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

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

**PROPOSED ISSUE OF US\$500,000,000 0.50% CONVERTIBLE BONDS
DUE 2017**

Deutsche Bank



HSBC



UBS

as Lead Managers

Reference is made to the announcement by the Company on 24 September 2012 in relation to the proposed issue of convertible bonds in the principal amount of US\$400,000,000 (approximately HK\$3,101,240,000) with a fixed rate coupon.

Following a favourable bookbuilding process, the Board is pleased to announce that it has proposed to increase the principal amount of the issue to US\$500,000,000. The Company has entered into the Subscription Agreement with the Lead Managers, under which the Lead Managers have agreed severally to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Convertible Bonds to be issued by the Company in an aggregate principal amount of US\$500,000,000 (approximately HK\$3,876,550,000), on

the terms and subject to the conditions set out therein. The Convertible Bonds are convertible into Shares in the circumstances set out in the Terms and Conditions at an initial Conversion Price of HK\$160 per Share (subject to adjustments).

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$160 per Share, the Convertible Bonds will be convertible into approximately 24,228,437 Shares, representing approximately 2.23% of the issued share capital of the Company as at the date of this announcement and approximately 2.18% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The Conversion Shares to be issued upon conversion of the Convertible Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant Conversion Date.

Subject to certain conditions, the Bondholders have the right to convert their Convertible Bonds into Conversion Shares at the Conversion Price at any time on and after the 41st day after the Closing Date up to the close of business (at the place where the certificate evidencing such Convertible Bond is deposited for conversion) on the 10th day prior to the Maturity Date (but, except as provided in the Terms and Conditions, in no event thereafter) or if such Convertible Bond shall have been called for redemption before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than seven Business Days (at the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Convertible Bond, then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice. Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each of the Convertible Bonds at 102.56% of its principal amount on the Maturity Date.

The Convertible Bonds have not been offered or sold and may not be offered or sold in Hong Kong to the public within the meaning of the Companies Ordinance. The Convertible Bonds were offered by way of debt issues to professional investors only.

The Convertible Bonds and the Conversion Shares have not been and will not be registered under the US Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Convertible Bonds are being offered and sold outside the United States in reliance on Regulation S under the US Securities Act.

The estimated net proceeds from the Subscription, after deduction of commission and expenses, amount to approximately US\$496,575,563 (approximately HK\$3,849,999,997). The Company intends to use the net proceeds from the Subscription to (i) partly fund the Acquisition and (ii) reduce the amount of committed borrowings under the bank facilities entered into on 15 June 2012 in relation to the Acquisition. The Company is entitled at its option to redeem the Convertible Bonds at the Regulatory Redemption Amount, if the FSA disapproves of the Acquisition or on the six month anniversary of the Closing Date, the FSA has not approved or granted approval of the Acquisition.

The Conversion Shares are to be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 23 April 2012. The issue of the Convertible Bonds is not subject to the approval of the Shareholders.

An application will be made by the Company to the SFC for the listing of, and permission to deal in, the Convertible Bonds and the Conversion Shares on the Stock Exchange.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “THE SUBSCRIPTION AGREEMENT” below for further information.

WARNING: As the Subscription Agreement may or may not complete, and the Convertible Bonds and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Reference is made to the announcement by the Company on 24 September 2012 in relation to the proposed issue of convertible bonds in the principal amount of US\$400,000,000 (approximately HK\$3,101,240,000) with a fixed rate coupon.

Following a favourable bookbuilding process, the Board is pleased to announce that it has proposed to increase the principal amount of the issue to US\$500,000,000. The Company has entered into the Subscription Agreement with the Lead Managers, under which the Lead Managers have agreed severally to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Convertible Bonds to be issued by the Company, initially, in an aggregate principal amount of US\$500,000,000 (approximately HK\$3,876,550,000), on the terms and subject to the conditions set out therein and summarised below.

THE SUBSCRIPTION AGREEMENT

Date

25 September 2012

Parties

- (i) the Company
- (ii) the Lead Managers, being Deutsche Bank, HSBC and UBS

Subscription

Subject to the fulfilment of the conditions set out below in the section headed “Conditions Precedent to the Subscription”, the Lead Managers have agreed severally to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Convertible Bonds to be issued by the Company on the Closing Date in an aggregate principal amount of US\$500,000,000 (approximately HK\$3,876,550,000).

To the best of the Directors’ knowledge, information and belief, the Lead Managers are third parties independent of the Company and are not connected with the Company and its connected persons (as defined in the Listing Rules).

Subscribers

The Lead Managers have informed the Company that they intend to offer and sell the Convertible Bonds to no less than six independent placees (who will be independent individual, corporate and/or institutional investors). To the best of the Directors’ knowledge, information and belief, each of the placees (and their respective ultimate beneficial owners) will be third parties independent of the Company and are not connected with the Company and its connected persons (as defined in the Listing Rules).

Lock-up

The Company has undertaken that neither the Company nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Convertible Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Convertible Bonds, the Shares or securities of the same class as the Convertible Bonds, the Shares or other instruments representing interests in the Convertible Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Lead Managers between the date hereof and the date which is 45 days after the date of the Subscription Agreement, except for the Convertible Bonds and the Conversion Shares.

Principal terms of the Convertible Bonds

The principal terms of the Convertible Bonds are summarised as follows:

| | |
|--------------------------------------|--|
| <i>Issuer</i> | The Company |
| <i>Lead Managers and Bookrunners</i> | The Lead Managers |
| <i>Principal Amount</i> | US\$500,000,000 (approximately HK\$3,876,550,000) |
| <i>Maturity Date</i> | 23 October 2017 |
| <i>Issue Price</i> | 100% of the principal amount |
| <i>Interest</i> | <p>0.50% per annum of the principal amount of the Convertible Bonds, payable semi-annually in arrear in equal instalments of US\$2.50 (approximately HK\$19.38) per Calculation Amount (as defined below) on 23 April and 23 October in each year.</p> <p>Interest in respect of any Convertible Bond shall be calculated per US\$1,000 (approximately HK\$7,753) in principal amount of the Convertible Bonds (the “Calculation Amount”). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of 0.50%, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).</p> |
| <i>Default Interest</i> | <p>If the Company fails to pay any sum in respect of the Convertible Bonds when the same becomes due and payable, interest shall accrue on the overdue sum at the rate of 3% per annum from the due date. Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-day year.</p> |
| <i>Conversion</i> | <p>Subject to certain conditions, the Bondholders have the right to convert their Convertible Bonds into Conversion Shares at the Conversion Price at any time on and after the 41st day after the Closing Date up to the close of business (at the place where the certificate evidencing such Convertible Bond is deposited for conversion) on the 10th day prior to the Maturity Date</p> |

(but, except as provided in the Terms and Conditions, in no event thereafter) or if such Convertible Bond shall have been called for redemption before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than seven Business Days (at the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Convertible Bond, then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice.

The number of Conversion Shares to be issued on conversion of a Convertible Bond will be determined by dividing the principal amount of the Convertible Bond to be converted (translated to Hong Kong Dollars at the fixed rate of US\$1.00 = HK\$7.7531) by the Conversion Price in effect at the Conversion Date.

Conversion Price

The price at which Conversion Shares will be issued upon conversion will initially be HK\$160 per Conversion Share.

The Conversion Price is subject to adjustment for, amongst other things, consolidation, subdivision or reclassification, capitalisation of profits or reserves, distributions, rights issues of Shares or options over Shares at less than 95% of the then current market price, rights issues of other securities, issues at less than 95% of the then current market price, other issues at less than 95% of the then current market price, modification of rights of conversion where the consideration per Share is less than 95% of the then current market price, other offers to Shareholders and other dilutive events. The Conversion Price may not be reduced so that, on conversion of the Convertible Bonds, Conversion Shares would fall to be issued at a discount to their nominal value or would require shares to be issued in any other circumstances not permitted by applicable law.

Ranking of Conversion Shares

The Conversion Shares to be issued upon conversion of the Convertible Bonds will be fully paid and rank *pari passu* in all respects with the Shares then in issue on the date the name of the holder of record of the number of Shares issuable upon conversion are

registered as such in the register of members of the Company.

Redemption at Maturity

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Convertible Bond at 102.56% of its principal amount on the Maturity Date. The Company may not redeem the Convertible Bonds at its option prior to that date except as provided under certain circumstances set out below.

Redemption at the option of the Company

At any time after 7 November 2014, the Company may, having given not less than 30 nor more than 60 days' notice to, *inter alia*, the Bondholders and the Trustee (which notice will be irrevocable), redeem the Convertible Bonds in whole and not in part, provided that no such redemption may be made unless the closing price of the Shares for any 20 out of the 30 consecutive trading days immediately prior to the date upon which notice of such redemption is given, was at least 130% of the applicable Early Redemption Amount (translated into HK\$ at the fixed exchange rate of HK\$7.7531 = US\$1.00) divided by the Conversion Ratio.

If at any time the aggregate principal amount of the Convertible Bonds outstanding is less than 10% of the aggregate principal amount originally issued, the Company shall have the option to redeem such outstanding Convertible Bonds in whole but not in part at their Early Redemption Amount as at the date fixed for redemption. The Company will give at least 30 days' but not more than 60 days' prior notice to the holders for such redemption.

Redemption for taxation reasons

At any time the Company may, having given not less than 30 nor more than 60 days' notice to, *inter alia*, the Bondholders and the Trustee (which notice will be irrevocable) redeem the Convertible Bonds in whole but not in part at their Early Redemption Amount as at the date fixed for redemption, if (i) the Company satisfies the Trustee immediately prior to the giving of such notice that the Company has or will become obliged to pay additional tax as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority

thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 25 September 2012, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax were a payment in respect of the Convertible Bonds then due.

Redemption for regulatory approval event

The Company may on giving not less than 10 nor more than 30 days notice to, *inter alia*, the Bondholders and the Trustee (which notice will be irrevocable) redeem the Convertible Bonds in whole and not in part at their Regulatory Redemption Amount together with interest accrued to such date (a) on the 10th day after the date of such notice, if at any time on or before the 6th month anniversary of the Closing Date the FSA disallows or disapproves in writing of the Acquisition; or (b) on the 6th month anniversary of the Closing Date if the FSA has not approved or granted approval in writing of the Acquisition.

Redemption for change of control

Each Bondholder shall have the right to require the Company to redeem in whole but not in part of such Bondholder's Convertible Bonds at the applicable Early Redemption Amount upon the occurrence of a Change of Control in the Company.

Delisting put right

In the event the Shares cease to be listed or admitted to trading or are suspended for trading for a period equal to or exceeding 90 consecutive trading days on the Stock Exchange or any Alternative Stock Exchange (a "**Delisting**"), each Bondholder shall have the right, at such Bondholder's option, to require the Company to redeem in whole and not in part of such Bondholder's Convertible Bonds on the 30th Business Day after notice has been given to Bondholders regarding the Delisting or, if such notice is not given, the 20th Business Day after the Delisting at their Early Redemption Amount as at the date fixed for redemption.

Transferability

The Convertible Bonds will be freely transferable.

Form and Denomination

The Convertible Bonds are issued in registered form in the denomination of US\$200,000 (approximately HK\$1,550,620) each and integral multiples of US\$1,000 (approximately HK\$7,753) in excess thereof.

Upon issue, the Convertible Bonds will be initially represented by a global certificate deposited with a common depositary for, and representing the Convertible Bonds registered in the name of a common nominee of Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*.

Status

The Convertible Bonds constitute direct, unsubordinated, unconditional and (subject to the negative pledge) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.

Negative Pledge

So long as any Convertible Bond remains outstanding (as defined in the Trust Deed), the Company will not, and will ensure that none of its Principal Subsidiaries (as defined in the Terms and Conditions) will, create or have outstanding, any Encumbrance, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Convertible Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) shall be approved by an extraordinary resolution of the Bondholders.

Listing

An application will be made by the Company to the SFC for the listing of, and permission to deal in, the Convertible Bonds and the Conversion Shares on the Stock Exchange.

Conditions Precedent to the Subscription

The obligations of the Lead Managers to subscribe and pay for the Convertible Bonds are subject to, among others, the following conditions precedent:

1. the execution and delivery (on or before the Closing Date) of the Contracts, each in a form reasonably satisfactory to the Lead Managers, by the respective parties;
2. upon the Publication Date and on the Closing Date, there having been delivered to the Lead Managers letters, in form and substance satisfactory to the Lead Managers, dated the Publication Date in the case of the first letter and dated the Closing Date in the case of the subsequent letters, and addressed to the Lead Managers from the Auditors;
3. on the date of the Subscription Agreement and at the Closing Date:
 - (a) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on such date;
 - (b) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and
 - (c) there shall have been delivered to the Lead Managers a certificate, dated as of such date, of a duly authorised officer of the Company to such effect;
4. after the date hereof or, if earlier, the dates as of which information is given in the Offering Circular up to and at the Closing Date, there shall not have occurred any change (nor any development or event involving a prospective change), in the financial condition, business operations, results of operations or prospects of the Company or of the Group, which, in the opinion of the Lead Managers, is material and adverse in the context of the Bond Issue;
5. on or prior to the Closing Date there shall have been delivered to the Lead Managers copies of all consents and approvals required in relation to the Bond Issue and the performance of its obligations under the Contracts and the Convertible Bonds (including the consents and approvals required from all lenders);

6. all the required government and/or regulatory approvals having been obtained as necessary for the Company to issue and offer the Convertible Bonds and meet its obligations under the Contracts and the Convertible Bonds;
7. the SFC having agreed to list the Conversion Shares upon conversion of the Convertible Bonds and, subject to any conditions reasonably satisfactory to the Lead Managers, to list the Convertible Bonds (or, in each case, the Lead Managers being reasonably satisfied that such listing will be granted); and
8. on or before the Closing Date, there having been delivered to the Lead Managers opinions, in form and substance satisfactory to the Lead Managers dated the Closing Date and such other resolutions, consents, authorities and documents relating to the Bond Issue, as the Lead Managers may reasonably require.

The Lead Managers may, at their discretion, waive compliance with the whole or any part of the conditions precedent.

As at the date of this announcement, all the above conditions precedent to the completion of the Subscription Agreement are yet to be satisfied and/or (as the case may be) waived.

It is the intention of the Company to satisfy or procure the satisfaction of the above conditions precedent of the Subscription Agreement before the Closing Date.

Termination of the Subscription

The Lead Managers may, by notice to the Company given at any time prior to payment of the net subscription monies for the Convertible Bonds to the Company, in their sole discretion terminate the Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Lead Managers (i) any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement, or (ii) any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
2. if any of the conditions specified in the paragraph headed "Conditions Precedent to the Subscription" has not been satisfied or waived by the Lead Managers on or prior to the Closing Date;
3. if in the opinion of the Lead Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the Bond Issue and

- distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market;
4. if, in the opinion of the Lead Managers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, and/or the Stock Exchange; (ii) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange; or (iii) a general moratorium on commercial banking activities in the United States, Hong Kong, the European Union and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong or the United Kingdom; and
 5. if, in the opinion of the Lead Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice materially the success of the Bond Issue and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market.

General Mandate to issue the Conversion Shares

The issue of the Convertible Bonds and the Conversion Shares is not subject to Shareholders' approval. The Conversion Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 23 April 2012, subject to the limit of up to 107,991,064 Shares (representing 10% of the issued share capital of the Company in issue on that date). As at the date of this announcement, the General Mandate has not been utilised. The Conversion Shares will utilise, based on the initial Conversion Price, approximately 24,228,437 Shares under the General Mandate.

Application for listing

An application will be made by the Company to the SFC for the listing of, and permission to deal in, the Convertible Bonds and the Conversion Shares on the Stock Exchange.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed "THE SUBSCRIPTION AGREEMENT" above for further information.

WARNING: As the Subscription Agreement may or may not complete, and the Convertible Bonds and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is a recognised exchange controller under the SFO. It owns and operates two exchanges and three clearing houses and is in the process of establishing a new clearing house for the clearing of over-the-counter derivatives.

The aggregate gross proceeds from the Subscription are expected to be approximately US\$500,000,000 (approximately HK\$3,876,550,000). The net proceeds from the Subscription, after the deduction of commission and other related expenses, are estimated to be approximately US\$496,575,563 (approximately HK\$3,849,999,997).

The Company intends to use the net proceeds from the Subscription to (i) partly fund the Acquisition and (ii) reduce the amount of committed borrowings under the bank facilities entered into on 15 June 2012 in relation to the Acquisition.

The Company is entitled at its option to redeem the Convertible Bonds at Regulatory Redemption Amount, if the FSA disapproves of the Acquisition or on the anniversary of six months of the date of issue of the Convertible Bonds, the FSA has not approved or granted approval of the Acquisition.

UPDATE ON THE LME ACQUISITION

Further to the Company's announcement on 15 June 2012 that it had entered into the Framework Agreement in relation to the Acquisition, LMEH's shareholders voted by a majority of more than 99% to accept HKEx's offer on 25 July 2012.

Completion of the change of control of the LME remains subject to FSA regulatory approval. The consideration of the proposed change of control application of the LME by the FSA is continuing. The Board is not aware of any reason which may render the application not approved by the FSA. At present, the Company continues to anticipate completion of the Acquisition by year-end.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any issue of equity securities, save and except the issue of Shares under the Scrip Dividend Scheme and the Post-Listing Scheme, during the 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$160 per Share, the Convertible Bonds will be convertible into approximately 24,228,437 Shares, representing approximately 2.23% of the issued share capital of the Company as at the date of this announcement and approximately 2.18% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The

Conversion Shares to be issued upon conversion of the Convertible Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant Conversion Date.

The following table summarises the potential effects on the shareholding structure of the Company as a result of the Subscription (by reference to the information on shareholdings available to the Company as at the date of this announcement and assuming full conversion of the Convertible Bonds):

| Name of Shareholders | As at the date of this announcement | | Assuming the Convertible Bonds are fully converted into Conversion Shares at the initial Conversion Price | |
|--|-------------------------------------|--------------------------|---|---------------------------------|
| | Number of Shares | % of total issued Shares | Number of Shares | % of the enlarged issued Shares |
| The Government of the Hong Kong Special Administrative Region (for the account of the Exchange Fund) ^{Note 1} | 62,919,500 | 5.80% | 62,919,500 | 5.68% |
| Subscribers | 0 | 0% | 24,228,437 | 2.18% |
| Other public Shareholders | 1,021,137,587 | 94.20% | 1,021,137,587 | 92.14% |
| Total Issued Shares | 1,084,057,087 | 100.00% | 1,108,285,524 | 100.00% |

Note:

1. Based on a disclosure of interest filing made by the Hong Kong Government on 10 September 2007 which it stated was voluntary.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings when used herein:

- "Acquisition" the proposed acquisition of the entire issued ordinary share capital of the LMEH via a scheme of arrangement under the UK Companies Act 2006
- "Agency Agreement" the paying, conversion and transfer agency agreement to be entered into between the Company, the Trustee and the agents named therein
- "Alternative Stock Exchange" in the case of the Shares, if they are not at that time listed and traded on the Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
- "Auditors" PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the external auditor of the Company

| | |
|-----------------------|---|
| "Board" | the board of Directors |
| "Bond Fair Value" | the average of the mid-rate prices of the Convertible Bonds quoted by each of Deutsche Bank, HSBC and UBS to the Company (with a copy to the Trustee) at 4.30 p.m. (Hong Kong time) on each of the five consecutive trading days immediately following the date upon which the notice in relation to the paragraph headed "Redemption for regulatory approval event" is given |
| "Bond Issue" | means the issue and subscription of the Convertible Bonds pursuant to the Subscription Agreement |
| "Bondholder(s)" | holder(s) of the Convertible Bond(s) from time to time |
| "Business Day(s)" | any day(s) (excluding a Saturday or Sunday) on which commercial banks generally are open for business in Hong Kong |
| "Change of Control" | occurs when: <ul style="list-style-type: none"> (a) any person or persons, acting together, acquires control of the Company; or (b) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company's assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring control over the Company or the successor entity |
| "Closing Date" | 23 October 2012 or such other date (not being later than 7 November 2012 as the Company and the Lead Managers shall agree) on which the Convertible Bonds are issued |
| "Companies Ordinance" | the Companies Ordinance (Chapter 32 of the laws of Hong Kong) |
| "Company" | Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 388) |
| "Contracts" | the Subscription Agreement, the Agency Agreement and the Trust Deed |
| "Conversion Date" | the conversion date in respect of the Convertible Bonds |

| | |
|---------------------------|--|
| "Conversion Price" | the price per Share at which the Shares will be issued upon conversion and the initial conversion price being HK\$160 per Conversion Share (subject to adjustments) |
| "Conversion Ratio" | the principal amount of each Convertible Bond (translated into HK\$ at the fixed exchange rate of HK\$7.7531 = US\$1.00) divided by the applicable Conversion Price |
| "Conversion Share(s)" | the Share(s) to be issued by the Company upon conversion of the Convertible Bonds |
| "Convertible Bonds" | the convertible bond(s) due 2017 with an aggregate principal amount of US\$500,000,000 (approximately HK\$3,876,550,000) to be issued by the Company under the Subscription Agreement |
| "Deutsche Bank" | Deutsche Bank AG, Hong Kong Branch, a registered institution under the SFO registered to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 9 (asset management) regulated activities as defined under the SFO, and a licensed bank under the Banking Ordinance (Chapter 155 of the laws of Hong Kong) |
| "Director(s)" | director(s) of the Company |
| "Early Redemption Amount" | for each US\$1,000 principal amount of the Convertible Bonds, the amount determined so that it represents the amount which, together with (a) unpaid accrued interest from and including the immediately preceding interest payment date or, if none, the Closing Date, and (b) after taking into account any interest paid in respect of such Convertible Bonds in preceding periods, represents for the Bondholder on the relevant date for determination of the Early Redemption Amount a gross yield of 1% per annum calculated on a semi-annual basis |
| "Encumbrance" | a mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any person |
| "Framework Agreement" | the agreement entered into on 15 June 2012 between, <i>inter alia</i> , HKEx and LMEH in relation to the Acquisition |
| "FSA" | The Financial Services Authority of the United Kingdom |
| "GBP" | Pounds sterling, the lawful currency of the United Kingdom |
| "General Mandate" | the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general |

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| | meeting of the Company held on 23 April 2012 |
| "Group" | the Company and its subsidiaries |
| "HK\$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "HSBC" | The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, and a licensed bank under the Banking Ordinance (Chapter 155 of the laws of Hong Kong) |
| "Lead Managers" | Deutsche Bank, HSBC and UBS |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| "LME" | The London Metal Exchange Limited, a company limited by guarantee incorporated in England and Wales and a recognized investment exchange under the UK Financial Services and Markets Act 2000 (as amended) |
| "LMEH" | the LME Holdings Limited, the holding company of The London Metal Exchange Limited |
| "Maturity Date" | the date on which the Convertible Bonds mature, which is expected to be 23 October 2017 |
| "Offering Circular" | the circular which the Company is required to provide to prospective Bondholder(s) or investors in relation to the Bond Issue |
| "Post-Listing Scheme" | the Post-Listing Share Option Scheme approved by Shareholders on 31 May 2000 which was subsequently amended by Shareholders on 17 April 2002 |
| "Prevailing Rate" | the bid exchange rate, expressed as the amount of Hong Kong dollar per one US dollar, which appears on the relevant Reuters Honix page at or about 11.00 a.m. (Hong Kong time) on that date; if no such rate appears on the relevant Reuters Honix page, The Hongkong and Shanghai Banking Corporation Limited rate at such time (or the rate of such other bank as is selected by the Company and notified to the Trustee at such time) shall be used instead |

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| "Publication Date" | the date of the Offering Circular, which shall be no later than three business days prior to the Closing Date or such other date as may be agreed between the Company and the Lead Managers |
| "Regulation S" | Regulation S under the US Securities Act |
| "Regulatory Redemption Amount" | the greater of (a) 101% of the Early Redemption Amount of the Convertible Bonds as at the date fixed for redemption or (b) 101% of the Bond Fair Value |
| "Relevant Indebtedness" | any future and present indebtedness in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, certificates of deposit or other similar securities or instruments which are, or are intended to be or capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market |
| "Scrip Dividend Scheme" | a scrip alternative for Shareholders to elect to receive dividends wholly or partly in the form of new fully-paid Shares instead of in cash |
| "SFC" | Securities and Futures Commission of Hong Kong |
| "SFO" | the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) |
| "Shareholder(s)" | holder(s) of the Shares |
| "Share(s)" | share(s) of HK\$1.00 each in the issued share capital of the Company |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Subscription" | the subscription and issue of the Convertible Bonds pursuant to the Subscription Agreement |
| "Subscription Agreement" | a conditional subscription agreement dated 25 September 2012 entered into between the Company and the Lead Managers in relation to the Subscription |

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| "Terms and Conditions" | the terms and conditions in relation to the Convertible Bonds |
| "Trustee" | the trustee to be appointed in relation to the Convertible Bonds |
| "Trust Deed" | the trust deed to be entered into between the Company and the Trustee |
| "UBS" | UBS AG, Hong Kong Branch, a registered institution under the SFO registered to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities as defined under the SFO |
| "US\$" | the United States dollars, the lawful currency of the United States of America |
| "US Securities Act" | means the US Securities Act of 1933, as amended |
| "% " | per cent. |

The translations of US\$ into HK\$ throughout this announcement are based on the exchange rate of US\$1.00 to HK\$ 7.7531 and, unless otherwise stated, are provided for information purposes only.

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

Hong Kong, 25 September 2012

As at the date of this announcement, the Board comprises 12 Independent Non-executive Directors, namely, Mr CHOW Chung Kong (Chairman), Mr Ronald Joseph ARCULLI, Mr CHAN Tze Ching, Ignatius, Mr Timothy George FRESHWATER, Mr John Barrie HARRISON, Mr HUI Chiu Chung, Stephen, Dr KWOK Chi Piu, Bill, Mr LEE Kwan Ho, Vincent Marshall, Mr LEE Tze Hau, Michael, Mr John Estmond STRICKLAND, Mr John Mackay McCulloch WILLIAMSON and Mr WONG Sai Hung, Oscar, and one Executive Director, Mr LI Xiaojia, Charles, who is also the Company's Chief Executive.