

Pursuant to Chapter 38 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Securities and Futures Commission regulates Hong Kong Exchanges and Clearing Limited in relation to the listing of its shares on The Stock Exchange of Hong Kong Limited. The Securities and Futures Commission takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 Code: 388)

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

QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

HIGHLIGHTS

Nicolas Aguzin, Chief Executive Officer said:

“This has been a productive quarter for HKEX with a number of potentially significant strategic initiatives announced or going live. These include the addition of ETFs in Stock Connect, the announcement of the next phase in the Connect franchise – Swap Connect, the establishment of the Hong Kong International Carbon Market Council and a number of new product launches and market enhancements. These are all further exciting building blocks, as we shape the long term sustainable and successful future of our business and our markets.

Despite continued global market fragility, a rising interest rate environment, inflationary pressures and ongoing geopolitical tensions, we are also today pleased to report a resilient set of quarterly results. Our numbers are down on record comparables and we continue to see softness in our Cash Market. However, there are early signs of renewed momentum in the IPO market, a buoyant Derivatives Market and continued strength in both Stock Connect and Bond Connect. We are positioned well for when market sentiment recovers. Looking forward we will continue to invest in talent and technology, whilst still actively and prudently managing our cost base; and we will drive both excellence in execution and delivery as we remain fully focused on our vision to build the Marketplace of the Future.”

Strategic Highlights

- ADV of derivatives contracts traded on HKFE and during After-Hours Trading both reached record nine-month highs
- Bond Connect Northbound ADT reached a record nine-month high
- ETFs were included into Stock Connect, initially with four eligible Southbound ETFs and 83 eligible Northbound ETFs
- Stock Connect trading calendar enhancements announced, facilitating trading on all days where both the Hong Kong and Mainland markets are open
- IR Connect launched
- Hong Kong International Carbon Market Council launched
- Swap Connect, a new mutual access programme between Hong Kong and Mainland China’s interbank interest rate swap markets, was announced
- IPO market showed signs of recovery in Q3 2022, with IPO funds raised more than double that from 1H 2022; IPO pipeline remained strong, with 144 active applications including three special purpose acquisition companies (SPACs) as at 30 September 2022
- Introduced seven new ETPs, including the first green bond ETF
- MSCI A 50 Connect Index Derivative Warrants listed, Hong Kong’s first A-share structured products
- Weekly OTC position reporting framework introduced by LME for all physically delivered metals; accountability levels extended to all reportable OTC positions
- HKEX ESG Academy updated on the Corporate Governance Code; HKEX Biotech Summit 2022 explored latest developments shaping the global healthcare industry

Comparison of Q3 2022 with Q3 2021

Financial Highlights

- Q3 2022 revenue and other income of \$4,318 million was 19 per cent lower than Q3 2021
 - Core business revenue was down 17 per cent against Q3 2021, reflecting lower trading and clearing fees from lower Headline ADT; and lower ADT of Northbound Trading of Stock Connect. This was partly offset by the increase in net investment income from Margin Funds
 - Net investment loss on Corporate Funds was \$46 million (Q3 2021: income of \$32 million), as the externally-managed investment funds (External Portfolio) had net fair value losses of \$148 million in Q3 2022 (Q3 2021: losses of \$23 million), partly offset by investment income from internally-managed Corporate Funds
- Operating expenses were 17 per cent higher than Q3 2021. Excluding HKEX Foundation charitable donations, operating expenses were up 13 per cent, attributable to higher staff costs and professional fees
- EBITDA margin¹ was 70 per cent, 9 per cent lower than Q3 2021
- Profit attributable to shareholders was \$2,263 million, 30 per cent lower than Q3 2021

Key Financials

	Q3 2022 \$m	Q3 2021 \$m	Change
Revenue and other income			
Core business revenue	4,324	5,238	(17%)
HKEX Foundation donation income	40	39	3%
Net investment (loss)/income of Corporate Funds	(46)	32	N/A
	4,318	5,309	(19%)
Operating expenses	1,291	1,108	17%
EBITDA ¹	2,984	4,164	(28%)
Profit attributable to shareholders	2,263	3,251	(30%)
Capital expenditure	295	187	58%
Basic earnings per share	\$1.79	\$2.57	(30%)

Key Market Statistics

	Q3 2022	Q3 2021	Change
ADT of equity products traded on the Stock Exchange ² (\$bn)	84.0	147.7	(43%)
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	13.6	17.6	(23%)
ADT traded on the Stock Exchange ^{2,3} (Headline ADT) (\$bn)	97.6	165.3	(41%)
ADT of Northbound Trading of Stock Connect ² (RMBbn)	96.7	139.3	(31%)
ADT of Southbound Trading of Stock Connect ² (\$bn)	22.0	42.5	(48%)
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	610	558	9%
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	505	667	(24%)
Chargeable ADV ⁴ of metals contracts traded on the LME ('000 lots)	469	546	(14%)
ADT of Northbound Bond Connect (RMBbn)	33.8	25.6	32%

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.

² Includes buy and sell trades under Stock Connect

³ ADT of Southbound Trading is included within Headline ADT.

⁴ Chargeable ADV excludes administrative trades (Admin Trades) and other non-chargeable trades.

Comparison of YTD Q3 2022 with YTD Q3 2021

Financial Highlights

- YTD Q3 2022 revenue and other income of \$13,255 million was 18 per cent lower than record YTD Q3 2021
 - Core business revenue was down 13 per cent against YTD Q3 2021, reflecting lower trading and clearing fees from lower Headline ADT, and lower depository fees from electronic-IPO (e-IPO) applications. This was partly offset by the increase in net investment income from Margin Funds
 - Net investment loss on Corporate Funds was \$424 million (YTD Q3 2021: income of \$460 million), due to net fair value losses on the External Portfolio of \$659 million (YTD Q3 2021: gains of \$298 million), reflecting lower valuations in global equity and fixed income markets
- Operating expenses were 13 per cent higher than YTD Q3 2021, attributable to higher staff costs and professional fees, reflecting continued investment in talent, operational and strategic initiatives
- EBITDA margin was 71 per cent, 8 per cent lower than record YTD Q3 2021, and 4 per cent lower than the 5-year average
- Profit attributable to shareholders was \$7,099 million, 28 per cent lower than YTD Q3 2021

Key Financials

	YTD Q3 2022 \$m	YTD Q3 2021 \$m	Change
Revenue and other income			
Core business revenue	13,602	15,645	(13%)
HKEX Foundation donation income	77	113	(32%)
Net investment (loss)/income of Corporate Funds	(424)	460	N/A
	13,255	16,218	(18%)
Operating expenses	3,747	3,329	13%
EBITDA	9,378	12,771	(27%)
Profit attributable to shareholders	7,099	9,861	(28%)
Capital expenditure	773	723	7%
Basic earnings per share	\$5.61	\$7.79	(28%)

Key Market Statistics

	YTD Q3 2022	YTD Q3 2021	Change
ADT of equity products traded on the Stock Exchange ² (\$bn)	107.4	159.6	(33%)
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	16.7	20.7	(19%)
ADT traded on the Stock Exchange ^{2,3} (Headline ADT) (\$bn)	124.1	180.3	(31%)
ADT of Northbound Trading of Stock Connect ² (RMBbn)	101.3	123.2	(18%)
ADT of Southbound Trading of Stock Connect ² (\$bn)	29.1	46.2	(37%)
ADV of derivatives contracts traded on the Futures Exchange ('000 contracts)	672*	534	26%
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	570	681	(16%)
Chargeable ADV ⁴ of metals contracts traded on the LME ('000 lots)	515	545	(6%)
ADT of Northbound Bond Connect (RMBbn)	32.1*	26.2	23%

* New record high for YTD Q3

BUSINESS REVIEW

Overview

Quarterly Results, Q1 2021 – Q3 2022

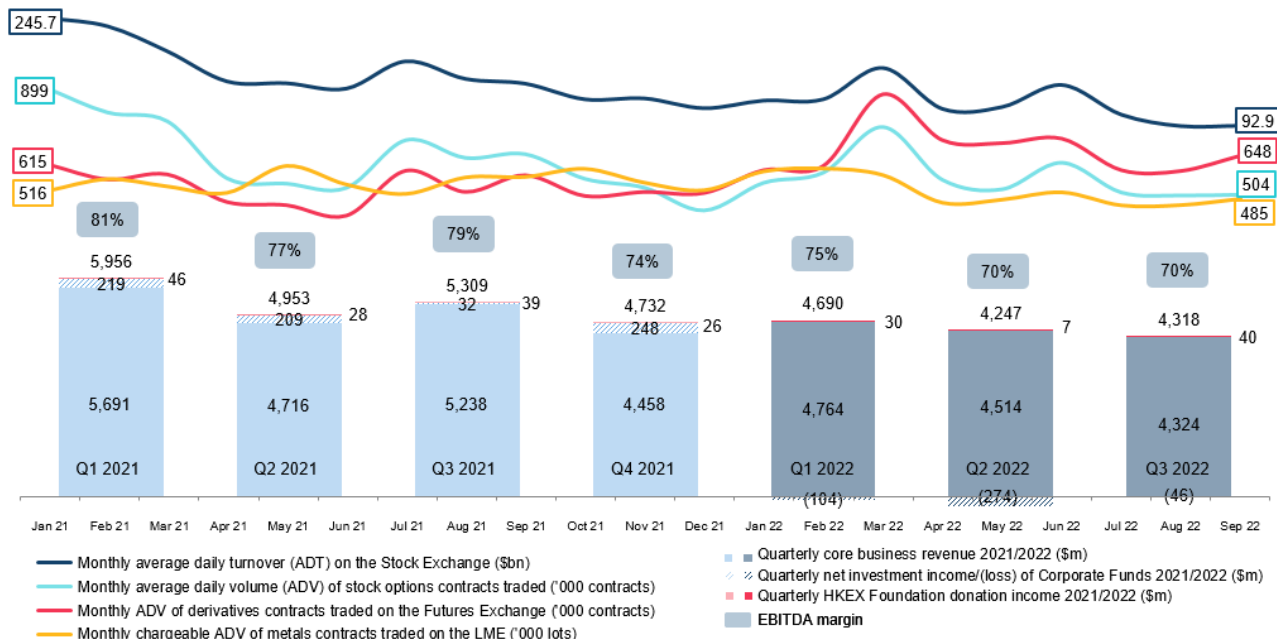


Fig. 1 – Market activity and Group's⁵ revenue and other income/(loss)

HKEX demonstrated financial and operational resiliency in the first nine months of 2022, despite global market volatility and geopolitical fragility. Concerns over inflation and slowing global growth adversely affected global market sentiment, impacting Headline ADT, which fell 31 per cent from the record YTD Q3 2021, to \$124.1 billion in YTD Q3 2022. Despite this backdrop, the HKEX Derivatives Market performed well and the number of derivatives contracts traded on HKFE reached a record high in YTD Q3 2022, with ADV 26 per cent higher than YTD Q3 2021, attributable to both customers' increased hedging needs in a volatile market environment; and absolute increased demand for HKEX's newly launched derivatives products. The IPO market showed encouraging signs of recovery in Q3 2022, and a total of 56 IPOs were listed on our market during YTD Q3 2022. This helped to put Asia at the top of the IPO fundraising tables for the first nine months of the year. The IPO pipeline remained very strong, with 144 active applications as at 30 September 2022.

Core business revenue for YTD Q3 2022 was \$13,602 million, 13 per cent lower than the record YTD Q3 2021, due to lower trading and clearing fees from lower Headline ADT, lower Stock Connect Northbound ADT and lower depository fees from e-IPO applications; this was partly offset by higher net investment income from Margin Funds. HKEX's External Portfolio was affected by the broader weak performance of the global equities and fixed income markets, recording net fair value losses of \$659 million during YTD Q3 2022 (YTD Q3 2021: gains of \$298 million). As a result, total revenue and other income for YTD Q3 2022 dropped by 18 per cent against YTD Q3 2021. Operating expenses increased by 13 per cent against YTD Q3 2021, mainly due to higher staff costs and professional fees, as well as investments in technology and other operational and strategic initiatives.

Looking at the quarter on quarter comparison, core business revenue for Q3 2022 was 4 per cent lower than Q2 2022, as a result of lower trading and clearing fees from lower Cash Market trading volume; which was partly offset by the increase in net interest income from Margin Funds. Total revenue and other income for Q3 2022, however, was 2 per cent higher than Q2 2022, as the decrease in core business revenue was more than offset by the lower fair value losses of the External Portfolio (Q3 2022: \$148 million; Q2 2022: \$322 million). As operating expenses remained broadly flat, profit attributable to shareholders for Q3 2022 was up 4 per cent against Q2 2022, to \$2,263 million.

5 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

Analysis of Results and Business Update by Operating Segment

	YTD Q3 2022				YTD Q3 2021			
	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	3,764	-	3,764	3,232	4,815	-	4,815	4,357
Equity and Financial								
Derivatives	2,368	(122)	2,246	1,737	2,627	(95)	2,532	2,027
Commodities	1,019	-	1,019	494	1,099	-	1,099	614
Post Trade	5,612	(8)	5,604	4,896	6,315	(23)	6,292	5,633
Technology	830	-	830	605	781	-	781	553
Corporate Items	(338)	-	(338)	(1,586)	581	-	581	(413)
	13,255	(130)	13,125	9,378	16,218	(118)	16,100	12,771

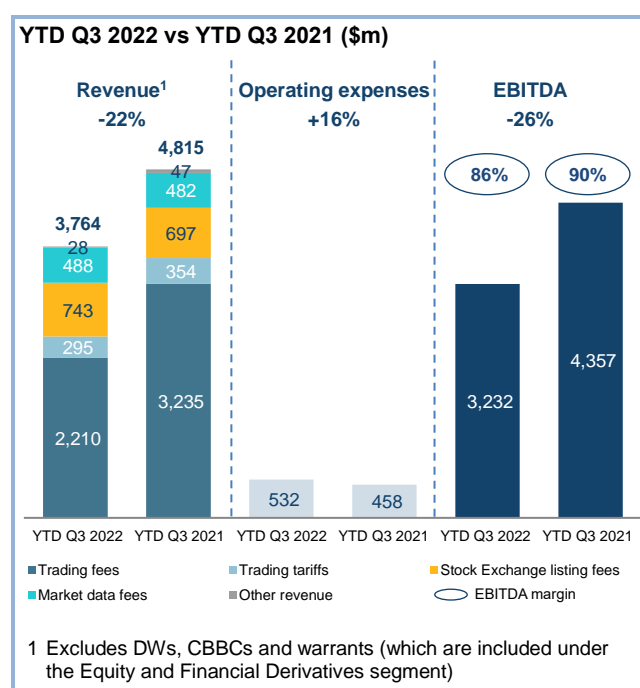
Cash Segment

Analysis of Results

Revenue was down 22 per cent and EBITDA was down 26 per cent compared with YTD Q3 2021.

Trading fees decreased by \$1,025 million, or 32 per cent compared with YTD Q3 2021, attributable to the 33 per cent decrease in ADT of equity products traded on the Stock Exchange and the 18 per cent decrease in ADT of Northbound Stock Connect. Included in trading fees were Northbound Stock Connect trading fees of \$406 million (YTD Q3 2021: \$493 million) and Southbound Stock Connect trading fees of \$117 million (YTD Q3 2021: \$182 million). Trading tariffs dropped by 17 per cent, due to the decrease in equity products traded.

Despite the drop in number of new IPOs during the period, Stock Exchange listing fees increased by \$46 million, mainly due to an increase in forfeitures.



Operating expenses increased by 16 per cent due to higher Listing Division allocated costs, reflecting higher listing fees from IPO forfeitures and lower listing fees from newly listed derivative warrants (DWs) and callable bull/bear contracts (CBBCs).

Business Update

Increased uncertainty in the global economic environment impacted trading activities on the Hong Kong securities market, with Headline ADT down by 31 per cent in YTD Q3 2022 against the same period last year.

Stock Connect operated smoothly and resiliently in YTD Q3 2022, with Northbound and Southbound ADT at RMB101.3 billion and \$29.1 billion respectively. During YTD Q3 2022, Stock Connect generated revenue and other income of \$1,726 million (YTD Q3 2021: \$2,094 million), of which \$1,284 million (YTD Q3 2021: \$1,650 million) arose from trading and clearing activities.

Effective 4 July 2022, eligible ETFs were included into Stock Connect, continuing the expansion of the existing Stock Connect Programme. Initially, eligible ETFs include four Southbound ETFs and 83 Northbound ETFs. The inclusion of ETFs in Stock Connect supports the development of the ETF ecosystem in both Hong Kong and Mainland China, meets growing investor demand for a broader range of products and further facilitates the continued connectivity in regional capital markets.

On 8 August 2022, HKEX successfully migrated Northbound Trading under the Shanghai-Hong Kong Stock Connect to a new trading gateway, introduced by the Shanghai Stock Exchange. This provided for significantly improved latency.

The China Securities Regulatory Commission (CSRC) and the Securities and Futures Commission (SFC) announced on 12 August 2022 that adjustments to the trading calendar between Hong Kong and Mainland China in relation to Stock Connect would be made to facilitate trading on all days where both the Hong Kong and Mainland markets are open, subject to regulatory approval. This enhancement to the trading calendar will further deepen cross-border market accessibility of the Stock Connect programme.

The Hong Kong IPO market showed signs of recovery in Q3 2022, with 29 IPOs raising a total of \$53.5 billion (including China Tourism⁶, the largest IPO of the year), more than double the proceeds raised during 1H 2022, bringing the total number of listings to 56 in YTD Q3 2022, raising \$73.2 billion. Homecoming listings remained strong, with Noah⁶, NIO⁶ and Tencent Music⁶ completed secondary listings and Zhihu⁶, Beike⁶, OneConnect⁶, Tuya⁶ and MINISO⁶ completed dual primary listings in YTD Q3 2022. HKEX also welcomed Zai Lab⁶ and Bilibili⁶ as the first two companies to convert from a secondary listing to a primary listing on the Main Board in June and October 2022 respectively. Alibaba⁶, Yum China⁶ and Noah also announced their plans for conversion. The increasing trend of conversion from secondary listing to dual primary listing solidifies Hong Kong's role as the preferred market for homecoming issuers. HKEX welcomed four new SPAC listings in YTD Q3 2022, raising a total of \$4.0 billion. HKEX's IPO pipeline remained very strong, with 144 active applications including three outstanding SPAC applications as at 30 September 2022.

Key Market Indicators	YTD Q3	
	2022	2021
ADT of equity products traded on the Stock Exchange ^{1,2} (\$bn)	107.4	159.6
ADT of Northbound Trading – Shanghai-Hong Kong Stock Connect ² (RMBbn)	46.5	56.8
ADT of Northbound Trading – Shenzhen-Hong Kong Stock Connect ² (RMBbn)	54.8	66.4
ADT of Southbound Trading – Shanghai-Hong Kong Stock Connect ² (\$bn)	14.6	22.2
ADT of Southbound Trading – Shenzhen-Hong Kong Stock Connect ² (\$bn)	14.5	24.0
ADT of Northbound Bond Connect (RMBbn)	32.1 ⁴	26.2
Average daily number of trades of equity products traded on the Stock Exchange ^{1,2} ('000)	1,741	2,051
Number of newly listed companies on the Main Board ³	56	72
Number of newly listed companies on GEM	-	1
Total equity funds raised		
- IPOs (\$bn)	73.2	285.9
- Post-IPO (\$bn)	119.4	318.8
Number of companies listed on the Main Board at 30 Sept	2,238	2,201
Number of companies listed on GEM at 30 Sept	343	358
Number of trading days	184	185
1 Excludes \$16.7 billion (YTD Q3 2021: \$20.7 billion) of ADT of 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 1 transfer from GEM (YTD Q3 2021: 1)		
4 New record high for YTD Q3		

⁶ China Tourism Group Duty Free Corporation Limited (China Tourism); Noah Holdings Private Wealth and Asset Management Limited (Noah); NIO Inc. (NIO); Tencent Music Entertainment Group (Tencent Music); Zhihu Inc. (Zhihu); KE Holdings Inc. (Beike); OneConnect Financial Technology Co., Ltd. (OneConnect); Tuya Inc. (Tuya); MINISO Group Holding Limited (MINISO); Zai Lab Limited (Zai Lab); Bilibili Inc. (Bilibili); Alibaba Group Holding Limited (Alibaba); Yum China Holdings, Inc. (Yum China)

ADT of Exchange Traded Products (ETPs), which include ETFs and Leveraged and Inverse Products (L&I Products), surged to \$11.1 billion in YTD Q3 2022 (YTD Q3 2021: \$7.8 billion). Seven new ETPs were introduced to the market during Q3 2022, including the first green bond ETF.

On 7 July 2022, HKEX launched a new digital investor relations platform, IR Connect. The new portal enables Hong Kong listed issuers to build connectivity and facilitate regular dialogue with the global investor and analyst community. The first phase of IR Connect provides listed issuers with free access to shareholder analysis and market data, key stock statistics and research ratings.

During the quarter, Hong Kong's listed bond market continued to grow. During YTD Q3 2022, the Stock Exchange welcomed 317 newly listed bonds, with total funds raised exceeding \$672 billion. As at 30 September 2022, there were a total of 1,787 listed bonds, with total amount outstanding of over \$6 trillion.

HKEX's Sustainable and Green Exchange (STAGE) continued to gain support from the market. As at 30 September 2022, there were a total of 110 sustainable-focused products from leading issuers displayed on STAGE, including green, social, sustainable or similar bonds from issuers across different sectors, as well as Environmental, Social and Governance (ESG) related ETPs.

In Q3 2022, HKEX partnered with a number of leading regional corporates and financial institutions to launch The Hong Kong International Carbon Market Council (Council). The principal focus of this collaboration is to develop an international carbon market that leverages Hong Kong's position as a leading global financial centre, contributing to the realisation of carbon neutrality goals and the development of the green and sustainable finance ecosystem in Hong Kong, Mainland China and beyond. The Council is focused on the development of an efficient and effective Hong Kong-based international carbon market, with best-in-class market infrastructure, products and services.

In September 2022, HKEX hosted its fifth HKEX Biotech Summit, bringing together industry experts, scientists, executives and investors from across the world to discuss the latest developments shaping the global healthcare industry, with a particular focus on Asia. It attracted more than 10,000 audience watching live through various online media and gained widely positive feedbacks. The event reinforced HKEX's leading position as a biotech and healthcare fundraising hub, and also boosted market confidence over the industry's long-term prospects.

In Q3 2022, HKEX continued to modernise its operating model following a thorough diagnostic review conducted earlier in the year. An integrated planning and performance management process was also introduced throughout the business; and an internal Digital Governance Forum was formed to improve firm-wide alignment on the adoption and management of digital initiatives and productivity tools around the firm.

On 29 July 2022, the Stock Exchange published consultation conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment to enhance share schemes regulation to manage dilution of listed shares and provide informative disclosure to maintain high levels of shareholder protection. The Rule amendments will come into effect on 1 January 2023.

In addition, the Stock Exchange published the following guidance materials during Q3 2022:

Guidance materials

- Semi-annual Enforcement Bulletin, focusing on the importance of good record-keeping by issuers and company directors
 - New listing decision on the suitability of listing with a Weighted Voting Rights structure
 - Frequently asked questions on (i) share schemes of listed issuers; and (ii) special purpose acquisition companies
-

Equity and Financial Derivatives Segment

Analysis of Results

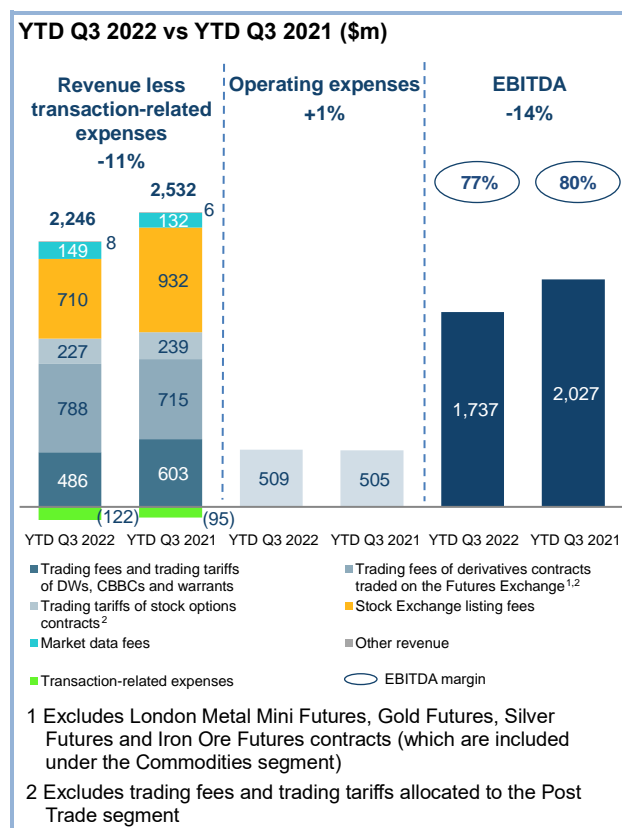
Revenue, less transaction-related expenses, was down 11 per cent; and EBITDA was down 14 per cent compared with YTD Q3 2021.

Trading fees and trading tariffs of DWs, CBBCs and warrants were down 19 per cent compared with YTD Q3 2021, in line with the decrease in ADT.

Futures Exchange derivatives trading fees⁷ increased by \$73 million or 10 per cent as the number of derivatives contracts traded reached record high in YTD Q3 2022. This was partly offset by lower fees per contract, attributable to fee waivers or discounts granted to certain newly launched products; and a lower proportion of higher fee contracts (including Hang Seng Index (HSI) futures and options) being traded in YTD Q3 2022.

Stock Exchange listing fees decreased by 24 per cent due to a decrease in the number of newly listed DWs and CBBCs compared with the record YTD Q3 2021.

Operating expenses remained broadly flat compared with YTD Q3 2021, as higher cash incentives relating to new products were mostly offset by lower Listing Division allocated costs.



⁷ 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 increased popularity of the newly launched products and increase in cross product trading activities, ADV of derivatives contracts⁷ traded in YTD Q3 2022 reached a record nine-month high of 668,729 contracts, 26 per cent higher than YTD Q3 2021. In addition, the ADV of contracts⁷ traded during AHT reached a record nine-month high of 107,403 contracts in YTD Q3 2022.

Several single-day records in volumes and open interest (OI) were achieved during Q3 2022:

	Single-day trading volume	
	Date (2022)	Number of contracts
Hang Seng TECH Index Futures	26 Sept	251,971
Hang Seng China Enterprises Index (HSCEI) Futures Options	30 Sept	47,991

	Open interest	
	Date (2022)	Number of contracts
HSCEI Futures Options	15 Sept	631,628
Hang Seng TECH Index Futures	27 Sept	164,394
HSI Futures Options	30 Sept	85,664
Mini HSCEI Options	28 Sept	48,107
Hang Seng TECH Index Options	28 Sept	33,462
Mini HSI Futures	29 Sept	31,150
Weekly HSI Options	9 Sept	16,283

Key Market Indicators	YTD Q3	
	2022	2021
ADT of DWs, CBBCs and warrants traded on the Stock Exchange (\$bn)	16.7	20.7
Average daily number of trades of DWs, CBBCs and warrants traded on the Stock Exchange ('000)	358	431
ADV of derivatives contracts traded on the Futures Exchange ¹ ('000 contracts)	669³	532
ADV of stock options contracts traded on the Stock Exchange ('000 contracts)	570	681
Number of newly listed DWs	9,125	12,644
Number of newly listed CBBCs	26,415	32,733
ADV of contracts traded during After-Hours Trading (AHT) ¹ ('000 contracts)	107³	66
Number of trading days ²	184	185
	At	At
	30 Sept 2022	30 Sept 2021
Open interest of futures and options contracts ¹ ('000 contracts)	11,044	12,317
1 Excludes London Metal Mini Futures, Gold Futures, Silver Futures and Iron Ore Futures contracts (which are included under the Commodities segment)		
2 Excludes 4 holiday trading days (YTD Q3 2021: nil)		
3 New record high for YTD Q3		

Hang Seng TECH Index Futures posted record high single-day trading volume and OI on 26 September 2022 and 27 September 2022 respectively. Although Q3 2022 ADV decreased by 15 per cent compared with Q2 2022 to 65,657 contracts, reflecting lower summer trading volumes, the ADV in YTD Q3 2022 was fivefold the ADV in YTD Q3 2021, reaching 65,182 contracts, reflecting the popularity in this still relatively new derivative product.

The trading fee waiver on the MSCI China A 50 Connect (USD) Index Futures has been replaced by a 50 per cent market-wide trading fee discount effective 1 July 2022. In Q3 2022, ADV decreased by 11 per cent compared with last quarter, reaching 16,163 contracts, again affected by lower summer trading volumes. Despite that, ADV reached 18,564 contracts in YTD Q3 2022, a 61 per cent increase against ADV during the period since launch (18 October 2021) to 31 December 2021.

The two physically-settled Options on Futures Contracts celebrated their first anniversary on 23 August 2022, and since then have continued to gain traction. The aggregate OI for the two products was 702,791 contracts as at 30 September 2022, an increase of over six times compared with their open interest of 90,201 contracts as at the end of 2021; with HSI Futures Options achieving a record high of 85,664 contracts on 30 September 2022 and HSCEI Futures Options achieving 631,628 contracts on 15 September 2022. The aggregate ADV of the two products was 16,647 contracts in YTD Q3 2022, more than quadrupled compared with ADV during the period since launch on 23 August 2021 to 31 December 2021. The addition of the new contracts further enhances HKEX's derivatives product suite and adds to the breadth and depth of Hong Kong's markets.

September 2022 marks the 10 year anniversary of USD/CNH Futures, the world's first deliverable RMB currency futures. The trading volume and OI of RMB currency derivatives, especially

USD/CNH futures and cash-settled Mini USD/CNH Futures, continued to grow in Q3 2022 due to stronger demand for currency risk management tools amid the volatile currency market. The number of USD/CNH Futures contracts traded in YTD Q3 2022 exceeded two million contracts, the first time ever for the first nine months of a year; and ADV of the contract reached 12,438 contracts during YTD Q3 2022, up 95 per cent compared with YTD Q3 2021.

On 2 September 2022, HKEX announced plans to revise the T Session closing hour and T+1 Session opening hour for selected MSCI Price Return, MSCI Net Total Return and Currency Futures and Options. The initiative aims to support investors as they look to capture the changes in the underlying market movements in the same trading session without interruption, so as to better manage their exposures. The scheduled launch date is in Q4 2022, subject to regulatory approval.

In view of the increasing liquidity and volatility of the Hang Seng TECH Index Futures market, the Futures Exchange applied Volatility Control Mechanism and Dynamic Price Banding Mechanism to the market effective from 17 October 2022. These mechanisms are designed to protect the market from extreme volatility and prevent potential market disruption caused by error orders with prices significantly deviated from prevailing market.

With the recent inclusion of the MSCI China A 50 Connect Index in the eligible list for DW issuance, HKEX welcomed the listing of Hong Kong’s first A-share structured products, MSCI China A 50 Connect Index Derivative Warrants, in August 2022. The product offers investors a capital efficient China A-share risk management tool, marking a significant milestone in the development of Hong Kong’s A-share ecosystem. In Q3 2022, six issuers participated in the issuance and issued 54 MSCI China A 50 Connect Index DWs, with ADT of \$1.5 million.

Issuers have also started to diversify their product offering by issuing CBBCs on US indices, with 39 US Index CBBCs listed in Q3 2022. US underlying structured products have seen tremendous growth, with 282 newly listed during YTD Q3 2022 (YTD Q3 2021: 60).

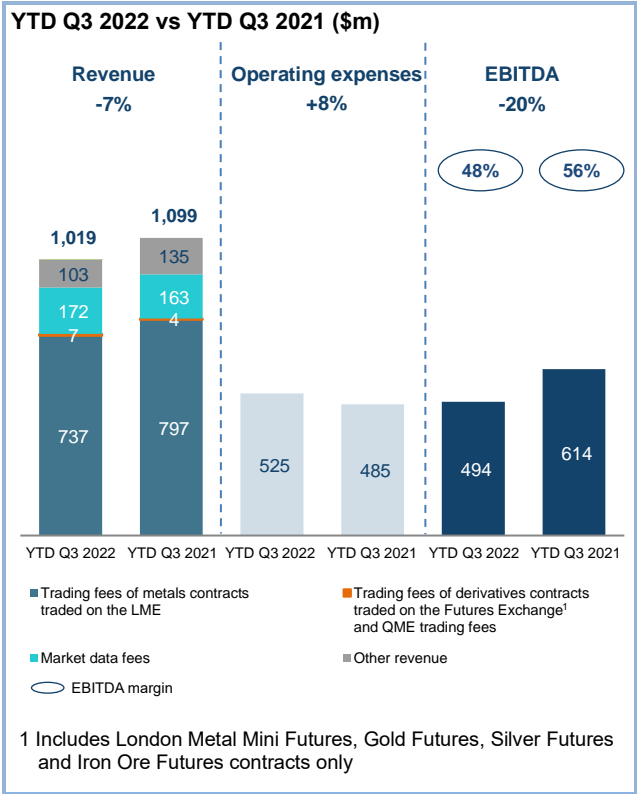
Commodities Segment

Analysis of Results

Revenue was down 7 per cent and EBITDA was down 20 per cent compared with YTD Q3 2021.

LME trading fees decreased by \$60 million (8 per cent) due to the 6 per cent decrease in chargeable ADV of metals contracts traded in YTD Q3 2022, and lower average fee per contract.

Operating expenses increased by 8 per cent, primarily due to legal and professional fees associated with claims and independent reviews relating to the nickel market.



Business Update

On 19 September 2022, the LME's first Ring trading session did not take place during the funeral of Her Majesty Queen Elizabeth II, as a mark of respect. The LME's market remained open for the remainder of this day, reflecting the international nature of its market and alignment with other markets around the world. The LME was honoured to donate all trading fees received on 19 September to charities of which Her Majesty was a patron.

Since the unprecedented events in the nickel market on 8 March 2022, the LME has put in place several measures to ensure the orderly resumption of nickel trading. These include the application of daily upper and lower price limits for outright nickel contracts (as well as in all base metals contracts); improved visibility of both on-exchange and over-the-counter (OTC) client positions in nickel; and additional reporting in relation to aggregate on-exchange and OTC nickel positions. The LME has separately commissioned an independent review by Oliver Wyman, the findings of which are expected to be published in Q4 2022.

Following a consultation with market users, the LME has introduced a weekly OTC position reporting framework for all LME physically delivered metals, and the extension of accountability levels to all reportable OTC positions. Both of these changes were effective from 5 September 2022.

Growth of sustainability metrics disclosed on the LMEpassport platform, the LME's digital credential register, has continued throughout the year. In addition, the scope of sustainability metrics supported by the platform expanded to over 25 approved disclosures. Further functionality enhancements related to increasing the platform's sustainability reporting capabilities will be completed in Q4 2022. Disclosure of Certificate of Analysis (CoA) information on the LMEpassport platform also continued to grow, with 77 entities now registered, and more than 1.7 million CoA records created in the system.

As of 30 September 2022, over 96 per cent of LME listed brands complied with the first reporting deadline for the LME's responsible sourcing rules – a set of requirements that aims to ensure that all LME-listed brands (those listed for good delivery) meet globally accepted standards for responsible sourcing across all the LME's physically settled contracts. Those not complying would be suspended or delisted depending on their situation.

In Hong Kong, USD Gold Futures volumes grew substantially, with 295,752 contracts traded in YTD Q3 2022, compared with 14,908 contracts traded in YTD Q3 2021. On 5 August 2022, there was a further enhancement to the Maximum Fluctuation Price Band Mechanism for the USD/CNH London Metal Mini Futures Contracts to facilitate a better price discovery process with minimal disruption to participants' operations. If the deviation between the T Session closing price at HKEX and the latest LME closing price exceeds 5 per cent, HKEX will use the LME closing price as the reference price to determine the next day's price band range. The enhancement is especially useful when there is significant price movement on the London Metal Mini Futures during Hong Kong public holidays.

Key Market Indicators	YTD Q3	
	2022	2021
ADV of metals contracts traded on the LME ('000 lots)		
Aluminium	214	228
Copper	118	123
Zinc	87	84
Nickel	52	64
Lead	38	41
Others	6	5
Total chargeable ADV excluding Admin Trades ¹	515	545
Chargeable Admin Trades ¹	29	25
Other non-chargeable trades	-	1
Total ADV	544	571
Number of trading days	188	189
	At	At
	30 Sept 2022	30 Sept 2021
Total futures market open interest ('000 lots)	1,524	1,789
1 Admin Trades are chargeable at a lower fee rate of US\$0.04 per contract.		

Post Trade Segment

Analysis of Results

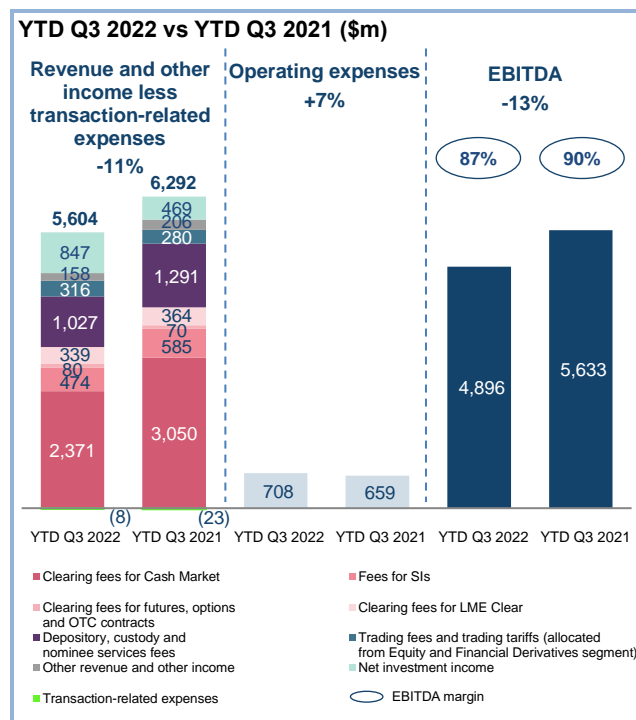
Revenue and other income, less transaction-related expenses, was down 11 per cent; and EBITDA was down 13 per cent compared with YTD Q3 2021.

Clearing and settlement fees for the Cash Market and for Settlement Instructions (SIs) decreased by 22 per cent and 19 per cent respectively. The decreases were primarily due to the lower number of transactions during the period, and lower clearing fees from Stock Connect Northbound Trading of \$632 million (YTD Q3 2021: \$827 million).

Depository, custody and nominee services fees decreased from \$1,291 million in YTD Q3 2021 to \$1,027 million in YTD Q3 2022, mainly due to a decrease in e-IPO service fees from a lower number of e-IPO applications.

Net investment income increased by \$378 million (81 per cent) compared with YTD Q3 2021. This reflected the higher average Margin Fund sizes, and the higher HKD and USD deposit rates in YTD Q3 2022; this was partly offset by the increase in interest rebates paid to the Participants.

The analysis of net investment income is as follows:



Net investment income increased by \$378 million (81 per cent) compared with YTD Q3 2021. This reflected the higher average Margin Fund sizes, and the higher HKD and USD deposit rates in YTD Q3 2022; this was partly offset by the increase in interest rebates paid to the Participants.

The analysis of net investment income is as follows:

	YTD Q3 2022				Total \$m
	HK Clearing Houses		LME Clear		
	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%

	YTD Q3 2021				Total \$m
	HK Clearing Houses		LME Clear		
	Margin Funds \$m	Clearing House Funds \$m	Margin Funds \$m	Clearing House Funds \$m	
Net investment income from:					
- Cash and bank deposits	365	4	59	9	437
- Debt securities	27	1	4	-	32
Total net investment income	392	5	63	9	469
Average fund size (\$bn)	105.7	10.8	84.1	11.8	212.4
Annualised net investment return	0.49%	0.06%	0.10%	0.10%	0.29%

Operating expenses increased by 7 per cent, due to higher investment and custodian fees charged for LME Clear Margin Funds; and higher legal and professional fees incurred for claims and independent reviews relating to the nickel market.

Business Update

A joint announcement was made on 4 July 2022 by the People's Bank of China (PBoC), the SFC and the Hong Kong Monetary Authority (HKMA) on the collaboration between HKEX, China Foreign Exchange Trade System (CFETS) and Shanghai Clearing House (SHCH) to develop Swap Connect, a new mutual access programme between Hong Kong and Mainland China's interbank interest rate swap markets. Swap Connect is the next significant milestone in progressing the further development and connectivity between Hong Kong and Mainland China's financial markets, promoting the sustainable growth of both markets, and further enhancing Hong Kong's status as an international financial centre.

OTC Clear's USD/CNH Cross Currency Swaps (CCS) clearing volume in YTD Q3 2022 remained strong, with clearing volume of US\$88.9 billion, an increase of 123 per cent compared with YTD Q3 2021. With increased demand for Deliverable FX (DFX) clearing, DFX clearing volume grew significantly and reached US\$12.3 billion in YTD Q3 2022, compared with US\$2.7 billion cleared in YTD Q3 2021.

Key Market Indicators	YTD Q3	
	2022	2021
ADT traded on the Stock Exchange ¹ (\$bn)	124.1	180.3
Average daily number of Stock Exchange trades ('000)	2,099	2,482
Average daily value of SIs for Stock Exchange trades (\$bn)	300.7	427.0
Average daily number of SIs for Stock Exchange trades ('000)	113	131
ADT of Northbound Trading of Stock Connect ¹ (RMBbn)	101.3	123.2
Average daily value of SIs for Northbound Trading of Stock Connect (RMBbn)	27.4	32.3
Chargeable ADV ² of metals contracts traded on the LME ('000 lots)	515	545

1 Includes buy and sell trades under Stock Connect
2 Chargeable ADV excludes Admin Trades (which are chargeable at a lower clearing fee rate of US\$0.02 per contract) and other non-chargeable trades.

Technology Segment

Analysis of Results

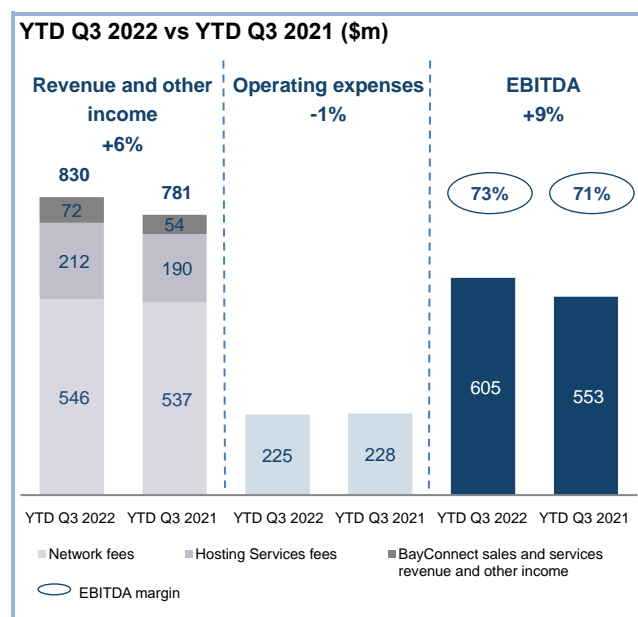
Revenue and other income was up 6 per cent and EBITDA was up 9 per cent compared with YTD Q3 2021.

During YTD Q3 2022, network fees rose by 2 per cent, as increased usage of the Orion Central Gateway and China Connect Central Gateway by Exchange Participants mostly offset the lower fees from the sale of new throttles.

Hosting Services fees rose by 12 per cent due to growth in both new customer subscriptions and increased usage by existing customers.

Business Update

During Q3 2022, despite market volatility and challenges posed by the pandemic on work arrangements, all of HKEX's major trading, clearing, settlement and market data dissemination systems for the Cash, Derivatives and Commodities Markets continued to perform well.



To support the new Hong Kong Investor Identification Regime (HKIDR), HKEX is enhancing the Electronic Communication Platform (ECP) and Orion Trading Platform – Securities Market (OTP-C) to facilitate the submission of investor information required for securities trading under HKIDR. Related system development and end-to-end testing with market participants have been completed successfully. Market rehearsals will be conducted in Q4 2022.

Hosting Services is fitting out a new data hall to meet customer demand and enrich HKEX's hosting product portfolio. The new data hall will be ready for service in Q4 2022.

Corporate Items

"Corporate Items" is not a business segment but comprises central income (including net investment income of Corporate Funds and HKEX Foundation donation income), 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 2022 \$m	YTD Q3 2021 \$m
Net investment (loss)/income	(424)	460
HKEX Foundation donation income	77	113
Others	9	8
Total revenue and other income	(338)	581
Operating expenses:		
- HKEX Foundation charitable donations	(119)	(89)
- Others	(1,129)	(905)
EBITDA	(1,586)	(413)

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

	YTD Q3 2022 \$m	YTD Q3 2021 \$m
Net investment (loss)/income from:		
- External Portfolio	(659)	298
- Cash and bank deposits	236	129
- Equity securities ¹	(26)	5
- Debt securities	9	-
- Exchange gains	16	28
Total net investment (loss)/income	(424)	460
Average fund size (\$bn)	34.3	34.6
Annualised net investment return	(1.65%)	1.77%

¹ Investments in minority stakes of unlisted companies

Net investment loss on Corporate Funds was \$424 million, compared with net investment income of \$460 million in YTD Q3 2021. This was attributable to net fair value losses on the External Portfolio, partly offset by the higher interest income from internally-managed Corporate Funds, reflecting higher deposit rates in YTD Q3 2022.

Inflation, interest rate hike expectations and slowing global growth, together with continued geopolitical fragility triggered a sharp repricing in global assets in 2022. As a result, the External Portfolio had net fair value losses of \$659 million in YTD Q3 2022, as opposed to the net fair value gains of \$298 million in YTD Q3 2021.

Strategy	YTD Q3 2022	YTD Q3 2021
	\$m	\$m
Public Equities	(410)	144
Diversifiers	(43)	145
Government Bonds and Mortgage-backed Securities	(206)	9
Total	(659)	298

As at 30 September 2022, the amounts invested in the External Portfolio amounted to \$6.4 billion, a decrease of 27 per cent against 31 December 2021, reflecting net redemptions made during YTD Q3 2022, as well as fair value losses of \$659 million:

Strategy	At	At	Change
	30 Sept 2022	31 Dec 2021	
	\$m	\$m	
Public Equities	944	1,774	(47%)
Diversifiers	4,141	4,949	(16%)
Government Bonds and Mortgage-backed Securities	1,332	2,020	(34%)
Total	6,417	8,743	(27%)

In Q3 2022, as part of HKEX's External Portfolio de-risking commitments, \$1.8 billion was redeemed from the External Portfolio. A further \$0.2 billion will be redeemed in Q4 2022. The redemption proceeds will be invested internally with the rest of the Corporate Funds and will reduce the impact of market volatility of HKEX quarterly earnings.

Excluding HKEX Foundation charitable donation expenses (funded by HKEX Foundation income), operating expenses increased by 25 per cent against YTD Q3 2021 due to increased staff costs from increased headcount for strategic projects and higher recruitment costs.

Business Update

In Q3 2022, HKEX continued to play an active role in shaping the long-term sustainability of global financial markets. HKEX's promotion of good corporate governance and ESG stewardship, through ongoing industry knowledge sharing and leadership on best practices, has been a cornerstone of our outreach during the quarter. In July 2022, we hosted the HKEX ESG Academy webinar series, bringing together industry experts to discuss the updated Corporate Governance Code.

As part of our commitment to facilitating the global economy's low-carbon transition, HKEX has focused on the ongoing development of sustainable and green finance offerings through HKEX's STAGE, as well as through market education and active engagement with regulators, industrial practitioners, professional bodies and other stakeholders in Q3 2022. In July 2022, HKEX launched the Hong Kong International Carbon Market Council, partnering with leading corporates and financial institutions to explore carbon opportunities in the region.

HKEX Foundation Limited (HKEX Foundation), HKEX's dedicated charitable channel, continued to support key initiatives and those in need across our communities via the HKEX Charity Partnership Programme and the HKEX Impact Funding Scheme. Focusing on four key areas: Financial Literacy, Diversity and Inclusion, Poverty Relief and Environmental Sustainability, we seek to drive meaningful change. During YTD Q3 2022, HKEX Foundation made total charitable donations of \$119 million to different charitable causes.

FINANCIAL REVIEW

Financial Assets and Financial Liabilities of Margin Funds and Clearing House Funds

Margin Fund deposits of \$203.2 billion at 30 September 2022 were broadly flat compared with 31 December 2021 (\$203.5 billion). The decrease in contributions required from Clearing Participants (CPs) of LME Clear, SEOCH and HKSCC was mostly offset by higher contributions from HKCC and OTC Clear CPs. Clearing House Fund contributions rose from \$19.2 billion at 31 December 2021 to \$24.5 billion at 30 September 2022, due to the increase in contributions required from LME Clear CPs in response to changes in risk exposures. Funds received were invested in cash and cash equivalents and financial assets.

Capital Expenditure and Commitments

During YTD Q3 2022, the Group incurred capital expenditure⁸ of \$773 million (YTD Q3 2021: \$723 million) mainly related to the development and upgrade of various trading and clearing systems (notably trading systems for Commodities Market), and the development of a new data hall for Hosting Services. The Group's capital expenditure commitments at 30 September 2022, including those authorised by the Board but not yet contracted for, amounted to \$561 million (31 December 2021: \$815 million). They were mainly related to the development and upgrade of IT systems including the cash, derivatives and commodities trading and clearing systems, and the development of a new data hall for Hosting Services.

Contingent Liabilities

At 30 September 2022, there were no significant changes in the Group's contingent liabilities compared with 31 December 2021, except the material litigation as described below.

At 30 September 2022, the LME and LME Clear have been named as defendants in two judicial review claims filed in the English High Court.

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. It should be stressed that the LME always acted in the interests of the market as a whole.

The claims 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 claimants have alleged that this was unlawful on public law grounds and/or constituted a violation of their human rights. As the judicial reviews are still at an early stage, 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. However, the LME management is of the view that the claims are without merit and the LME will contest them vigorously. Accordingly, no provision has been made in these condensed consolidated financial statements.

Separately, on 8 September 2022, five applicants (not involved in the above judicial review claims) issued a claim form and application notice, seeking pre-action disclosure from LME and LME Clear. At this stage the five applicants are only seeking an order from the Court for pre-action disclosure of documents and information in relation to the decision by LME to suspend and cancel all trades executed after 00:00 UK time on 8 March 2022. LME and LME Clear intend to resist the application. No provision has been made in these condensed consolidated financial statements in respect of this claim.

⁸ Exclude right-of-use assets recognised under HKFRS 16: Leases

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\$588 million (HK\$4,614 million) at 30 September 2022 (31 December 2021: US\$971 million (HK\$7,570 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\$13,871 million (HK\$108,886 million) at 30 September 2022 (31 December 2021: US\$13,513 million (HK\$105,351 million)). Such non-cash collateral, together with certain financial assets amounting to US\$622 million (HK\$4,883 million) at 30 September 2022 (31 December 2021: US\$400 million (HK\$3,117 million)), have been pledged to LME Clear's investment agent 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 consolidated statement of financial position of the Group.

Changes since 31 December 2021

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 2021.

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 2022 (Q3 2021: \$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 2022.

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Nine months ended 30 Sept 2022 \$m	Nine months ended 30 Sept 2021 \$m	Three months ended 30 Sept 2022 \$m	Three months ended 30 Sept 2021 \$m
Trading fees and trading tariffs	5,066	6,227	1,513	2,103
Clearing and settlement fees	3,264	4,069	973	1,397
Stock Exchange listing fees	1,453	1,629	459	562
Depository, custody and nominee services fees	1,027	1,291	380	402
Market data fees	809	777	263	265
Other revenue	1,107	1,167	350	381
Revenue	12,726	15,160	3,938	5,110
Net investment income	423	929	334	155
HKEX Foundation donation income	77	113	40	39
Sundry income	29	16	6	5
Revenue and other income	13,255	16,218	4,318	5,309
Less: Transaction-related expenses	(130)	(118)	(43)	(37)
Revenue and other income less transaction-related expenses	13,125	16,100	4,275	5,272
Operating expenses				
Staff costs and related expenses	(2,498)	(2,252)	(831)	(757)
IT and computer maintenance expenses	(539)	(504)	(176)	(166)
Premises expenses	(88)	(87)	(30)	(30)
Product marketing and promotion expenses	(79)	(64)	(29)	(28)
Professional fees	(157)	(71)	(80)	(23)
HKEX Foundation charitable donations	(119)	(89)	(63)	(20)
Other operating expenses	(267)	(262)	(82)	(84)
	(3,747)	(3,329)	(1,291)	(1,108)
EBITDA	9,378	12,771	2,984	4,164
Depreciation and amortisation	(1,072)	(1,006)	(355)	(344)
Operating profit	8,306	11,765	2,629	3,820
Finance costs	(105)	(116)	(32)	(39)
Share of profits less losses of joint ventures	56	58	14	20
Profit before taxation	8,257	11,707	2,611	3,801
Taxation	(1,160)	(1,880)	(343)	(563)
Profit for the period	7,097	9,827	2,268	3,238
Profit/(loss) attributable to:				
- Shareholders of HKEX	7,099	9,861	2,263	3,251
- Non-controlling interests	(2)	(34)	5	(13)
Profit for the period	7,097	9,827	2,268	3,238
Basic earnings per share	\$5.61	\$7.79	\$1.79	\$2.57
Diluted earnings per share	\$5.60	\$7.78	\$1.79	\$2.56

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Nine months ended 30 Sept 2022 \$m	Nine months ended 30 Sept 2021 \$m	Three months ended 30 Sept 2022 \$m	Three months ended 30 Sept 2021 \$m
Profit for the period	7,097	9,827	2,268	3,238
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences of foreign subsidiaries	24	68	(42)	39
Cash flow hedges, net of tax	(14)	(6)	3	(4)
Changes in fair value of financial assets measured at fair value through other comprehensive income, net of tax	(340)	13	(93)	3
Other comprehensive (loss)/income	(330)	75	(132)	38
Total comprehensive income	6,767	9,902	2,136	3,276
Total comprehensive income/(loss) attributable to:				
- Shareholders of HKEX	6,779	9,935	2,137	3,289
- Non-controlling interests	(12)	(33)	(1)	(13)
Total comprehensive income	6,767	9,902	2,136	3,276

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	At 30 Sept 2022			At 31 Dec 2021		
	Current \$m	Non-current \$m	Total \$m	Current \$m	Non-current \$m	Total \$m
Assets						
Cash and cash equivalents	175,403	-	175,403	181,361	-	181,361
Financial assets measured at fair value through profit or loss	117,552	805	118,357	99,915	946	100,861
Financial assets measured at fair value through other comprehensive income	12,291	-	12,291	9,755	-	9,755
Financial assets measured at amortised cost	58,733	210	58,943	51,302	526	51,828
Accounts receivable, prepayments and deposits	23,146	21	23,167	32,717	21	32,738
Tax recoverable	-	-	-	19	-	19
Interests in joint ventures	-	276	276	-	244	244
Goodwill and other intangible assets	-	19,015	19,015	-	18,972	18,972
Fixed assets	-	1,582	1,582	-	1,605	1,605
Right-of-use assets	-	1,677	1,677	-	1,896	1,896
Deferred tax assets	-	88	88	-	25	25
Total assets	387,125	23,674	410,799	375,069	24,235	399,304
Liabilities and equity						
Liabilities						
Financial liabilities at fair value through profit or loss	111,297	-	111,297	91,424	-	91,424
Margin deposits, Mainland security and settlement deposits, and cash collateral from CPs	203,212	-	203,212	203,536	-	203,536
Accounts payable, accruals and other liabilities	18,283	-	18,283	28,335	-	28,335
Deferred revenue	510	341	851	1,100	354	1,454
Taxation payable	1,864	-	1,864	1,153	-	1,153
Other financial liabilities	35	-	35	513	-	513
CPs' contributions to Clearing House Funds	24,483	-	24,483	19,182	-	19,182
Lease liabilities	303	1,502	1,805	299	1,760	2,059
Borrowings	340	89	429	340	86	426
Provisions	99	95	194	82	98	180
Deferred tax liabilities	-	1,073	1,073	-	1,132	1,132
Total liabilities	360,426	3,100	363,526	345,964	3,430	349,394
Equity						
Share capital			31,896			31,896
Shares held for Share Award Scheme			(858)			(901)
Employee share-based compensation reserve			492			306
Hedging and revaluation reserves			(339)			15
Exchange reserve			(83)			(117)
Designated reserves			641			623
Reserve relating to written put options to non-controlling interests			(369)			(369)
Retained earnings			15,621			18,173
Equity attributable to shareholders of HKEX			47,001			49,626
Non-controlling interests			272			284
Total equity			47,273			49,910
Total liabilities and equity			410,799			399,304
Net current assets			26,699			29,105

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 2021.

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

In 2022, the Group has adopted the following amendments to HKFRSs which are pertinent to the Group's operations:

Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ²
Amendments to HKAS 37	Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRS 3	Business combinations: Reference to the Conceptual Framework ²
Amendments to HKFRS 16	Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 ¹
Annual Improvements to HKFRSs 2018-2020:	
Amendments to HKFRS 9	Financial Instruments: Fees in the “10 per cent” Test for Derecognition of Financial Liabilities ²
Amendments to Illustrative Examples accompanying HKFRS 16	Leases: Lease Incentives ²

¹ Effective for accounting periods beginning on or after 1 April 2021

² Effective for accounting periods beginning on or after 1 January 2022

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

During the nine months ended 30 September 2022, the estimated useful lives of other computer hardware and software within fixed assets were revised from “three years” to “three to five years” to better reflect the useful life of the assets. The effect of the change in accounting estimate during the period was a decrease in depreciation charge of \$24 million.

The financial information relating to the year ended 31 December 2021 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 2021 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, 19 October 2022

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 Rafael GIL-TIENDA, Mr HUNG Pi Cheng, Benjamin, Ms LEUNG Nisa Bernice Wing-Yu, Mr LEUNG Pak Hon, Hugo, Mr YIU Kin Wah, Stephen and Mr ZHANG Yichen, and one Executive Director, Mr Alejandro Nicolas AGUZIN, who is also the Chief Executive of HKEX.