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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 ESTABLISHMENT OF MUTUAL MARKET ACCESS
AND
RESUMPTION OF TRADING**

This announcement is made by Hong Kong Exchanges and Clearing Limited (“HKEx” or the “Company”) pursuant to the provisions under Part XIVA of the Securities and Futures Ordinance (“SFO”) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

We note the remarks made by Premier Li Keqiang today at the Boao Forum for Asia Annual Conference 2014 regarding the creation of conditions for the establishment of mutual market access between the Shanghai and Hong Kong stock markets to further promote the opening up of Mainland China and Hong Kong’s capital markets and their healthy development. We also note that in a joint announcement of today’s date (the “Joint Announcement”), the Securities and Futures Commission (“SFC”) and the China Securities Regulatory Commission approved, in principle, the development of a pilot programme for the establishment of mutual stock market access between Mainland China and Hong Kong. We welcome this development as an important milestone in the further opening up of Mainland China’s capital markets and the promotion of the internationalisation of Renminbi. We also believe that this development would provide a new opportunity and create momentum for the further development of the Hong Kong capital markets.

As announced on 2 April 2014 by the Board of Directors (“Board”) of HKEx, we have been in discussions with our Mainland China counterparts regarding the potential establishment of mutual market connectivity initiatives. Such discussions have involved The Stock Exchange of Hong Kong Limited (“SEHK”), Shanghai Stock Exchange (“SSE”), Hong Kong Securities Clearing Company Limited (“HKSCC”) and China Securities Depository and Clearing Corporation Limited (“ChinaClear”) and have centred on the principles set out in the Joint Announcement and the following principles:

- (i) SEHK and SSE would provide mutual order-routing connectivity and related technical infrastructure to investors in their respective markets to trade eligible shares listed on the other’s market (the “Trading Links”);
- (ii) HKSCC and ChinaClear would provide arrangements for the clearing and settlement of trades and the provision of depository, nominee and other related services to investors in Mainland China and Hong Kong (the “Clearing Links”); and
- (iii) SSE and SEHK would equally share the revenue generated from the Trading Links by way of trading fees on a fair and equitable basis; and ChinaClear and HKSCC would equally share the revenue generated from the Clearing Links by way of clearing fees on the same basis.

We are continuing such discussions with our Mainland counterparts following the above principles and will make a further announcement to update investors and the market in compliance with the SFO and the Listing Rules as and when appropriate. Meanwhile, HKEx's shareholders and investors should note that no agreement has been entered into at this stage.

We wish to emphasise that implementation of arrangements for the establishment of the Trading Links and the Clearing Links will be subject to the satisfaction of conditions, including all necessary regulatory approvals having been obtained by the parties. Accordingly, HKEx's shareholders and potential investors are reminded to exercise caution when dealing in HKEx securities. Investors should also exercise caution when dealing in any eligible shares referred to in the Joint Announcement.

At the request of HKEx, trading in HKEx shares (stock code: 388) and the convertible bonds (stock code: 4575) on SEHK was halted with effect from 10:40 am on 10 April 2014 pending the release of this announcement. Application has been made by HKEx to the SFC for resumption of trading in HKEx shares and the convertible bonds on SEHK with effect from 9:00 am on 11 April 2014.

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

Hong Kong, 10 April 2014

As at the date of this announcement, the Board comprises 12 Independent Non-executive Directors, namely Mr CHOW Chung Kong (Chairman), 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, Mrs LEUNG KO May Yee, Margaret, 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.