,974,406**	2,330,301	**1,324,665**	1,407,764
Basic earnings per share	10(a)	**$2.78**	$2.19	**$1.24**	$1.32
Diluted earnings per share	10(b)	**$2.76**	$2.16	**$1.23**	$1.31

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	**Unaudited Three months ended 30 Jun 2008 $'000**	Unaudited Three months ended 30 Jun 2007 $'000
Profit attributable to shareholders	**2,974,406**	2,330,301	**1,324,665**	1,407,764
Other comprehensive income:				
Available-for-sale financial assets:				
Change in fair value	**5,553**	(25,954)	**(51,268)**	(13,208)
Realisation of change in fair value on maturity	**(41,350)**	(4,235)	**(26,195)**	(3,309)
Less: Reclassification adjustment:				
Gains included in profit or loss on disposal	**(4,678)**	-	-	-
Deferred tax	**6,860**	2,257	**12,688**	196
	(33,615)	(27,932)	**(64,775)**	(16,321)
Cash flow hedges:				
Fair value gains of hedging instruments	-	132	-	216
Less: Reclassification adjustment:				
Gains reclassified to profit or loss as information technology and computer maintenance expenses	-	(70)	-	(112)
Gains reclassified to profit or loss as net investment income	-	(62)	-	(62)
	-	-	-	42
Leasehold buildings:				
Change in valuation	-	(44)	-	(44)
Deferred tax arising from change in valuation	-	7	-	7
	-	(37)	-	(37)
Less: Reclassification adjustment:				
Share of other comprehensive income of an associate reclassified to profit or loss on disposal	-	(58)	-	(58)
Other comprehensive income attributable to shareholders, net of tax	**(33,615)**	(28,027)	**(64,775)**	(16,374)
Total comprehensive income attributable to shareholders	**2,940,791**	2,302,274	**1,259,890**	1,391,390

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**Unaudited at 30 Jun 2008 $'000**	Audited at 31 Dec 2007 $'000
NON-CURRENT ASSETS			
Fixed assets		**311,011**	317,065
Lease premium for land		**60,453**	60,708
Clearing House Funds		**1,549,277**	2,192,204
Available-for-sale financial assets		**109,480**	25,270
Deferred tax assets		**4,708**	3,610
Other financial assets		**21,841**	19,177
Other assets		**3,212**	3,212
		2,059,982	2,621,246
CURRENT ASSETS			
Accounts receivable, prepayments and deposits	11	**15,155,742**	18,364,129
Lease premium for land		**509**	509
Tax recoverable		**-**	148
Margin Funds on derivatives contracts		**34,627,385**	55,428,888
Financial assets at fair value through profit or loss		**3,005,177**	2,996,555
Available-for-sale financial assets		**1,931,425**	3,041,737
Time deposits with original maturities over three months		**2,390,809**	682,174
Cash and cash equivalents		**2,550,571**	4,744,711
		59,661,618	85,258,851
Non-current assets held for sale	12	**-**	64,092
		59,661,618	85,322,943
CURRENT LIABILITIES			
Margin deposits from Clearing Participants on derivatives contracts		**34,627,385**	55,428,888
Accounts payable, accruals and other liabilities	13	**17,051,799**	21,375,909
Financial liabilities at fair value through profit or loss		**5,001**	6,149
Participants' admission fees received		**3,600**	3,050
Deferred revenue		**242,744**	375,174
Taxation payable		**1,045,487**	687,726
Provisions		**33,927**	29,630
		53,009,943	77,906,526
NET CURRENT ASSETS		**6,651,675**	7,416,417
TOTAL ASSETS LESS CURRENT LIABILITIES		**8,711,657**	10,037,663

	Note	**Unaudited at 30 Jun 2008 $'000**	Audited at 31 Dec 2007 $'000
NON-CURRENT LIABILITIES			
Participants' admission fees received		**81,400**	82,550
Participants' contributions to Clearing House Funds		**842,763**	1,496,855
Deferred tax liabilities		**28,721**	36,873
Financial guarantee contract		**19,909**	19,909
Provisions		**24,145**	24,128
		996,938	1,660,315
NET ASSETS		**7,714,719**	8,377,348
CAPITAL AND RESERVES			
Share capital		**1,073,647**	1,070,285
Share premium		**331,425**	266,170
Shares held for Share Award Scheme		**(76,890)**	(47,803)
Employee share-based compensation reserve		**51,001**	49,669
Revaluation reserves		**19,266**	56,036
Designated reserves		**706,862**	694,853
Retained earnings	14	**5,609,408**	6,288,138
SHAREHOLDERS' FUNDS		**7,714,719**	8,377,348
TOTAL ASSETS		**61,721,600**	87,944,189
TOTAL LIABILITIES		**54,006,881**	79,566,841
SHAREHOLDERS' FUNDS PER SHARE		**$7.19**	$7.83

NOTES TO THE CONDENSED CONSOLIDATED ACCOUNTS

1. Basis of preparation and accounting policies

These unaudited condensed consolidated accounts should be read in conjunction with the 2007 annual accounts. The accounting policies and methods of computation used in the preparation of these accounts are consistent with those used in the annual accounts for the year ended 31 December 2007.

2. Turnover

The Group's turnover comprises trading fees and trading tariff from securities and options traded on the Stock Exchange and derivatives contracts traded on the Futures Exchange, Stock Exchange listing fees, clearing and settlement fees, depository, custody and nominee services fees, income from sale of information, net investment income (including investment income net of interest expenses of Clearing House Funds) and other income, which are included in **Income** in the condensed consolidated income statement.

3. Operating segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group has four reportable segments. The segments are managed separately as each business offers different products and services and requires different information technology systems and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

The **Cash Market** business mainly refers to the operations of the Stock Exchange, which covers all products traded on the Cash Market platforms, such as equities, debt securities, unit trusts, CBBCs, warrants and rights. Currently, the Group operates two Cash Market platforms, the Main Board and GEM. The major sources of income of the business are trading fees, trading tariff and listing fees. Results of the Listing Function are included in the Cash Market.

The **Derivatives Market** business refers to the derivatives products traded on the Futures Exchange and stock options traded on the Stock Exchange, which includes the provision and maintenance of trading platforms for a range of derivatives products, such as stock and equity index futures and options, and interest rate and Exchange Fund Note futures. Its income mainly comprises trading fees, trading tariff and net investment income on the Margin Funds invested.

The **Clearing Business** refers to the operations of the three clearing houses, namely HKSCC, SEOCH and HKCC, which are responsible for clearing, settlement and custodian activities of the Cash and Derivatives Markets operated by the Group. Its income is derived primarily from net investment income earned on the Clearing House Funds and fees from providing clearing, settlement, depository, custody and nominee services.

The **Information Services** business is responsible for developing, promoting, compiling and sales of real-time, historical as well as statistical market data and issuer information. Its income comprises primarily income from sale of Cash Market and Derivatives Market data.

An analysis of the Group's reportable segment profit before taxation for the period by operating segment is as follows:

	Unaudited Six months ended 30 Jun 2008				
	Cash Market $'000	**Derivatives Market $'000**	**Clearing Business $'000**	**Information Services $'000**	**Group $'000**
Income from external customers	**1,722,951**	**339,116**	**1,134,932**	**355,740**	**3,552,739**
Net investment income	**53,980**	**506,428**	**29,373**	**170**	**589,951**
Gain on disposal of properties	**33,442**	**11,580**	**19,116**	**4,503**	**68,641**
Total income	**1,810,373**	**857,124**	**1,183,421**	**360,413**	**4,211,331**
Operating expenses					
Direct costs	**295,588**	**71,913**	**180,369**	**26,728**	**574,598**
Indirect costs	**92,968**	**30,627**	**58,340**	**12,410**	**194,345**
	388,556	**102,540**	**238,709**	**39,138**	**768,943**
Reportable segment profit before taxation	**1,421,817**	**754,584**	**944,712**	**321,275**	**3,442,388**

	Unaudited Six months ended 30 Jun 2007				
	Cash Market $'000	Derivatives Market $'000	Clearing Business $'000	Information Services $'000	Group $'000
Income from external customers	1,262,942	241,591	921,467	277,098	2,703,098
Net investment income	75,137	281,673	95,538	392	452,740
Fair value gain of an investment property	1,100	-	-	-	1,100
Total income	1,339,179	523,264	1,017,005	277,490	3,156,938
Operating expenses					
Direct costs	235,264	66,418	174,216	24,270	500,168
Indirect costs	75,100	24,497	54,782	11,097	165,476
	310,364	90,915	228,998	35,367	665,644
Operating profit	1,028,815	432,349	788,007	242,123	2,491,294
Gain on disposal of an associate	-	-	206,317	-	206,317
Share of profit of an associate	-	-	5,587	-	5,587
Reportable segment profit before taxation	1,028,815	432,349	999,911	242,123	2,703,198

The accounting policies of the reportable segments are the same as the Group's accounting policies. Central income (mainly net investment income of the Corporate Funds) and central costs (mainly costs of support functions that centrally provide services to all of the operating segments) are allocated to the operating segments as they are included in the measure of the segments' profit that is used by the chief operating decision-makers for the purposes of resource allocation and assessment of segment performance. Performance is measured based on segment profit before taxation. Taxation charge/(credit) is not allocated to reportable segments.

There were no inter-segment sales during the period (2007: $Nil).

4. Net investment income

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Unaudited Three months ended 30 Jun 2008 $'000	Unaudited Three months ended 30 Jun 2007 $'000
Interest income				
- bank deposits	**347,424**	299,176	**99,970**	145,852
- listed available-for-sale financial assets	**4,711**	15,071	**2,185**	6,687
- unlisted available-for-sale financial assets	**312,550**	309,694	**123,549**	160,902
	664,685	623,941	**225,704**	313,441
Interest expenses	**(72,783)**	(282,882)	**(2,742)**	(135,726)
Net interest income	**591,902**	341,059	**222,962**	177,715
Net realised and unrealised (losses)/gains and interest income on financial assets and financial liabilities at fair value through profit or loss, held for trading				
- listed securities	**(28,830)**	76,771	**(3,401)**	44,360
- unlisted securities	**20,154**	17,432	**1,960**	3,527
- exchange differences	**1,463**	13,292	**(443)**	1,687
	(7,213)	107,495	**(1,884)**	49,574
Realised gains on disposal of unlisted available-for-sale financial assets	**1,460**	-	**23**	-
Dividend income from listed financial assets at fair value through profit or loss	**2,424**	4,012	**974**	2,300
Other exchange differences on loans and receivables	**1,378**	174	**(194)**	8
Net investment income	**589,951**	452,740	**221,881**	229,597
Net investment income was derived from:				
Corporate Funds	**80,400**	172,415	**32,166**	86,763
Margin Funds	**497,420**	250,876	**184,806**	127,485
Clearing House Funds	**12,131**	29,449	**4,909**	15,349
	589,951	452,740	**221,881**	229,597

5. Other income

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Unaudited Three months ended 30 Jun 2008 $'000	Unaudited Three months ended 30 Jun 2007 $'000
Network, terminal user, dataline and software sub-license fees	**159,820**	107,861	**69,969**	54,800
Participants' subscription and application fees	**17,129**	17,051	**8,601**	8,571
Brokerage on direct IPO allotments	**4,577**	36,069	**843**	27,722
Trading booth user fees	**4,777**	4,788	**2,380**	2,394
Fair value gain of an investment property	**-**	1,100	**-**	600
Accommodation income on securities deposited by Participants as alternatives to cash deposits of the Margin Funds	**15,216**	5,340	**6,300**	3,499
Sale of Trading Rights	**6,835**	-	**3,835**	-
Miscellaneous income	**9,569**	7,787	**5,371**	4,286
	217,923	179,996	**97,299**	101,872

6. Other operating expenses

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Unaudited Three months ended 30 Jun 2008 $'000	Unaudited Three months ended 30 Jun 2007 $'000
Provision for impairment losses of trade receivables	**317**	373	**413**	436
Insurance	**2,347**	2,413	**1,175**	1,217
Financial data subscription fees	**2,157**	1,986	**1,038**	980
Custodian and fund management fees	**6,060**	4,460	**2,944**	2,267
Bank charges	**5,487**	9,626	**2,454**	6,136
Repairs and maintenance expenses	**4,078**	4,339	**1,906**	2,583
License fees	**7,897**	6,653	**3,062**	2,808
Communication expenses	**2,765**	2,698	**1,669**	1,448
Other miscellaneous expenses	**26,176**	26,322	**15,320**	11,383
	57,284	58,870	**29,981**	29,258

7. Gain on disposal of an associate

In April 2007, the Group sold all of its 7,317 fully paid Class A ordinary shares (equivalent to 30 per cent of the issued share capital) of CHIS for a consideration of $270,320,000. The accounting profit on disposal of the investment, after deducting stamp duty of $270,000, amounted to $206,317,000 and was recognised in the condensed consolidated income statement during the six months ended 30 June 2007.

8. Taxation

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

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Unaudited Three months ended 30 Jun 2008 $'000	Unaudited Three months ended 30 Jun 2007 $'000
Provision for Hong Kong Profits Tax for the period (note a)	**470,372**	373,277	**207,259**	213,750
Deferred taxation	**(2,390)**	(380)	**8,379**	(199)
	467,982	372,897	**215,638**	213,551

(a) Hong Kong Profits Tax has been provided for at 16.5 per cent (2007: 17.5 per cent) on the estimated assessable profit for the period.

9. Dividends

	Unaudited Six months ended 30 Jun 2008 $'000	Unaudited Six months ended 30 Jun 2007 $'000	Unaudited Three months ended 30 Jun 2008 $'000	Unaudited Three months ended 30 Jun 2007 $'000
Interim dividend declared of $2.49 (2007: $1.79) per share based on issued share capital as at 30 Jun	**2,673,381**	1,913,437	**2,673,381**	1,913,437
Less: Dividend for shares held by HKEx Employees' Share Award Scheme as at 30 Jun	**(3,061)**	(2,306)	**(3,061)**	(2,306)
	2,670,320	1,911,131	**2,670,320**	1,911,131

(a) Actual 2007 interim dividend was $1,912,193,000, of which $1,062,000 was paid on shares issued for employee share options exercised after 30 June 2007.

10. Earnings per share

The calculation of the basic and diluted earnings per share is as follows:

(a) Basic earnings per share

	Unaudited Six months ended 30 Jun 2008	Unaudited Six months ended 30 Jun 2007	**Unaudited Three months ended 30 Jun 2008**	Unaudited Three months ended 30 Jun 2007
Profit attributable to shareholders ($'000)	**2,974,406**	2,330,301	**1,324,665**	1,407,764
Weighted average number of shares in issue less shares held for Share Award Scheme	**1,070,922,358**	1,066,212,556	**1,072,060,063**	1,067,212,215
Basic earnings per share	**$2.78**	$2.19	**$1.24**	$1.32

(b) Diluted earnings per share

	Unaudited Six months ended 30 Jun 2008	Unaudited Six months ended 30 Jun 2007	**Unaudited Three months ended 30 Jun 2008**	Unaudited Three months ended 30 Jun 2007
Profit attributable to shareholders ($'000)	**2,974,406**	2,330,301	**1,324,665**	1,407,764
Weighted average number of shares in issue less shares held for Share Award Scheme	**1,070,922,358**	1,066,212,556	**1,072,060,063**	1,067,212,215
Effect of employee share options	**6,750,785**	10,237,627	**5,630,315**	9,133,278
Effect of Awarded Shares	**1,140,122**	1,210,428	**1,161,422**	1,234,601
Weighted average number of shares for the purpose of calculating diluted earnings per share	**1,078,813,265**	1,077,660,611	**1,078,851,800**	1,077,580,094
Diluted earnings per share	**$2.76**	$2.16	**$1.23**	$1.31

11. Accounts receivable, prepayments and deposits

The Group's accounts receivable, prepayments and deposits amounted to $15,155,742,000 (31 December 2007: $18,364,129,000). These mainly represented the Group's Continuous Net Settlement ("CNS") money obligations receivable under the T+2 settlement cycle, which accounted for 96 per cent (31 December 2007: 94 per cent) of the total accounts receivable, prepayments and deposits. CNS money obligations receivable mature within two days after the trade date. Fees receivable are due immediately or up to 30 days depending on the type of services rendered. The majority of the remaining accounts receivable, prepayments and deposits would mature within three months.

12. Non-current assets held for sale

	Unaudited at 30 Jun 2008 $'000	Audited at 31 Dec 2007 $'000
Leasehold building	-	7,524
Investment property	-	24,200
Lease premium for land of leasehold property	-	32,368
	-	64,092
Reserves associated with assets held for sale recognised in other comprehensive income (leasehold buildings revaluation reserve)	-	3,155

On 19 September 2007, the Board approved the disposal of one of the leasehold properties and the investment property held by the Group as the Board resolved to restructure the Group's property portfolio. No impairment losses were recognised on the reclassification of the properties as held for sale.

In January 2008, the Group entered into agreements with two third parties to sell the leasehold property and the investment property for a consideration of $103,380,000 and $30,400,000 respectively. The sale transactions were completed on 18 February 2008. The accounting profit on the disposal of the properties, after deducting related selling expenses of $1,047,000, amounted to $68,641,000 ($62,709,000 for the leasehold property and $5,932,000 for the investment property) and was recognised in the condensed consolidated income statement during the first quarter of 2008.

13. Accounts payable, accruals and other liabilities

The Group's accounts payable, accruals and other liabilities amounted to $17,051,799,000 (31 December 2007: $21,375,909,000). These mainly represented the Group's CNS money obligations payable under the T+2 settlement cycle, which accounted for 85 per cent (31 December 2007: 81 per cent) of the total accounts payable, accruals and other liabilities. CNS money obligations mature within two days after the trade date. The majority of the remaining accounts payable, accruals and other liabilities would mature within three months.

14. Retained earnings (including proposed/declared dividends)

	Unaudited 2008 $'000	Audited 2007 $'000
At 1 Jan	**6,288,138**	3,366,989
Profit for the period/year (note a)	**2,974,406**	6,169,278
Surplus of net investment income net of expenses of Clearing House Funds for the period/year transferred to Clearing House Funds reserves	**(12,009)**	(67,037)
Transfer from leasehold buildings revaluation reserve on disposal of a leasehold property	**3,155**	-
	(8,854)	(67,037)
Dividends:		
2007/2006 final dividend	**(3,634,850)**	(1,266,387)
Dividend on shares issued for employee share options exercised after 31 Dec 2007/31 Dec 2006	**(11,309)**	(3,879)
	(3,646,159)	(1,270,266)
2007 interim dividend	-	(1,911,131)
Dividend on shares issued for employee share options exercised after 30 Jun 2007	-	(1,062)
	-	(1,912,193)
Unclaimed dividend forfeited	**1,944**	2,454
Vesting of shares of Share Award Scheme	**(67)**	(1,087)
At 30 Jun 2008/31 Dec 2007	**5,609,408**	6,288,138
Representing:		
Retained earnings	**2,939,088**	2,652,760
Proposed/declared dividends	**2,670,320**	3,635,378
At 30 Jun 2008/31 Dec 2007	**5,609,408**	6,288,138

(a) The Group's profit for the period/year included the net investment income net of expenses of the Clearing House Funds of $12,009,000 (year ended 31 December 2007: $67,037,000).

PROSPECTS

The securities market remained volatile in the second quarter of 2008. The HSI increased from 22849 as at 31 March 2008 to over 26000 in May 2008 but dropped to just over 22100 as at the end of June 2008. The average daily turnover in the Cash Market for the second quarter contracted by approximately 23 per cent against that for the previous quarter.

A number of factors have affected investor sentiment. Globally, there have been concerns about a credit crunch and escalating oil prices. In the Mainland, the rising food prices and post-earthquake reconstruction programmes could add to inflationary pressures. The Central Government has continued with austerity measures to prevent the economy from overheating, including hiking the bank's reserve-requirement ratio six times in the first half of this year from 14.5 per cent to a record 17.5 per cent.

Looking ahead, the second half of 2008 would be challenging. We will continue to pursue our 2007-2009 Strategic Plan to achieve organic and sustainable growth for the Group. The review of our existing corporate social responsibility policies and practices, which is currently underway, will also contribute in this aspect.

With the twin objectives of expanding our product range and broadening our investor base, the first non-financial futures contract, gold futures, will be launched in October this year. Meanwhile, effective 1 July 2008, GEM has been repositioned as a second board and as a stepping stone to the Main Board. On the same day, the HDR framework was launched, which opens a new avenue for the listing of overseas companies. To pursue this initiative further, we are conducting a study of the desirability and feasibility of establishing a new board for the listing of overseas companies, in which trading would be restricted to professional investors.

To further develop our markets and reinforce Hong Kong's position as a leading international financial centre, HKEx will continue its strategic investments in information technology systems to upgrade our market infrastructure as well as other services. Meanwhile, we will continue to maintain stringent controls over expenditure, improve operating efficiency and enhance risk management in order to maximise shareholder value, and well position ourselves to face the challenges ahead.

INTERIM DIVIDEND

The Board has declared an interim dividend of $2.49 per share (2007: $1.79 per share) for the year ending 31 December 2008, amounting to a total of about $2,673 million (2007: $1,914 million) which includes $3,061,000 (2007: $2,306,000) for shares held in trust under the Employees' Share Award Scheme ("Share Award Scheme") adopted and amended by the Board respectively on 14 September 2005 and 16 August 2006.

CLOSURE OF REGISTER OF MEMBERS

HKEx's Register of Members ("ROM") will be closed from Friday, 29 August 2008 to Tuesday, 2 September 2008, both dates inclusive, during which period, no transfer of shares will be registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with HKEx's registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30pm on Thursday, 28 August 2008. Dividend warrants will be despatched on or about Thursday, 11 September 2008 to the shareholders whose names are on HKEx's ROM on 2 September 2008.

REVIEW OF ACCOUNTS

Disclosure of financial information in this announcement complies with Appendix 16 to the Main Board Listing Rules. The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2008 in conjunction with HKEx's external and internal auditors.

EMPLOYEES' INCENTIVES AND TRAINING

HKEx's success relies largely on the performance and commitment of its employees. Our employee policies are geared towards attracting, developing and motivating talented and suitable people. HKEx's remuneration packages comprise a base salary, a provident fund, group medical and group life insurances, and a bonus which is related to an individual employee's performance and the Group's overall performance. In addition, shares awarded under the Share Award Scheme are granted to key employees as a long-term incentive for retention purposes.

In order to develop employees' potential, HKEx offers a wide range of training programmes to help them fulfill their personal career goals and professional training requirements, and equip them to meet future challenges. In the first half of 2008, 60 training classes were organised with more than 2,100 participants. Over 400 employees attended external training courses on the latest developments in relevant rules and regulations. In addition, 154 employees participated in the e-learning scheme which was introduced last year to provide more training and to enable employees to learn at their own pace.

As at the end of June 2008, there were 864 employees in the Group, including 26 temporary staff (31 December 2007: 837 employees, including 32 temporary staff).

CORPORATE GOVERNANCE

The directors of HKEx ("Directors") appointed by the Financial Secretary of the Hong Kong Special Administrative Region of the People's Republic of China pursuant to Section 77 of the Securities and Futures Ordinance ("SFO") and the Chief Executive of HKEx in his capacity as a Director are not subject to election or re-election by shareholders of HKEx ("Shareholders") as governed by Section 77 of the SFO and the Articles of Association of HKEx respectively. Save as disclosed in this paragraph, HKEx has complied with all the code provisions and, where appropriate, adopted the recommended best practices, as set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Main Board Listing Rules throughout the review period.

GovernanceMetrics International, a corporate governance research and ratings agency, continued to assign high ratings to HKEx in recognition of its high corporate governance standards. As of 15 May 2008, the Global Rating and Home Market Rating remained at 8.0 and 10.0 respectively out of the maximum of 10.0.

HKEx continues its support to professional financial organisations on promoting good corporate governance. We participated in the OECD Asian Roundtable on Corporate Governance held on 13 and 14 May in Hong Kong, and the Chief Executive gave a speech on Hong Kong's commitment to market quality and high corporate governance standards during the lunch hosted by HKEx for the participants.

PURCHASE, SALE OR REDEMPTION OF HKEx'S LISTED SECURITIES

During the six months ended 30 June 2008, HKEx had not redeemed, and neither HKEx nor any of its subsidiaries had purchased or sold, any of HKEx's listed securities, except that the trustee of the Share Award Scheme had, pursuant to the terms of the rules and trust deed of the Share Award Scheme, purchased on the Exchange a total of 182,200 HKEx shares at a total consideration of $29,434,000.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The results announcement is published on HKExnews at www.hkexnews.hk and the HKEx website at www.hkex.com.hk/relation/results/2008_interim_e.pdf. The 2008 Interim Report will be available on both websites and despatched to Shareholders on or about Thursday, 28 August 2008.

BOARD OF DIRECTORS

As at the date of this announcement, the HKEx Board comprises 12 Independent Non-executive Directors, namely Mr ARCULLI, Ronald Joseph (Chairman), Mrs CHA May-Lung, Laura, Dr CHENG Mo Chi, Moses, Dr CHEUNG Kin Tung, Marvin, Mr FAN Hung Ling, Henry, Mr FONG Hup, Dr KWOK Chi Piu, Bill, Mr LEE Kwan Ho, Vincent Marshall, Dr LOH Kung Wai, Christine, Mr STRICKLAND, John Estmond, Mr WILLIAMSON, John Mackay McCulloch and Mr WONG Sai Hung, Oscar, and one Executive Director, Mr CHOW Man Yiu, Paul, who is also the Chief Executive.

By Order of the Board
Hong Kong Exchanges and Clearing Limited
ARCULLI, Ronald Joseph
Chairman

Hong Kong, 13 August 2008