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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)

PLACING AND ISSUE OF SHARES UNDER GENERAL MANDATE



as Placing Agents



国开证券

China Development Bank Securities

as Financial Adviser

PLACING OF NEW SHARES

On 29 November 2012, the Company and the Placing Agents entered into the Placing Agreement pursuant to which each of the Placing Agents has conditionally agreed with the Company to act as agent, severally and not jointly, for the Company to use its best endeavours to procure subscribers to subscribe for the Placing Shares at the Placing Price.

The Placing Shares represent (i) approximately 6.06% of the existing issued share capital of the Company (consisting of 1,084,057,087 Shares in issue as at 29 November 2012); and (ii) approximately 5.71% of the Company's issued share capital as enlarged by the Placing (assuming the Placing is completed in full).

The Placing Price of HK\$118.00 represents (i) a discount of approximately 5.45% to the closing price of HK\$124.80 per Share as quoted on the Stock Exchange on 29 November 2012 (being the last full trading day prior to the release of this announcement); and (ii) a discount of approximately 6.32% to the average closing price of approximately HK\$125.96 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 29 November 2012.

Assuming that all the Placing Shares have been placed out to the Placees, the maximum gross proceeds and net proceeds (after deduction of all related costs, fees, expenses and commission) from the Placing will be approximately HK\$7,753,190,000 and HK\$7,709,424,050 respectively. The Company intends to use the net proceeds from the Placing to partly fund the Acquisition, the details of which are set out in the Company's announcements dated 15 June, 9 July, 25 July, 25 September and 29 November 2012. After taking into account all related costs, fees, expenses and commission of the Placing, the net Placing Price is approximately HK\$117.33 per Share.

The Placing Shares are to be issued under the General Mandate. The issue of the Placing Shares 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 Placing Shares on the Stock Exchange.

Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

29 November 2012

Parties

- (i) the Company
- (ii) the Placing Agents, being Deutsche Bank, HSBC and UBS

Placing Agents

The Company has appointed the Placing Agents for the Placing. Each of the Placing Agents has conditionally agreed with the Company, subject to the terms and conditions of the Placing Agreement, to act as agent, severally and not jointly, for the Company to use its best endeavours to procure subscribers to subscribe for the Placing Shares at the Placing Price on the basis that any brokerage, SFC transaction levy and Stock Exchange trading fee payable by the Placees shall be separately borne and paid for by the Placees.

In addition to the Placing Agents, China Development Bank Securities acted as the financial adviser to the Company in relation to the Placing.

To the best of the Directors' knowledge, information and belief, each of the Placing Agents and the Financial Adviser is not connected with the Company and its connected persons (as defined in the Listing Rules).

Placees

The Placing Agents have informed the Company that they intend to place the Placing Shares to no less than six independent placees (who will be professional, institutional or other investors). To the best of the Directors' knowledge, information and belief, each of the Placees (and their ultimate beneficial owners) will be third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Placing.

Placing Shares

The Placing Shares represent (i) approximately 6.06% of the existing issued share capital of the Company (consisting of 1,084,057,087 Shares in issue as at 29 November 2012); and (ii) approximately 5.71% of the Company's issued share capital as enlarged by the Placing (assuming the Placing is completed in full).

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing Shares.

Placing Price

The Placing Price of HK\$118.00 represents:

- (i) a discount of approximately 5.45% to the closing price of HK\$124.80 per Share as quoted on the Stock Exchange on 29 November 2012 (being the last full trading day prior to the release of this announcement); and
- (ii) a discount of approximately 6.32% to the average closing price of approximately HK\$125.96 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 29 November 2012.

The Placing Price was determined with reference to the prevailing market price of the Shares and was arrived at after arm's length negotiations between the Company and the Placing Agents. The Directors consider that the terms of the Placing and the Placing Price are on normal commercial terms and are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole. After taking into account all related costs, fees, expenses and commission of the Placing, the net Placing Price is approximately HK\$117.33 per Share.

Undertaking by the Company

The Company has undertaken to the Placing Agents that, for a period of 90 days from the Closing Date (except for the issue of the Placing Shares pursuant to the Placing Agreement), it will not, except (i) pursuant to the Company's publicly disclosed share option schemes; (ii) pursuant to any scrip dividend that may be declared by the Company; and (iii) the Conversion Shares to be issued in relation to the exercise of the conversion rights attaching to the Convertible Bonds:

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares to the extent that any such option, right, warrant or securities are convertible into, exercisable or exchangeable within 5 years from the date of the Placing Agreement;
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above,

without first having obtained the written consent of the Placing Agents.

Condition Precedent

Completion of the Placing is conditional upon the listing of, and permission to deal in, the Placing Shares on the Stock Exchange having been granted by the SFC (and such listing and permission not subsequently being revoked prior to the completion of the Placing).

If the condition is not fulfilled by 6:00 p.m. (Hong Kong time) on 6 December 2012 or such later time as may be agreed in writing between the Company and the Placing Agents, the obligations and liabilities of the Placing Agents and the Company under the Placing Agreement shall cease and terminate at that time and neither the Company nor the Placing Agents shall have any claim against the other for costs, damages, compensation or otherwise.

Termination of the Placing

The Placing Agents may, in their sole discretion, terminate the Placing Agreement by giving notice in writing to the Company, which notice may be given at any time prior to 8:30 a.m. (Hong Kong time) on the Closing Date, in any of the following circumstances:-

- (i) if there shall have come to the notice of the Placing Agents (a) any material breach by the Company of, or any event rendering untrue or incorrect in any material respect, any of the warranties and representations given by the Company in the Placing Agreement, or (b) any failure to perform any of the Company's undertakings or agreements in the Placing Agreement;
- (ii) if the condition precedent in the Placing Agreement has not been satisfied on or prior to the Closing Date;
- (iii) if in the opinion of the Placing Agents, there shall have been, since the date of the Placing 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 the Placing Agents' view, be likely to prejudice materially the success of the Placing;
- (iv) if, in the opinion of the Placing Agents, there shall have occurred any of the following events: (a) 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; (b) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange (other than as a result of the Placing); or (c) a general moratorium on commercial banking activities in the United States, Hong Kong 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 as would in their view be likely to prejudice materially the success of the Placing; and
- (v) if, in the opinion of the Placing Agents, 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 Placing.

In the event that all the Placing Agents agree to terminate the Placing Agreement in accordance with the terms of the Placing Agreement, all obligations of the Company and each of the Placing Agents under the Placing Agreement shall cease and terminate and no party to the Placing Agreement shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and other liabilities specified under the Placing Agreement.

Application for listing

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

General Mandate to issue the Placing Shares

The issue of the Placing Shares is not subject to Shareholders' approval. The Placing Shares will be issued pursuant to the General Mandate, subject to the limit of up to 107,991,064 Shares (representing 10% of the issued share capital of the Company in issue on the day of granting the General Mandate). As at the date of this announcement, save for the 24,228,437 Conversion Shares to be issued in relation to the exercise of the conversion rights attaching to the Convertible Bonds, the aforesaid 10% General Mandate has not been utilised. The issue of the Conversion Shares and the Placing Shares will utilise approximately 89,933,437 Shares in aggregate under the General Mandate.

Completion of the Placing

Completion of the Placing shall take place on the Closing Date. The Closing Date is expected to be 7 December 2012. A further announcement will be made by the Company in relation to the completion of the Placing.

Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS FROM THE PLACING

Assuming that all the Placing Shares have been placed out to the Placees, the aggregate maximum gross proceeds from the Placing will be approximately HK\$7,753,190,000. The net proceeds from the Placing, after the deduction of the placing commission and all related costs, fees and expenses, are estimated to be approximately HK\$7,709,424,050.

The Company intends to use the net proceeds from the Placing to partly fund the Acquisition, the details of which are set out in the Company's announcements dated 15 June, 9 July, 25 July, 25 September and 29 November 2012.

UPDATE ON THE LME ACQUISITION

Reference is made to the Company's announcement dated 29 November 2012 in relation to the FSA having given notice of its approval in respect of HKEx's acquisition of control over the LME through its indirect wholly-owned subsidiary, HKEx Investment. The Scheme now remains conditional only on (a) the sanction of the Scheme and the confirmation of the related capital reduction by the Court and copies of the relevant Court orders being filed with the Registrar of Companies for England and Wales; and (b) the Scheme becoming unconditional and effective by no later than the Longstop Date.

The hearing of the petition to the Court to sanction the Scheme and to confirm the related capital reduction is expected to take place on 5 December 2012.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save and except for the issue of Convertible Bonds which is disclosed below, the Company has not carried out any issue of equity securities for the purpose of fund raising during the 12 months immediately preceding the date of this announcement.

Date of Announcement	Event	Proceeds (approximately)	Intended use of proceeds (as announced)	Actual use of proceeds
25 September 2012	Issue of the Convertible Bonds	Gross proceeds: US\$500,000,000 (approximately HK\$3,876,550,000) Net proceeds: US\$496,575,563 (approximately HK\$3,849,999,997)	To partly fund the Acquisition and reduce the amount of committed borrowings under the bank facilities entered into on 15 June 2012 in relation to the Acquisition	Proceeds remain available to partly fund the Acquisition. The amount of committed borrowings under the bank facilities has been reduced by US\$500,000,000.

EFFECTS ON SHAREHOLDING STRUCTURE

The following table illustrates the shareholding structure of the Company immediately (i) before the completion of the Placing; and (ii) after completion of the Placing (on the basis that all Placing Shares have been placed out to the Placees) (by reference to the information on shareholdings available to the Company as at the date of this announcement); on the assumption that (a) there will be no other change to the share capital of the Company between the date of this announcement and the completion of the Placing and no conversion of the Convertible Bonds; and (b) the Placees do not and will not hold any Shares other than the Placing Shares.

Name of Shareholders	As at the date of this announcement and immediately before the completion of the Placing		Immediately following the completion of the Placing	
	Number of Shares	% of total issued Shares	Number of Shares	% of total 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	5.47%
Placees	0	0%	65,705,000	5.71%
Other public Shareholders	1,021,137,587	94.20%	1,021,137,587	88.82%
Total Issued Shares	1,084,057,087	100.00%	1,149,762,087	100.00%

Note:

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

The total issued Shares immediately before the completion of the Placing is 1,084,057,087 Shares and it is expected that the total issued Shares immediately following the completion of the Placing will be 1,149,762,087 Shares.

DEFINITIONS

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

"Acquisition"	the recommended acquisition by HKEx Investment of the entire issued ordinary share capital of LMEH, to be effected by way of the Scheme
"Board"	the board of Directors
"Business Day"	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong
"China Development Bank Securities"	China Development Bank Securities Co., Ltd.
"Closing Date"	the next Business Day after the condition as set out in the Placing Agreement is fulfilled, unless otherwise agreed in writing between the Company and the Placing Agents
"Company" or "HKEx"	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)
"Conversion Shares"	the Shares to be issued by the Company upon conversion of the Convertible Bonds
"Convertible Bonds"	the convertible bonds due 2017 with an aggregate principal amount of US\$500,000,000 (approximately HK\$3,876,550,000) as announced by the Company on 25 September 2012
"Court"	the High Court of Justice of England and Wales
"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) and 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
"Financial Adviser"	China Development Bank Securities, acting as financial adviser to the Company in relation to the Placing
"FSA"	The Financial Services Authority 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 meeting of the Company held on 23 April 2012
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKEx Investment"	HKEx Investment (UK) Limited, being a company with limited liability and registered in England and Wales, and an indirect wholly-owned subsidiary of HKEx
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"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)
"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 recognised investment exchange under the United Kingdom Financial Services and Markets Act 2000 (as amended)
"LMEH"	LME Holdings Limited, a company incorporated in England and Wales with limited liability, the holding company of LME
"Longstop Date"	in relation to the Acquisition, 15 March 2013 or such later date (if any) as HKEx Investment and LMEH may agree in writing and (if required) the Court may approve
"Placee(s)"	any professional, institutional or other investor(s) procured by any Placing Agent to subscribe for any of the Placing Shares pursuant to such Placing Agent's obligations under the Placing Agreement

"Placing"	the placing of the Placing Shares by the Placing Agents pursuant to the terms of the Placing Agreement
"Placing Agents"	Deutsche Bank, HSBC and UBS
"Placing Agreement"	a conditional placing agreement dated 29 November 2012 entered into between the Company and the Placing Agents in relation to the Placing
"Placing Price"	HK\$118.00 per Share
"Placing Shares"	65,705,000 new Shares, to be allotted and issued by the Company pursuant to the Placing under the General Mandate
"Scheme"	the scheme of arrangement proposed to be effected under section 899 of the UK Companies Act 2006 (as amended from time to time) in relation to the Acquisition between LMEH and the registered holders of LMEH ordinary shares
"SFC"	the 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
"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
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "U.S."	the United States of America, its territories and possessions, any state of the United States and the District of Columbia

"US\$" U.S. dollars, the lawful currency of the U.S.

"% " per cent.

The translations of US\$ into HK\$ in 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, 30 November 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 HKEx's Chief Executive.