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香港交易及結算所有限公司
HONG KONG EXCHANGES AND CLEARING LIMITED

(Incorporated in Hong Kong with limited liability)
Stock Codes: 388 (HKD counter) and 80388 (RMB counter)

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

QUARTERLY RESULTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

HIGHLIGHTS

Nicolas Aguzin, Chief Executive Officer said:

This was another good quarter of strategic progress for the Group, accompanied by strong headline financials. Quarterly revenue was up 18 per cent, core business revenue was up 9 per cent and profit attributable to shareholders was up 30 per cent compared with the 2022 comparable period.

Despite challenging global markets, these results reflect HKEX's resiliency, the purposeful ongoing diversification of the business, our active management of costs and the team's resolute focus on the execution of our strategy. Highlights included the continued health and growth in HKEX's Derivatives Markets, the go-live of a new smart-contract settlement platform, HKEX Synapse in October, and the confirmed launch of FINI, Hong Kong's new digitalised IPO settlement platform for later this quarter.

The macro backdrop remains fragile, but the business is in good shape and is well-positioned to capitalise on slowly improving market sentiment. Looking forward we will continue to place our customers at the heart of all that we do as we leverage our unique China connectivity and continue to strengthen the attractiveness and competitiveness of our markets and our offering.

Strategic Highlights

- ADV of derivatives contracts traded on HKFE, Bond Connect Northbound ADT and ADT of ETPs all reached record nine-month highs
- OTC Clear's total clearing volume in Q3 2023 reached a record quarterly high
- Launch of HKEX Synapse on 9 October 2023, a new smart contract-powered platform, accelerating the settlement process for Stock Connect Northbound Trading
- Confirmed launch for FINI, Hong Kong's new digitalised IPO settlement platform
- Consultation paper on GEM Listing Reforms published
- Introduction of block trading under Stock Connect announced
- The LME Group announced two key initiatives under its two-year Action Plan: extending the use of volume-weighted average prices to determine Closing Prices in its most liquid contracts; and the approval of the first fast track brand registration for nickel

Comparison of Q3 2023 with Q3 2022

Financial Highlights

- Q3 2023 revenue and other income of \$5,084 million, up 18 per cent compared with Q3 2022
 - Core business revenue up 9 per cent against Q3 2022, attributable to the increase in net investment income from Margin Funds and Clearing House Funds, partly offset by lower listing fees
 - Net investment income from Corporate Funds of \$360 million, compared to a Q3 2022 loss of \$46 million, driven by higher investment income from internally-managed Corporate Funds, and lower fair value losses on the externally-managed investment funds (External Portfolio) of \$5 million (Q3 2022: losses of \$148 million)
- Operating expenses up 1 per cent, attributable to higher staff costs and IT costs, partly offset by lower charitable donations and professional fees
- EBITDA margin¹ of 74 per cent, 4 percentage points higher than Q3 2022
- Profit attributable to shareholders of \$2,953 million, 30 per cent higher than Q3 2022

Key Financials

	Q3 2023 \$m	Q3 2022 \$m	Change
Revenue and other income			
Core business revenue	4,696	4,324	9%
Donation income of HKEX Foundation	28	40	(30%)
Net investment income/(loss) of Corporate Funds	360	(46)	N/A
	5,084	4,318	18%
Operating expenses	1,304	1,291	1%
EBITDA ¹	3,706	2,984	24%
Profit attributable to shareholders	2,953	2,263	30%
Capital expenditure	329	295	12%
Basic earnings per share	\$2.33	\$1.79	30%

Key Market Statistics

	Q3 2023	Q3 2022	Change
ADT of equity products traded on the Stock Exchange ¹ (\$bn)	87.0	84.0	4%
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	11.4	13.6	(16%)
ADT traded on the Stock Exchange ^{1,2} (Headline ADT) (\$bn)	98.4	97.6	1%
ADT of Northbound Trading of Stock Connect ¹ (RMBbn)	106.1	96.7	10%
ADT of Southbound Trading of Stock Connect ¹ (\$bn)	29.0	22.0	32%
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	745	610	22%
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	591	505	17%
Chargeable ADV ³ of metals contracts traded on the LME ('000 lots)	548	469	17%
ADT of Northbound Bond Connect (RMBbn)	43.6 ⁴	33.8	29%

1 Includes buy and sell trades under Stock Connect

2 ADT of Southbound Trading is included within Headline ADT.

3 Chargeable ADV excludes administrative trades (Admin Trades) and other non-chargeable trades.

4 New record quarterly high

1 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 ventures. EBITDA margin is calculated based on EBITDA divided by revenue and other income less transaction-related expenses.

Comparison of YTD Q3 2023 with YTD Q3 2022

Financial Highlights

- Second best ever nine-month revenue and other income and profit in YTD Q3 2023, after exceptional YTD Q3 2021
- YTD Q3 2023 revenue and other income of \$15,659 million, 18 per cent higher than YTD Q3 2022
 - Core business revenue up 6 per cent, due to higher net investment income from Margin Funds and Clearing House Funds; and record nine-month derivatives contract ADV in YTD Q3 2023. Increase partly offset by lower trading and clearing fees from lower Headline ADT and lower listing fees
 - Net investment income from Corporate Funds of \$1,177 million (YTD Q3 2022: loss of \$424 million), driven by net fair value gains on the External Portfolio of \$210 million (YTD Q3 2022: losses of \$659 million) and higher investment income from internally-managed Corporate Funds
- Operating expenses up 5 per cent against YTD Q3 2022, attributable to higher staff costs, IT costs, and professional fees, partly offset by lower charitable donations
- EBITDA margin of 75 per cent, 4 percentage points higher than YTD Q3 2022
- Profit attributable to shareholders was \$9,265 million, 31 per cent higher than YTD Q3 2022

Key Financials

	YTD Q3 2023 \$m	YTD Q3 2022 \$m	Change
Revenue and other income			
Core business revenue	14,425	13,602	6%
Donation income of HKEX Foundation	57	77	(26%)
Net investment income/(loss) of Corporate Funds	1,177	(424)	N/A
	15,659	13,255	18%
Operating expenses	3,926	3,747	5%
EBITDA	11,565	9,378	23%
Profit attributable to shareholders	9,265	7,099	31%
Capital expenditure	830	773	7%
Basic earnings per share	\$7.32	\$5.61	30%

Key Market Statistics

	YTD Q3 2023	YTD Q3 2022	Change
ADT of equity products traded on the Stock Exchange ¹ (\$bn)	97.5	107.4	(9%)
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	12.2	16.7	(27%)
ADT traded on the Stock Exchange ^{1,2} (Headline ADT) (\$bn)	109.7	124.1	(12%)
ADT of Northbound Trading of Stock Connect ¹ (RMBbn)	108.2	101.3	7%
ADT of Southbound Trading of Stock Connect ¹ (\$bn)	32.1	29.1	10%
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	739 ⁴	672	10%
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	618	570	8%
Chargeable ADV ³ of metals contracts traded on the LME ('000 lots)	541	515	5%
ADT of Northbound Bond Connect (RMBbn)	40.5 ⁴	32.1	26%

1 Includes buy and sell trades under Stock Connect

2 ADT of Southbound Trading is included within Headline ADT.

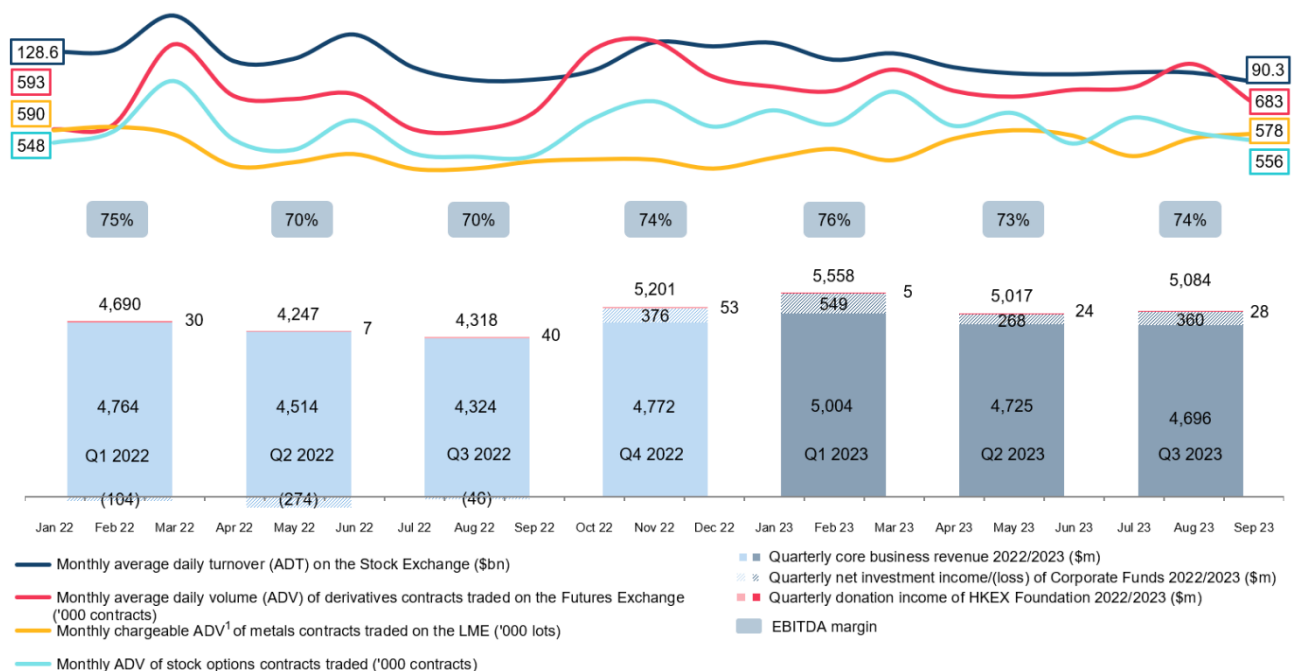
3 Chargeable ADV excludes administrative trades (Admin Trades) and other non-chargeable trades.

4 New record high for YTD Q3

BUSINESS REVIEW

Overview

Quarterly Results, Q1 2022 – Q3 2023



1 Chargeable ADV excludes administrative trades (Admin Trades) and other non-chargeable trades.

Fig. 1 – Market activity and Group's² revenue and other income/(loss)

HKEX continued to demonstrate its resiliency across all areas of its businesses in the first nine months of 2023, despite overall weak market sentiment reflecting global economic fragility, the sustained high interest rate environment and slower than expected economic recovery in Mainland China. Revenue and other income for YTD Q3 2023, of \$15.7 billion, was the second highest reported nine-month revenue, 18 per cent higher than YTD Q3 2022. The increase in revenue was driven by record nine-month net investment income, but was partly offset by a decrease in trading and clearing fees from lower Headline ADT and a decrease in Stock Exchange listing fees from a lower number of newly listed derivative warrants (DWs) and callable bull/bear contracts (CBBCs).

Cash Market Headline ADT was \$109.7 billion in YTD Q3 2023, 12 per cent lower than YTD Q3 2022. The Group's Derivatives Markets however continued to grow in YTD Q3 2023, with the total number of derivatives contracts traded reaching a nine-month record high, and ADV up 9 per cent compared with YTD Q3 2022.

Operating expenses increased by 5 per cent against YTD Q3 2022, mainly due to higher staff and IT costs from inflationary increases and professional fees relating to the LME.

Looking at the quarter on quarter comparison, trading volumes for Q3 2023 were broadly comparable with Q2 2023, with revenue and other income for Q3 2023 therefore also broadly comparable, up 1 per cent; profit was up 2 per cent, reflecting a modest increase in net investment income. Comparing Q3 2023 results with the same quarter last year, revenue and other income was up 18 per cent, and profit was up 30 per cent, again driven by the strong performance of net investment income.

2 HKEX and its subsidiaries, which 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 (SEOH), OTC Clearing Hong Kong Limited (OTC Clear), The London Metal Exchange (LME), LME Clear Limited (LME Clear), Qianhai Mercantile Exchange Co., Ltd. (QME), BayConnect Technology Company Limited (BayConnect) and other subsidiaries

During the third quarter, HKEX was pleased to have worked closely with the HKSAR Government's Task Force on Enhancing Stock Market Liquidity, driving discussion on ways to further enhance the attractiveness of Hong Kong's markets, in its capacity as an official member. Established in August 2023, the Task Force was given a mandate to, primarily, review factors affecting liquidity in Hong Kong's capital markets, and to provide recommendations to the Government on such matters. The Task Force considered the market's global competitiveness and its sustainable development in its evaluations.

As Hong Kong's market operator, HKEX was pleased to contribute to these important discussions, reflecting its long-term commitment to driving the success of the city's international markets, for the benefit of the investing public and the market as a whole.

Analysis of Results and Business Update by Operating Segment

	YTD Q3 2023				YTD Q3 2022			
	Revenue and other income \$m	Transaction-related expenses \$m	Revenue and other income less transaction-related expenses \$m	EBITDA \$m	Revenue and other income \$m	Transaction-related expenses \$m	Revenue and other income less transaction-related expenses \$m	EBITDA \$m
Results by segment:								
Cash	6,235	(8)	6,227	5,382	6,805	(8)	6,797	6,029
Equity and Financial								
Derivatives	5,035	(160)	4,875	4,240	3,740	(122)	3,618	2,984
Commodities	1,598	-	1,598	740	1,581	-	1,581	800
Data and Connectivity	1,545	-	1,545	1,224	1,467	-	1,467	1,151
Corporate Items	1,246	-	1,246	(21)	(338)	-	(338)	(1,586)
	15,659	(168)	15,491	11,565	13,255	(130)	13,125	9,378

In 2023, the Group's operating segments have been reorganised to better reflect the strategic and operational way in which the business and markets are run.

Details are set out in note 3 to the condensed consolidated financial statements of the [2023 HKEX Interim Report](#). Comparative figures in this results announcement have been accordingly restated to reflect the current period's presentation.

Cash Segment

Analysis of Results

Revenue and other income, less transaction-related expenses, was down 8 per cent and EBITDA was down 11 per cent, compared with YTD Q3 2022, mainly due to the decrease in trading and clearing volumes.

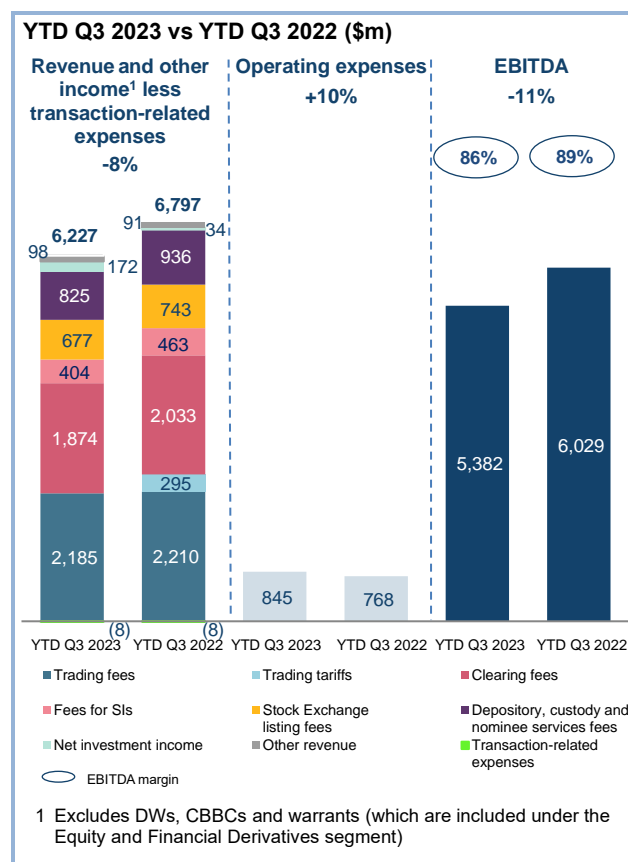
Equity products' trading fees for YTD Q3 2023 were \$2,185 million, a 13 per cent decrease compared with the total trading fees and tariffs of \$2,505 million for YTD Q3 2022. The reduction was attributable to the 9 per cent decrease in ADT of equity products traded on the Stock Exchange, and the net decrease in fees resulting from the change in trading fee structure for the Cash Market, which came into effect on 1 January 2023³. Included in the fees were Northbound Stock Connect fees of \$391 million (YTD Q3 2022: \$406 million) and Southbound Stock Connect fees of \$149 million (YTD Q3 2022: \$139 million). Despite a 7 per cent increase in ADT, Northbound Stock Connect fees decreased by \$15 million due to a 30 per cent reduction in A-share trading fees effective 28 August 2023, as well as the depreciation of RMB.

Clearing and settlement fees decreased by 8 per cent, and fees for Settlement Instructions (SIs) for equity products decreased by 13 per cent. This was primarily due to lower fees from a lower number of transactions. In addition, clearing fees from Northbound Stock Connect decreased by 9 per cent to \$577 million (YTD Q3 2022: \$632 million), attributable to the reduction in A-share clearing fees effective April 2022.

Stock Exchange listing fees for equity products decreased by \$66 million, mainly due to a decrease in number of forfeitures.

Depository, custody and nominee services fees for equity products decreased from \$936 million in YTD Q3 2022 to \$825 million in YTD Q3 2023, mainly due to lower scrip fees and stock withdrawal fees.

Operating expenses increased by 10 per cent due to higher allocated costs of the Listing Division: this reflected a lower percentage decrease in listing fees of the Cash segment from fewer forfeitures, compared with the decrease in listing fees of the Equity and Financial Derivatives segment attributable to lower number of newly listed DWs and CBBCs.



³ Includes the removal of the fixed trading tariff of \$0.5 payable on each transaction, and the increase of the ad valorem fee on all trades from 0.005 per cent to 0.00565 per cent

Business Update

Global economic fragility and sustained high interest rate environment continued to impact sentiment in international markets, including in Hong Kong's securities market, with YTD Q3 2023 Headline ADT of \$109.7 billion down by 12 per cent, compared with YTD Q3 2022.

Stock Connect operated smoothly and resiliently in YTD Q3 2023, with Northbound and Southbound ADT of RMB108.2 billion and \$32.1 billion respectively, generating revenue and other income of \$1,707 million (YTD Q3 2022: \$1,726 million), of which \$1,247 million (YTD Q3 2022: \$1,284 million) arose from trading and clearing activities.

On 11 August 2023, the Securities and Futures Commission (SFC) and the China Securities Regulatory Commission (CSRC) announced the proposed introduction of block trading under Stock Connect. The launch of block trading will be another significant enhancement to Stock Connect, providing price and execution certainty for large-sized deals that will further enhance trading efficiency.

On 9 October 2023, HKEX Synapse, a smart contract-powered platform that accelerates the settlement process for Stock Connect Northbound trading, was launched. The new platform is a major enhancement to Stock Connect infrastructure and will streamline post-trade workflows, and enhance operational efficiencies, increasing transparency and reducing settlement risk.

In September 2023, HKEX announced that FINI, Hong Kong's new modernised IPO settlement platform, will launch on 22 November 2023. FINI will enable different stakeholders, such as sponsors, underwriters, legal advisers, banks, brokers, share registrars and regulators, to collaborate and perform their respective roles in an initial public offering (IPO) digitally. This will significantly shorten, modernise and digitalise Hong Kong's IPO settlement process, driving efficiency and supporting the long term continued development of Hong Kong as a major capital raising centre. FINI will also introduce a new public offer pre-funding model to reduce the scale of locked-up funds in over-subscribed IPOs. HKEX and IPO market participants have been actively preparing for FINI rollout, and several market practice and rehearsal sessions were conducted in Q3 2023 to provide FINI users with the opportunity to test their end-to-end IPO settlement processes, familiarising themselves with the new T+2 model.

The global IPO market remained subdued through the first nine months of the year, and with HKEX welcoming 47 new listings raising \$24.6 billion, down 67 per cent year-on-year. HKEX's IPO pipeline remained strong with 115 active applications as at 30 September 2023. Going into the fourth quarter there are early signs of renewed activity in the global fundraising market.

Key Market Indicators	YTD Q3	
	2023	2022
ADT of equity products traded on the Stock Exchange ^{1,2} (\$bn)	97.5	107.4
ADT of Northbound Trading – Shanghai-Hong Kong Stock Connect ² (RMBbn)	50.7	46.5
ADT of Northbound Trading – Shenzhen-Hong Kong Stock Connect ² (RMBbn)	57.5	54.8
ADT of Southbound Trading – Shanghai-Hong Kong Stock Connect ² (\$bn)	16.4	14.6
ADT of Southbound Trading – Shenzhen-Hong Kong Stock Connect ² (\$bn)	15.7	14.5
ADT of Northbound Bond Connect (RMBbn)	40.5 ⁴	32.1
Average daily number of trades of equity products traded on the Stock Exchange ^{1,2} ('000)	1,652	1,741
Average daily value of SIs for Stock Exchange trades (\$bn)	252.0	300.7
Average daily number of SIs for Stock Exchange trades ('000)	101	113
Average daily value of SIs for Northbound Trading of Stock Connect (RMBbn)	27.9	27.4
Number of newly listed companies on the Main Board ³	47	56
Number of newly listed companies on GEM	-	-
Total equity funds raised		
- IPOs (\$bn)	24.6	73.7
- Post-IPO (\$bn)	75.0	119.4
Portfolio values of Northbound Trading of Stock Connect at 30 Sept (RMBbn)	2,192	2,174
Portfolio values of Southbound Trading of Stock Connect at 30 Sept (\$bn)	2,325	1,783
Number of companies listed on the Main Board at 30 Sept	2,274	2,238
Number of companies listed on GEM at 30 Sept	329	343
Number of trading days	182	184

1 Excludes DWs, CBBCs and warrants (which are included under the Equity and Financial Derivatives segment) and includes ADT of Southbound Trading under Stock Connect

2 Includes buy and sell trades under Stock Connect

3 Includes 3 transfers from GEM (YTD Q3 2022: 1)

4 New record high for YTD Q3

The HKEX Exchange Traded Products⁴ (ETPs) market continued to grow, with ADT reaching a record nine-month high of \$14.2 billion in YTD Q3 2023 (YTD Q3 2022: \$11.1 billion), partly attributable to the inclusion of ETFs in Southbound Stock Connect. During Q3 2023, the ADT for Southbound and Northbound ETFs were \$3.6 billion and RMB564 million respectively, reaching daily record highs of \$14.6 billion and RMB1.2 billion on 20 July 2023 and 28 August 2023 respectively. In addition, three new ETPs (including two money market ETFs and one thematic ETF) were introduced to the market during this quarter, adding more diversity to HKEX's ETP suite.

In Q3 2023, Northbound Bond Connect's trading activity continued its overall growth momentum, with ADT reaching quarterly record high of RMB43.6 billion, representing a growth of 29 per cent year-on-year and 12 per cent against 1H 2023. In addition, trading volume reached monthly record high of RMB1,089.7 billion in August 2023.

HKEX held the HKEX Biotech Summit 2023 in September, welcoming over 600 market participants to HKEX Connect Hall, with a further 20,000 participants joining online and over 100,000 views on social media platforms. The Summit was well received, with delegates exploring a range of topics such as the future of the Biotech ecosystem.

HKEX continued to promote transparency and a strong compliance culture across its business and markets. In Q3 2023, HKEX achieved the key milestones of the 2023 Annual Attestation and Inspection Programme as planned, including the completion of all inspections of selected Exchange and Clearing Participants, and review of over 90 per cent of associated compliance questionnaires.

On 21 July 2023, the Stock Exchange published consultation conclusions on *Rule Amendments Following Mainland China Regulation Updates and Other Proposed Rule Amendments Relating to PRC Issuers*. The proposals sought to update Listing Rules to provide a consistent investor protection framework in respect of all issuers, regardless of the place of incorporation; to streamline the existing listing regime for overseas issuers; and to reflect necessary changes as a result of Mainland updates. The Rule amendments came into effect on 1 August 2023. The Stock Exchange also updated frequently asked questions, guidance letters and listing decisions following the Rule changes.

On 26 September 2023, the Stock Exchange published a consultation paper on GEM Listing Reforms to seek market feedback on the proposals including (i) a new streamlined transfer mechanism for eligible GEM companies to transfer to the Main Board; (ii) a new alternative eligibility test for companies in the high-growth segment; and (iii) removal of quarterly reporting requirements. The six-week consultation period will end on 6 November 2023.

In addition, during Q3 2023, the Stock Exchange published guidance materials regarding a new e-learning module on the share schemes as part of its e-learning series on ongoing compliance requirements under the Listing Rules.

To enhance market vibrancy by allowing market makers and other participants to better execute their trading strategies, HKEX announced in August its plan to introduce a new self-match prevention (SMP) service in the Securities Market in Q1 2024 and to enhance the SMP service in the Derivatives Market in Q2 2024. Subject to regulatory approval and market readiness, an additional SMP model, namely the ID-based SMP, will be provided to Exchange Participants (EPs) and/or their clients to avoid inadvertent self-matching of their own proprietary orders (including orders placed across multiple EPs).

4 Includes Exchange Traded Funds (ETFs) and Leveraged and Inverse Products (L&I Products)

Equity and Financial Derivatives Segment

Analysis of Results

Revenue and other income, less transaction-related expenses, was up 35 per cent; and EBITDA was up 42 per cent compared with YTD Q3 2022, mainly attributable to the significant increase in net investment income of Margin Funds.

Trading fees and trading tariffs of DWs, CBBCs and warrants fell by 33 per cent compared with YTD Q3 2022, attributable to the 27 per cent decrease in ADT, and the reduction in fees from the change in trading fee structure for the Cash Market³.

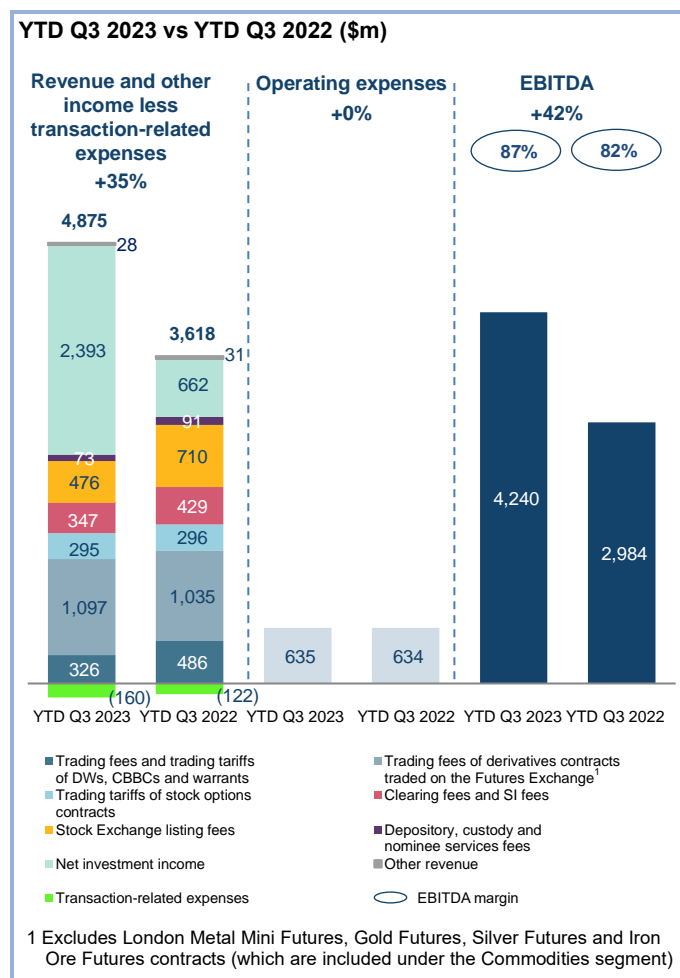
Futures Exchange derivatives trading fees⁵ increased by \$62 million, or 6 per cent, attributable to the record nine-month ADV of derivatives contracts traded; this was partly offset by lower fees per contract being traded in YTD Q3 2023, attributable to the increased popularity of recently launched products (including Hang Seng TECH Index Futures and Options), which have lower fees than other contracts such as Hang Seng Index (HSI) Futures and Options.

Clearing fees and SI fees fell by 19 per cent, primarily due to lower number of transactions of DWs, CBBCs and warrants traded.

Stock Exchange listing fees decreased by 33 per cent due to a decrease in the number of newly listed DWs and CBBCs compared with YTD Q3 2022.

Net investment income increased by \$1,731 million compared with YTD Q3 2022. This reflected higher HKD and USD deposit rates in YTD Q3 2023, partly offset by the increase in interest rebates paid to Clearing Participants (CPs) for higher base rates.

Operating expenses increased marginally, by \$1 million, due to higher staff costs from payroll adjustments. The increase was partly offset by lower allocated costs of the Listing Division from a higher percentage decrease in listing fees compared with the Cash segment.



⁵ Excludes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts (which are included under the Commodities segment)

Business Update

Driven by the record nine-month high in the number of derivatives contracts traded on the Futures Exchange, total ADV of derivatives contracts traded⁵ (i.e., all futures and options contracts including stock options) YTD Q3 2023 reached a record nine-month high of 1,357,361 contracts, 10 per cent higher than YTD Q3 2022. This reflected increased demand for products recently launched and increased cross-product trading activities.

A number of futures and options contracts reached single-day record highs in volume and open interest (OI) during Q3 2023:

Key Market Indicators	YTD Q3	
	2023	2022
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	12.2	16.7
Average daily number of trades of DWs, CBBCs and warrants traded on the Stock Exchange ('000)	300	358
ADV of derivatives contracts traded on the Futures Exchange ¹ ('000 contracts)	739 ³	669
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	618	570
Number of newly listed DWs	6,216	9,125
Number of newly listed CBBCs	17,230	26,415
ADV of contracts traded during After-Hours Trading (AHT) ¹ ('000 contracts)	88	107
Number of trading days ²	185	184
	At	At
	30 Sept 2023	30 Sept 2022
Open interest of futures and options contracts ¹ ('000 contracts)	12,934	11,044
1 Excludes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts (which are included under the Commodities segment)		
2 Excludes 9 holiday trading days (YTD Q3 2022: 4)		
3 New record high for YTD Q3		

	Single-day Trading Volume		Open Interest	
	Date (2023)	Number of contracts	Date (2023)	Number of contracts
Hang Seng TECH Index Futures	N/A	N/A	26 Sept	294,518
Hang Seng TECH Index Futures Options	11 Sept	16,502	29 Sept	55,178
Hang Seng TECH Index Options	N/A	N/A	27 Sept	60,682
Hang Seng China Enterprises Index Futures Options	31 Jul	103,353	N/A	N/A
Mini Hang Seng Index Futures	N/A	N/A	29 Aug	32,394
RMB Currency Futures – USD/CNH Futures	4 Aug	83,522	N/A	N/A
MSCI China Net Total Return (USD) Index Futures	N/A	N/A	14 Sept	83,258

Physically-settled options on futures contracts sustained the growth trajectory since initial launch in August 2021 and recorded several record highs during YTD Q3 2023. The aggregate ADV of the three products in the suite, namely HSI Futures Options, Hang Seng China Enterprises Index (HSCEI) Futures Options and Hang Seng TECH Index Futures Options⁶, was 40,553 contracts YTD Q3 2023, up more than 144 per cent compared with the same prior year period. The aggregate OI as at 30 September 2023 stood at 1,069,377 contracts, up 34 per cent compared with 31 December 2022.

Hang Seng TECH Index Futures and Options continued to trade actively in the first three quarters of 2023. Aggregate ADV surged to 110,270 contracts YTD Q3 2023, up 67 per cent against YTD Q3 2022. The aggregate OI of the two products was 302,148 as at 30 September 2023, 70 per cent higher than 31 December 2022.

⁶ Hang Seng TECH Index Futures Options were launched in November 2022.

The MSCI Net Total Return (NTR) Suite grew strongly in Q3 2023, with aggregate OI of 58,877 contracts as at 30 September 2023, up 78 per cent compared with 31 December 2022. In particular, MSCI China NTR (USD) Index Futures OI increased to 42,584 contracts as at 30 September 2023, nearly quadrupled compared with 31 December 2022.

The RMB currency derivatives market gained momentum in Q3 2023. ADV of USD/CNH Futures has achieved 50,875 contracts in Q3 2023, registering a 285 per cent increase against 1H 2023. The product also recorded several daily record highs in Q3 2023, including the latest record of 83,522 contracts on 4 August 2023. The OI as at 30 September 2023 increased by 40 per cent from 31 December 2022.

HKEX enhanced its Block Trade Facility (BTF) in the Derivatives Market on 28 August 2023. BTF supports large-sized trades by allowing both sides of a privately negotiated trade to be reported directly into the trading system, without going through the open market. The enhancements aim to improve workflow by removing some of the operational limitations for EPs. This will further enhance Derivatives Market liquidity and support Hong Kong’s continued development as a leading international risk management centre.

OTC Clear’s total clearing volumes of Q3 2023 increased to a record quarterly high and reached a notional amount of US\$154.0 billion, bringing the total clearing volume of YTD Q3 2023 to a notional amount of US\$321.8 billion, up 82 per cent compared with YTD Q3 2022. The increase was attributable to the steady increase in Single Currency Interest Rate Swaps (IRS) since the launch of Swap Connect, and an increase in clearing volume of Cross Currency Swaps (CCS).

Commodities Segment

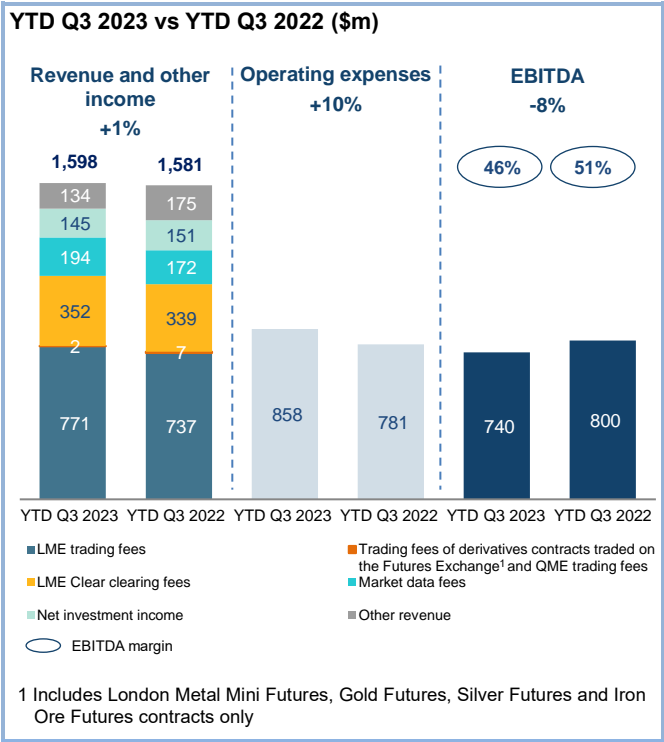
Analysis of Results

Revenue and other income was up 1 per cent and EBITDA was down 8 per cent compared with YTD Q3 2022.

LME trading fees and LME Clear clearing fees increased by 5 per cent and 4 per cent respectively compared with YTD Q3 2022, in line with the volume of chargeable metals contracts traded.

Other revenue declined by \$41 million, mainly due to lower accommodation income collected from LME Clear CPs on cash collateral, as USD investment returns rose above the benchmark interest rate stipulated in the rules of LME Clear since Q2 2022.

Operating expenses increased by 10 per cent, mainly attributable to legal and professional fees relating to the temporary trading suspension of the nickel market in March 2022 and consultancy fees incurred in the ongoing strategic and operational two-year programme of change (Action Plan) at the LME.



Business Update

On 27 July 2023, the LME announced its decision to add jumbos⁷ as a deliverable shape for the LME Special High Grade Zinc Contract with effect from 27 October 2023. The LME believes the addition of jumbos will make the contract more representative of the physical market, increasing the number of brands eligible for financing, which should increase liquidity in the contract.

On 30 March 2023, the LME Group announced an Action Plan to strengthen and enhance its markets. During Q3 2023, the following key initiatives were announced:

- On 14 September 2023, the LME, following extensive market engagement and subsequent feedback from stakeholders, announced its intention to evolve its Closing Price methodology, designed to bring greater determinism, transparency and standardisation to the Closing Price discovery process. This includes extending the use of volume-weighted average prices (VWAP) to determine Closing Prices in the LME's most liquid contracts. The new methodology will be rolled-out in phases in Q1 2024; and
- The LME introduced a fast track brand registration for nickel as part of its Action Plan. The first new nickel brand application from Quzhou Huayou Cobalt New Material Co., Ltd. – a subsidiary of China's Zhejiang Huayou Cobalt, was approved in July 2023. In addition, the LME received a new application from Jingmen Gem Co., Ltd., and expects to have more applications in coming months.

The LME's centralised digital register, LMEpassport, has continued to perform well, with growth in the number of users, sustainability metrics and standards disclosed. Some of the newest editions to the platform include GRI⁸ reporting framework, SASB⁸ metals and mining and cobalt-specific carbon calculation guidance.

On responsible sourcing requirements, the LME compliance deadline of 30 June 2023 saw a 100 per cent submission rate. The final deadline associated with the first reporting cycle will be in December 2023, at which point all LME-listed brands that remain listed at the LME will have submitted compliance information against the full suite for the LME's responsible sourcing requirements.

Key Market Indicators	YTD Q3	
	2023 '000 lots	2022 '000 lots
ADV of metals contracts traded on the LME		
Aluminium	218	214
Copper	136	118
Zinc	88	87
Nickel	38	52
Lead	54	38
Others	7	6
Total chargeable ADV excluding Admin Trades ¹	541	515
Chargeable Admin Trades ¹	30	29
Other non-chargeable trades	-	-
Total ADV	571	544
Number of trading days	188	188
	At 30 Sept 2023 '000 lots	At 30 Sept 2022 '000 lots
Total futures market open interest	1,740	1,524
1 Admin Trades are chargeable at a lower trading fee rate of US\$0.04 and clearing fee rate of US\$0.02 per contract.		

⁷ A jumbo is a deliverable shape for zinc ingot. The LME has made the zinc jumbos weighing between 900 kilos and 1,200 kilos deliverable as they are commonly consumed by steel galvanizers and other zinc consumers.

⁸ Global Reporting Initiative (GRI); Sustainability Accounting Standards Board (SASB)

Data and Connectivity Segment

Analysis of Results

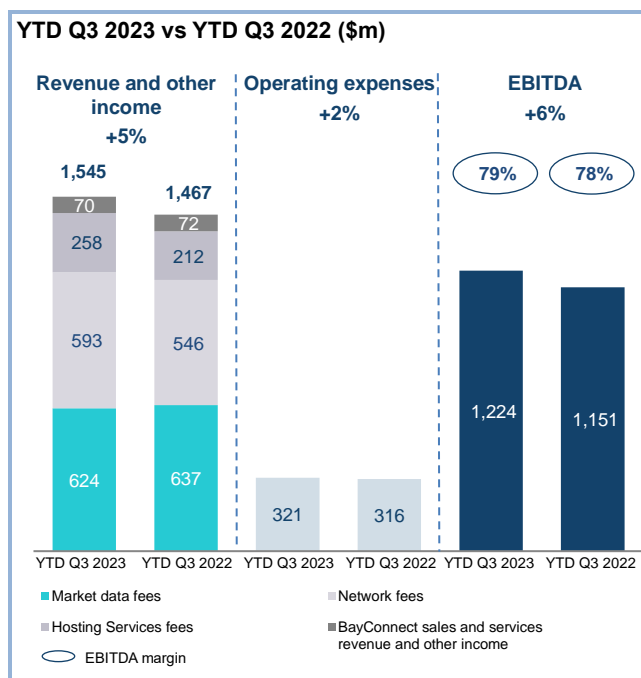
Revenue and other income was up 5 per cent and EBITDA was up 6 per cent compared with YTD Q3 2022.

During YTD Q3 2023, network fees rose by 9 per cent due to increased usage of the Orion Central Gateway and China Connect Central Gateway by EPs.

Hosting Services fees rose by 22 per cent due to increased capacity available to customers following the launch of the new Hosting Services data hall in Q4 2022.

Business Update

During Q3 2023, all of HKEX's major trading, clearing, settlement and market data dissemination systems for the Cash, Derivatives and Commodities Markets continued to perform robustly.



Corporate Items

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

Analysis of Results

	YTD Q3		Q3	
	2023	2022	2023	2022
	\$m	\$m	\$m	\$m
Net investment income/(loss)	1,177	(424)	360	(46)
Donation income of HKEX Foundation	57	77	28	40
Others	12	9	3	3
Total revenue and other income	1,246	(338)	391	(3)
Operating expenses:				
- HKEX Foundation charitable donations	(84)	(119)	(7)	(63)
- Others	(1,183)	(1,129)	(420)	(390)
EBITDA	(21)	(1,586)	(36)	(456)

The analysis of net investment income/(loss) of Corporate Funds is as follows:

	YTD Q3		Q3	
	2023	2022	2023	2022
	\$m	\$m	\$m	\$m
Net investment income/(loss) from:				
- External Portfolio	210	(659)	(5)	(148)
- Cash and bank deposits	918	236	334	121
- Equity securities ¹	(11)	(26)	-	(14)
- Debt securities	42	9	24	4
- Exchange gains/(losses)	18	16	7	(9)
Total net investment income/(loss)	1,177	(424)	360	(46)
Average fund size (\$bn)	34.5	34.3	35.4	34.2
Annualised net investment return	4.55%	(1.65%)	4.07%	(0.54%)

1 Investments in minority stakes of unlisted companies

Net investment income from Corporate Funds was \$1,177 million in YTD Q3 2023, compared with net investment loss of \$424 million in YTD Q3 2022. This was principally due to net fair value gains of \$210 million on the External Portfolio (as opposed to the net fair value losses of \$659 million in YTD Q3 2022); and higher investment income from internally-managed Corporate Funds, reflecting higher deposit rates in YTD Q3 2023. Net investment income from Corporate Funds for Q3 2023 also recorded a higher return against Q3 2022 due to higher interest rates and lower net fair value losses on the External Portfolio (Q3 2023: losses of \$5 million; Q3 2022: losses of \$148 million).

The fair value gains/(losses) on the External Portfolio came from funds invested in the following strategies:

Strategy	YTD Q3		Q3	
	2023	2022	2023	2022
	\$m	\$m	\$m	\$m
Public Equities	61	(410)	(28)	(114)
Diversifiers	161	(43)	60	26
Government Bonds and Mortgage-backed Securities	(12)	(206)	(37)	(60)
Total	210	(659)	(5)	(148)

As at 30 September 2023, the amounts invested in the External Portfolio amounted to \$6.6 billion, an increase of 4 per cent against 31 December 2022, mainly attributable to fair value gains during the period. Further details of the amounts invested in the External Portfolio are as follows:

Strategy	At 30 Sept 2023 \$m	At 31 Dec 2022 \$m	Change
Public Equities	1,080	1,027	5%
Diversifiers	4,158	3,943	5%
Government Bonds and Mortgage-backed Securities	1,324	1,340	(1%)
Total	6,562	6,310	4%

Excluding HKEX Foundation charitable donation expenses, operating expenses increased by 5 per cent against YTD Q3 2022, attributable to higher staff costs and IT maintenance costs from inflationary adjustments.

Business Update

In Q3 2023, the Group continued to play an active role in advancing the long-term sustainability of global financial markets and its own business. Our Corporate Social Responsibility focus remained on our markets, people and operations. HKEX's promotion of good corporate governance and ESG stewardship, through ongoing industry knowledge sharing, market education and leadership on best practices, has been a cornerstone of its outreach during the quarter. In July 2023, HKEX hosted the next in its HKEX ESG Academy webinar series on upcoming climate-related disclosure requirements, bringing industry leaders together to explore how enhanced transparency supports listed companies, and businesses more generally, in achieving carbon reduction targets.

As part of the Group's commitment to its people, HKEX continued to focus on the professional development, wellness and engagement of its employees. During the quarter, in addition to ongoing professional development and learning programmes, HKEX ran its annual Global Wellness Challenge and the first-ever HKEX Wellness Marketplace to promote the physical, mental and financial wellness of the Group's employees. In August 2023, HKEX launched its biennial People Survey, inviting employees across the Group to share their views about working at HKEX, helping cultivate a workplace that is healthy, inclusive and where everyone can fulfil their potential.

HKEX Foundation, the Group's dedicated charitable channel, continued to drive positive change across its communities through a range of different programmes. The Foundation also launched its Research Funding Scheme 2023 to support innovative, university-led research projects; and announced the successful projects to be funded under the HKEX Impact Funding Scheme 2023, focusing on four key areas: financial literacy, diversity and inclusion, poverty relief and environmental sustainability. In YTD Q3 2023, HKEX Foundation made charitable donations of \$84 million to support different charitable causes.

FINANCIAL REVIEW

Financial Assets, Financial Liabilities and Net Investment Income of Margin Funds and Clearing House Funds

Margin Fund deposits decreased from \$227.9 billion at 31 December 2022 to \$181.7 billion at 30 September 2023, due to the decrease in contributions required from CPs of LME Clear and HKCC. Clearing House Fund contributions of \$21.4 billion were broadly flat compared with 31 December 2022 (\$21.2 billion). Funds received were invested in cash and cash equivalents and financial assets.

Net investment income from Margin Funds and Clearing House Funds increased by \$1,863 million compared with YTD Q3 2022, reflecting the higher HKD and USD deposit rates in YTD Q3 2023. Further analysis on net investment income of Margin Funds and Clearing House Funds is set out below:

	YTD Q3 2023				
	HK Clearing Houses		LME Clear		Total \$m
	Margin Funds \$m	Clearing House Funds \$m	Margin Funds \$m	Clearing House Funds \$m	
Net investment income/(loss) from:					
- Cash and bank deposits (including foreign exchange swaps)	2,188	173	118	16	2,495
- Debt securities	133	73	10	1	217
- Exchange losses	(2)	-	-	-	(2)
Total net investment income	2,319	246	128	17	2,710
Average fund size (\$bn)	113.8	12.0	84.3	10.9	221.0
Annualised net investment return	2.72%	2.73%	0.20%	0.21%	1.63%

	YTD Q3 2022				
	HK Clearing Houses		LME Clear		Total \$m
	Margin Funds \$m	Clearing House Funds \$m	Margin Funds \$m	Clearing House Funds \$m	
Net investment income from:					
- Cash and bank deposits	592	17	104	16	729
- Debt securities	72	13	31	-	116
- Exchange gains	2	-	-	-	2
Total net investment income	666	30	135	16	847
Average fund size (\$bn)	114.2	10.3	119.2	13.7	257.4
Annualised net investment return	0.78%	0.39%	0.15%	0.16%	0.44%

Net investment income of Margin Funds and Clearing House Funds are allocated to the following segments:

	YTD Q3 2023 \$m	YTD Q3 2022 \$m	Change
Cash	172	34	406%
Equity and Financial Derivatives	2,393	662	261%
Commodities	145	151	(4%)
Total	2,710	847	220%

Capital Expenditure and Commitments

During YTD Q3 2023, the Group incurred capital expenditure⁹ of \$830 million (YTD Q3 2022: \$773 million) mainly related to the development and upgrade of various trading and clearing systems (notably trading systems for Commodities Market). The Group's capital expenditure commitments at 30 September 2023, including those authorised by the Board but not yet contracted for, amounted to \$1,334 million (31 December 2022: \$1,024 million). They were mainly related to the development and upgrade of IT systems including the cash, derivatives and commodities trading and clearing systems.

Contingent Liabilities

At 30 September 2023, there were no significant changes in the Group's contingent liabilities compared with 31 December 2022, except the material litigation as described below.

At 30 September 2023, the LME and LME Clear have been named as defendants in two judicial review claims filed in the English High Court in 2022 (the Proceedings) and three related claims filed in the English High Court in 2023. The total claims amount to approximately US\$600 million.

On 8 March 2022, the LME, in consultation with LME Clear, suspended trading in all nickel contracts with effect from 08:15 UK time, and cancelled all trades executed on or after 00:00 UK time on 8 March. This decision to suspend trading was taken because the nickel market had become disorderly. Cancellations were made retrospectively to take the market back to the last point in time at which the LME could be confident that the market was operating in an orderly manner. At all times the LME sought to act in the interests of the market as a whole.

The Proceedings seek to challenge the LME's decision to cancel the claimants' alleged trades in nickel contracts executed on or after 00:00 UK time on 8 March 2022 (the Decision). The claimants have alleged that this was unlawful on public law grounds and/or constituted a violation of their human rights. The LME management is of the view that the claims are without merit and the LME is contesting them vigorously.

The Proceedings are being conducted in a phased approach. The first trial – which took place from 20 to 22 June 2023 – was to address the lawfulness of the LME's decision-making process. If the Court finds that the LME acted lawfully, a second trial – to address remedies – will not be necessary. Judgment was not delivered at the end of the June trial but was reserved by the Court, to be issued at a later date. No indication has been given by the Court as to the timing of when it expects to issue the judgment.

A further three claims were issued in the English High Court in March 2023, by claimants seeking damages for losses alleged to have been suffered as a result of the Decision, alleging that this was an unlawful interference with their human rights. Such claims are being case-managed by being stayed, pending the final determination of the Proceedings. The limitation period for similar damages claims under the Human Rights Act has now expired.

⁹ Exclude right-of-use assets recognised under HKFRS 16: Leases

Based on the progress of the Proceedings, the LME does not currently have sufficient information to estimate the financial effect, if any, of the claims, the timing of the ultimate resolution of the proceedings, or what the eventual outcomes might be. Accordingly, no provision has been made in the condensed consolidated financial statements.

Pledges of Assets

LME Clear receives securities and gold bullion as non-cash collateral for margins posted by its CPs. The total fair value of this non-cash collateral was US\$3,502 million (HK\$27,427 million) at 30 September 2023 (31 December 2022: US\$619 million (HK\$4,831 million)). LME Clear is obliged to return this non-cash collateral upon request when the CPs' collateral obligations have been substituted with cash collateral or otherwise discharged. LME Clear is permitted to sell or pledge such collateral in the event of the default of a CP. Any non-cash collateral lodged at central securities depositories or custodians is subject to a lien or pledge for the services they provide in respect of the collateral held.

LME Clear also holds 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\$8,957 million (HK\$70,150 million) at 30 September 2023 (31 December 2022: US\$14,982 million (HK\$116,934 million)). Such non-cash collateral, together with certain financial assets amounting to US\$1,103 million (HK\$8,635 million) at 30 September 2023 (31 December 2022: US\$923 million (HK\$7,206 million)), have been pledged to LME Clear's investment agents and custodian banks under security arrangements for the settlement and depository services they provide in respect of the collateral and investments held.

Non-cash collateral is not recorded on the condensed consolidated statement of financial position of the Group.

Changes since 31 December 2022

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 2022.

It is the Group's practice to declare a dividend only at the half-year and year-end and no dividend will be proposed for Q3 2023 (Q3 2022: \$Nil).

Review of Financial Statements

The Audit Committee has reviewed the Group's Unaudited Condensed Consolidated Financial Statements for the nine months ended 30 September 2023.

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Nine months ended 30 Sept 2023 \$m	Nine months ended 30 Sept 2022 \$m	Three months ended 30 Sept 2023 \$m	Three months ended 30 Sept 2022 \$m
Trading fees and trading tariffs	4,676	5,066	1,494	1,513
Clearing and settlement fees	2,977	3,264	949	973
Stock Exchange listing fees	1,153	1,453	368	459
Depository, custody and nominee services fees	898	1,027	342	380
Market data fees	818	809	281	263
Other revenue	1,173	1,107	403	350
Revenue	11,695	12,726	3,837	3,938
Net investment income	3,887	423	1,211	334
Donation income of HKEX Foundation	57	77	28	40
Sundry income	20	29	8	6
Revenue and other income	15,659	13,255	5,084	4,318
Less: Transaction-related expenses	(168)	(130)	(74)	(43)
Revenue and other income less transaction-related expenses	15,491	13,125	5,010	4,275
Operating expenses				
Staff costs and related expenses	(2,585)	(2,498)	(874)	(831)
IT and computer maintenance expenses	(583)	(539)	(202)	(176)
Premises expenses	(100)	(88)	(36)	(30)
Product marketing and promotion expenses	(83)	(79)	(32)	(29)
Professional fees	(198)	(157)	(61)	(80)
HKEX Foundation charitable donations	(84)	(119)	(7)	(63)
Other operating expenses	(293)	(267)	(92)	(82)
	(3,926)	(3,747)	(1,304)	(1,291)
EBITDA	11,565	9,378	3,706	2,984
Depreciation and amortisation	(1,081)	(1,072)	(362)	(355)
Operating profit	10,484	8,306	3,344	2,629
Finance costs	(102)	(105)	(32)	(32)
Share of profits less losses of joint ventures	63	56	24	14
Profit before taxation	10,445	8,257	3,336	2,611
Taxation	(1,094)	(1,160)	(353)	(343)
Profit for the period	9,351	7,097	2,983	2,268
Profit/(loss) attributable to:				
- Shareholders of HKEX	9,265	7,099	2,953	2,263
- Non-controlling interests	86	(2)	30	5
Profit for the period	9,351	7,097	2,983	2,268
Basic earnings per share	\$7.32	\$5.61	\$2.33	\$1.79
Diluted earnings per share	\$7.31	\$5.60	\$2.33	\$1.79

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Nine months ended 30 Sept 2023 \$m	Nine months ended 30 Sept 2022 \$m	Three months ended 30 Sept 2023 \$m	Three months ended 30 Sept 2022 \$m
Profit for the period	9,351	7,097	2,983	2,268
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences of foreign subsidiaries	19	24	(10)	(42)
Cash flow hedges, net of tax	(38)	(14)	(52)	3
Changes in fair value of financial assets measured at fair value through other comprehensive income, net of tax	13	(340)	(43)	(93)
Other comprehensive loss	(6)	(330)	(105)	(132)
Total comprehensive income	9,345	6,767	2,878	2,136
Total comprehensive income/(loss) attributable to:				
- Shareholders of HKEX	9,262	6,779	2,847	2,137
- Non-controlling interests	83	(12)	31	(1)
Total comprehensive income	9,345	6,767	2,878	2,136

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	At 30 Sept 2023			At 31 Dec 2022		
	Current \$m	Non-current \$m	Total \$m	Current \$m	Non-current \$m	Total \$m
Assets						
Cash and cash equivalents	138,911	-	138,911	184,965	-	184,965
Financial assets measured at fair value through profit or loss	6,378	817	7,195	6,177	787	6,964
Financial assets measured at fair value through other comprehensive income	19,216	-	19,216	14,962	-	14,962
Financial assets measured at amortised cost	68,472	1,525	69,997	70,285	209	70,494
Derivative financial instruments	54,273	-	54,273	80,718	-	80,718
Accounts receivable, prepayments and deposits	30,384	21	30,405	25,354	21	25,375
Tax recoverable	37	-	37	17	-	17
Interests in joint ventures	-	333	333	-	291	291
Goodwill and other intangible assets	-	19,163	19,163	-	18,968	18,968
Fixed assets	-	1,458	1,458	-	1,640	1,640
Right-of-use assets	-	1,433	1,433	-	1,604	1,604
Deferred tax assets	-	61	61	-	53	53
Total assets	317,671	24,811	342,482	382,478	23,573	406,051
Liabilities and equity						
Liabilities						
Derivative financial instruments	54,307	-	54,307	80,705	-	80,705
Margin deposits, Mainland security and settlement deposits, and cash collateral from Participants	181,710	-	181,710	227,902	-	227,902
Accounts payable, accruals and other liabilities	30,257	-	30,257	19,054	-	19,054
Deferred revenue	509	314	823	1,076	333	1,409
Taxation payable	1,339	-	1,339	2,172	-	2,172
Other financial liabilities	97	-	97	40	-	40
Participants' contributions to Clearing House Funds	21,354	-	21,354	21,205	-	21,205
Lease liabilities	247	1,303	1,550	297	1,448	1,745
Borrowings	433	64	497	430	61	491
Provisions	71	111	182	67	90	157
Deferred tax liabilities	-	1,028	1,028	-	1,072	1,072
Total liabilities	290,324	2,820	293,144	352,948	3,004	355,952
Equity						
Share capital			31,918			31,918
Shares held for Share Award Scheme			(865)			(918)
Employee share-based compensation reserve			529			346
Hedging and revaluation reserves			(291)			(266)
Exchange reserve			(133)			(155)
Designated reserves			918			686
Reserve relating to written put options to non-controlling interests			(430)			(430)
Retained earnings			17,238			18,547
Equity attributable to shareholders of HKEX			48,884			49,728
Non-controlling interests			454			371
Total equity			49,338			50,099
Total liabilities and equity			342,482			406,051
Net current assets			27,347			29,530

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Preparation and Accounting Policies

Except as described below, the accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2022.

Adoption of new/revised Hong Kong Financial Reporting Standards (HKFRSs)

In 2023, the Group has adopted the following amendments to HKFRSs which are pertinent to the Group's operations and effective for accounting periods beginning on or after 1 January 2023:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
Amendments to HKAS 12	Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	Income Taxes: International Tax Reform – Pillar Two Model Rules

The adoption of these amendments did not have any financial impact on the Group.

The financial information relating to the year ended 31 December 2022 that is included in this Quarterly Results Announcement as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Chapter 622).

The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Chapter 622).

By Order of the Board
Hong Kong Exchanges and Clearing Limited
David Fu
Group Company Secretary

Hong Kong, 20 October 2023

As at the date of this announcement, HKEX's Board of Directors comprises 12 Independent Non-executive Directors, namely Mrs Laura May-Lung CHA (Chairman), Mr Nicholas Charles ALLEN, Mr Apurv BAGRI, Mr CHEAH Cheng Hye, Ms CHEUNG Ming Ming, Anna, Mrs CHOW WOO Mo Fong, Susan, Mr HUNG Pi Cheng, Benjamin, Ms LEUNG Nisa Bernice Wing-Yu, Mr LEUNG Pak Hon, Hugo, Mr Carlson TONG, Mr YAM Chi Kwong, Joseph and Mr ZHANG Yichen, and one Executive Director, Mr Alejandro Nicolas AGUZIN, who is also the Chief Executive of HKEX.