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

### **Update on Legal Proceedings**

As disclosed in the announcements on 4 and 7 August 2013 as well as on 14 March and 13 May 2014 (collectively, the “Announcements”), Hong Kong Exchanges and Clearing Limited (“HKEx” or “Company”), along with its subsidiaries, The London Metal Exchange (“LME”) and LME Holdings Limited (“LMEH”), were named as co-defendants in class action lawsuits filed in the United States (“US”) regarding alleged anti-competitive and monopolistic behaviour in connection with aluminium warehousing.

As announced on 27 August 2014, the US District Court for the Southern District of New York (the “Court”) dismissed all claims relating to aluminium warehousing against LME on sovereign immunity grounds (the “LME Decision”). On 29 August 2014, the Court issued a ruling on claims against the remaining defendants in the aluminium warehousing lawsuits. The Court dismissed all of the remaining claims in the case, including all of the claims pending against HKEx and LMEH. The Court allowed only the first level purchaser (“FLP”) class plaintiffs and the two unconsolidated plaintiffs: Mag Instruments Inc. (“Mag”) and Agfa Corp. & Agfa Graphics (“Agfa”), to amend those claims against the remaining defendants (including HKEx and LMEH) within 21 days. Should these plaintiffs choose to re-plead any claims against HKEx and/or LMEH, HKEx management will contest any amended allegations vigorously.

This announcement is made by HKEx pursuant to the provisions under Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to the Announcements, and unless the context otherwise requires, terms used in this announcement shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, LME, LMEH and HKEx are involved in US litigation regarding alleged anti-competitive and monopolistic behaviour in connection with aluminium warehousing. As announced on 27 August 2014, the Court issued the LME Decision, dismissing all claims relating to aluminium warehousing against LME on sovereign immunity grounds and denied plaintiffs the ability to re-plead those claims.

On 29 August 2014, the Court issued a ruling on claims against the remaining defendants in the pending lawsuits relating to aluminium warehousing. The Court granted all defendants' motions to dismiss based on a lack of antitrust standing and on the basis that the plaintiffs did not plead any facts sufficient to state an antitrust claim under US law without specifically considering the motions to dismiss filed by the other defendants, including HKEx and LMEH. As a result, the Court dismissed all of the claims in the aluminium class actions, including the claims against HKEx and LMEH.

The Court decided that the two purported classes of plaintiffs, namely the commercial end users and consumer end users, cannot plead facts in support of antitrust standing, thus their claims are dismissed with no leave to re-plead.

In relation to the consolidated complaint filed by the FLPs and the two unconsolidated complaints by Mag and Agfa, the Court has allowed plaintiffs twenty-one (21) days to amend their claims against the remaining defendants, including HKEx and LMEH. However, the Court specifically cautioned the plaintiffs that the allegations against some of the remaining defendants (including HKEx and LMEH) in the existing complaints do not describe any conduct on their part that violates the antitrust laws. And, if any amended complaint is pleaded and sufficient facts are alleged to support standing and to raise a valid antitrust claim, the Court will consider HKEx's and LMEH's previously filed motions to dismiss based on lack of personal jurisdiction and failure to state a claim. Therefore, the possibility remains that the FLP plaintiffs, Mag, and Agfa could each re-plead. Should any amended claims be pleaded to include HKEx and/or LMEH, HKEx management will contest the amended claims vigorously.

Separately, the lawsuits in connection with zinc warehousing are still pending in the US and HKEx, LME, and LMEH are vigorously contesting the claims in those suits.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of HKEx.

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

Hong Kong, 31 August 2014

As at the date of this announcement, HKEx's board of directors 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.