



HKEx Group 2012 Results Announcement

27 February 2013

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- 1 **HKEx Group Business Review**
- 2 **HKEx Group Financial Review**
- 3 **LME Business Review**
- 4 **HKEx Group Strategic Plan 2013-2015**
- 5 **Appendix**

2012 Highlights



Launched commodities strategy through transformational acquisition of LME

Set up JV among HKEx, Shanghai Stock Exchange and Shenzhen Stock Exchange and successfully launched first cross border index

Launched RMB equities, ETFs and currency futures

Migrated to the new data centre

Funded LME acquisition through US\$1 billion share placement and US\$500 million Convertible Bond issue

Strategic Plan 2010-2012: Recap



Key Themes	Milestone Achieved		Tasks to Be Considered Over Time
<p>Grow the Core Business</p>	<ul style="list-style-type: none"> ✓ No. 1 IPO in 2010-11 ✓ International Listings ✓ Streamline Listing Process 	<ul style="list-style-type: none"> ✓ No. 1 in Structured Products Turnover ✓ Growth in Stock Options 	<ul style="list-style-type: none"> ■ Position Limit
<p>Enhance Global Competitiveness</p>	<ul style="list-style-type: none"> ✓ AMS/3.8 ✓ TKO Data Centre ✓ Launch Orion Platform ✓ Hosting Services ✓ Risk Management Reform 	<ul style="list-style-type: none"> ✓ New Trading Hours ✓ T+2 Finality ✓ After-hours Futures Trading 	<ul style="list-style-type: none"> ■ Further Market Micro Structure Reform ■ Next Gen Systems
<p>Asset Class & Geographic Expansion</p>	<ul style="list-style-type: none"> ✓ RMB Infrastructure ✓ RMB Products (IPOs, Equity Add-on's, ETFs, Futures) ✓ Acquisition of the LME 	<ul style="list-style-type: none"> ✓ Market Data WOFE ✓ CESC⁽¹⁾ JV ✓ OTC Clearing ✓ BRICS Alliance 	<ul style="list-style-type: none"> ■ Mutual Market Access with Mainland

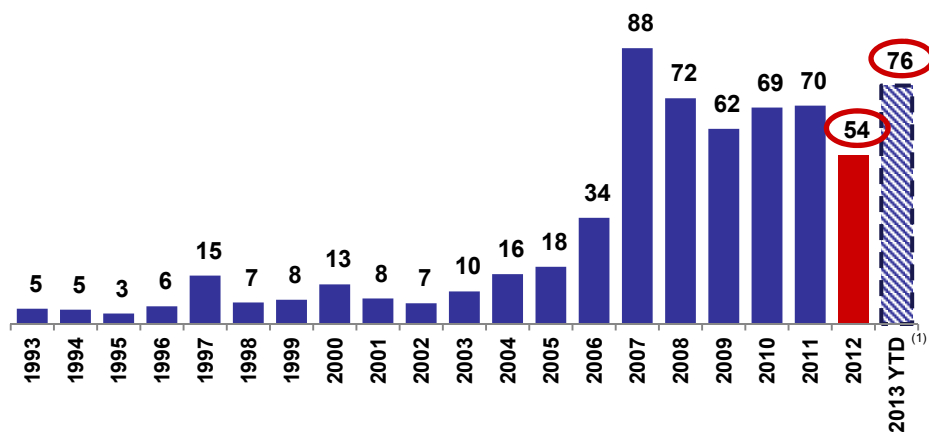
SP 2010-2012 laid the foundation for transformation under SP 2013-2015

(1) CESC – China Exchanges Services Co. Ltd.

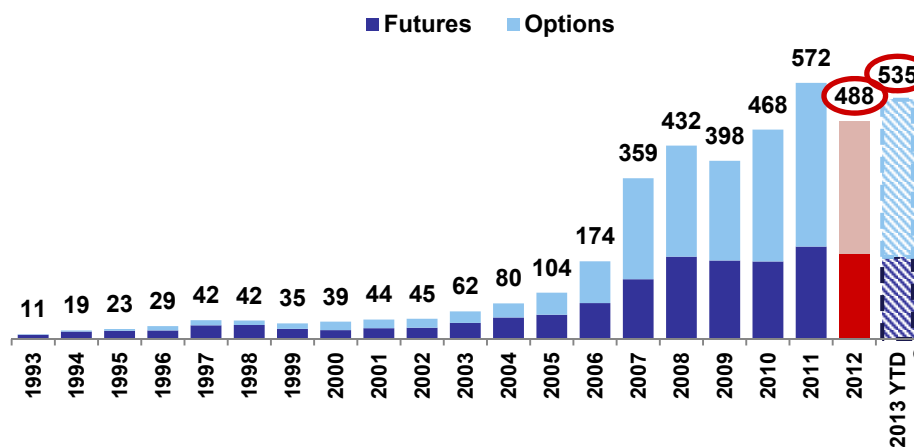
2012: Subdued Markets, But Improving Momentum



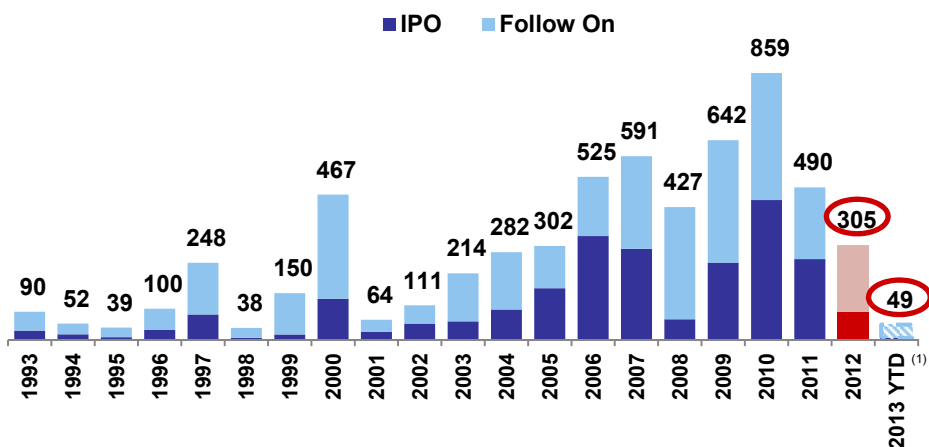
Securities ADT (HK\$ billion)



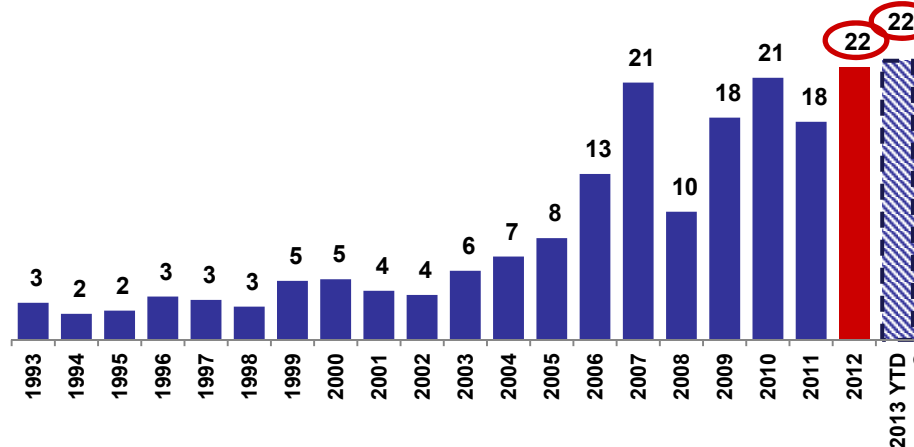
Derivatives ADV ('000 contracts)



Total Funds Raised (HK\$ billion)



Market Cap of HKEx Markets ⁽²⁾ (HK\$ trillion)



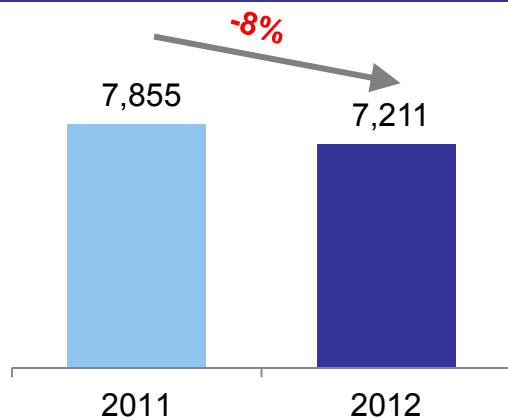
Source: Company information
 (1) 2013 YTD as of 22 February 2013
 (2) Cash markets only

2012 Annual Results

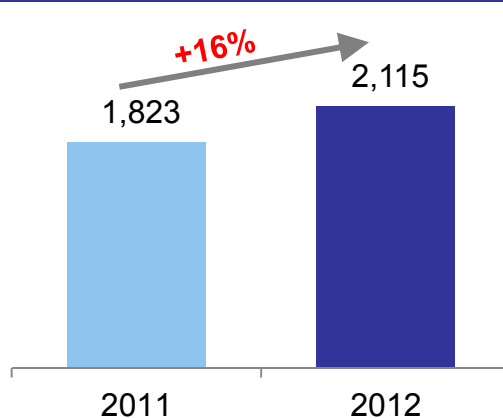


(\$ million)

Revenue and Other Income



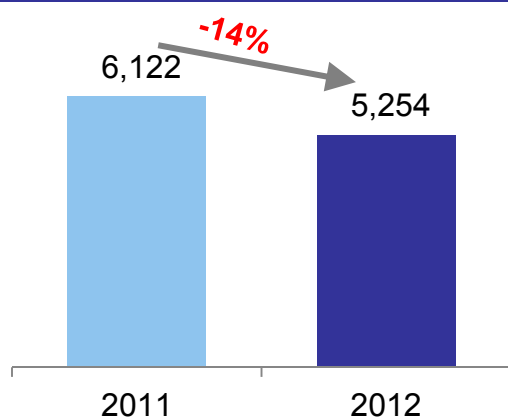
Operating Expenses (1)



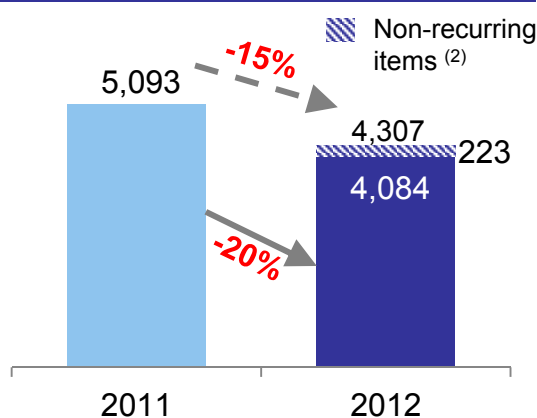
Revenue decrease driven by lower ADT, partially offset by higher net investment income

Opex increase driven by headcount and D&A increase – further increase in D&A expected with consolidation of LME

EBITDA



Profit Attributable to Shareholders



EBITDA a better indicator of operating results going forward with shift in the firm's capital structure

When adjusted for non-recurring items, Profit Attributable to Shareholders decreased by 15%

(1) Excludes costs relating to the acquisition of the LME Group, finance costs, fair value loss on derivative component of convertible bonds and share of loss of a joint venture

(2) Non-recurring items include costs relating to proposed acquisition of LME Group, fair value loss on derivative component of convertible bonds, and HK\$30 million of one-off financing costs

Agenda

1 HKEx Group Business Review

2 **HKEx Group Financial Review**

3 LME Business Review

4 HKEx Group Strategic Plan 2013-2015

5 Appendix

Financial Highlights – Income Statement



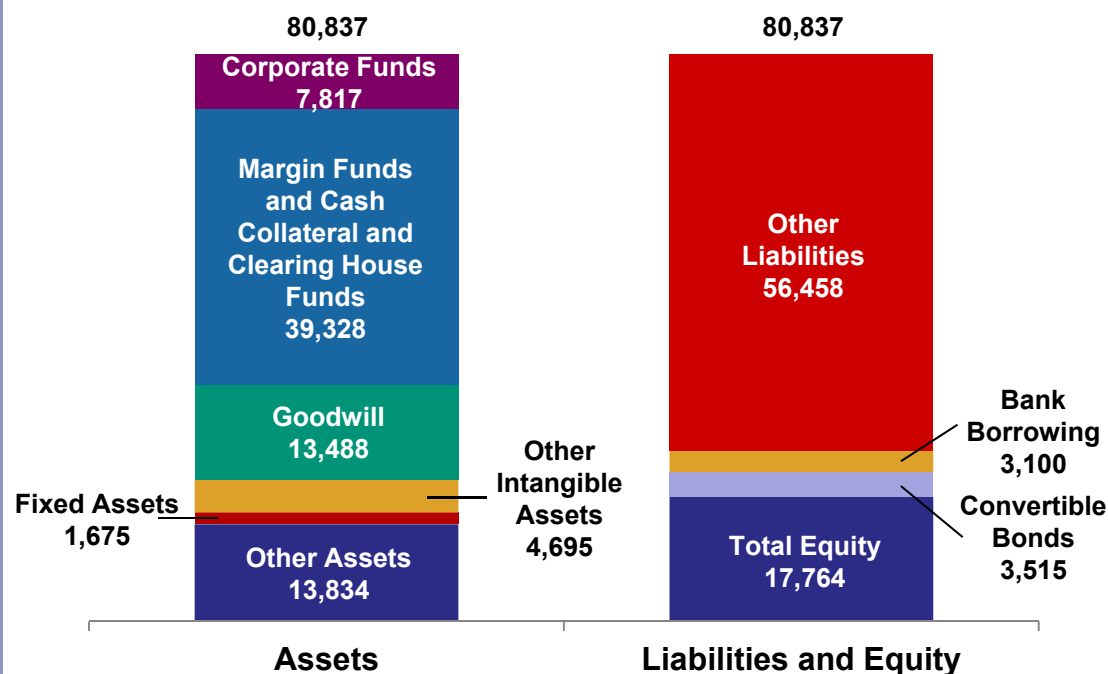
(\$ million, unless stated otherwise)	2012	% of revenue & other income	2011	% of revenue & other income	Y-o-Y Change
Results					
Revenue and other income	7,211	100%	7,855	100%	-8%
Operating expenses	(2,115)	(29%)	(1,823)	(23%)	+16%
Operating profit	5,096	71%	6,032	77%	-16%
EBITDA	5,254	73%	6,122	78%	-14%
Costs relating to proposed acquisition of LME Group	(138)	(2%)	-	-	N/A
Finance costs	(55)	(1%)	-	-	N/A
Fair value loss on derivative component of convertible bonds	(55)	(1%)	-	-	N/A
Share of loss of a joint venture	(3)	(0%)	-	-	N/A
Profit before taxation	4,845	67%	6,032	77%	-20%
Taxation	(761)	(10%)	(939)	(12%)	-19%
Profit attributable to shareholders	4,084	57%	5,093	65%	-20%
Adjusted profit attributable to shareholders⁽¹⁾	4,307	60%	5,093	65%	-15%
Basic earnings per share	\$3.75		\$4.71		-20%
Diluted earnings per share	\$3.74		\$4.70		-20%
Interim dividend per share	\$1.85		\$2.16		-14%
Final dividend per share	\$1.46		\$2.09		-30%
Total dividend per share	\$3.31		\$4.25		-22%
Dividend payout ratio	90%		90%		-
Average daily turnover of Cash Market	\$53.9 billion		\$69.7 billion		-23%
Capex	1,097		743		+48%

(1) Excluding non-recurring items, including Costs relating to proposed acquisition of LME Group, fair value loss on derivative component of convertible bonds, and HK\$30 million of one-off financing costs

Financial Highlights – Balance Sheet



(\$ million, except %)

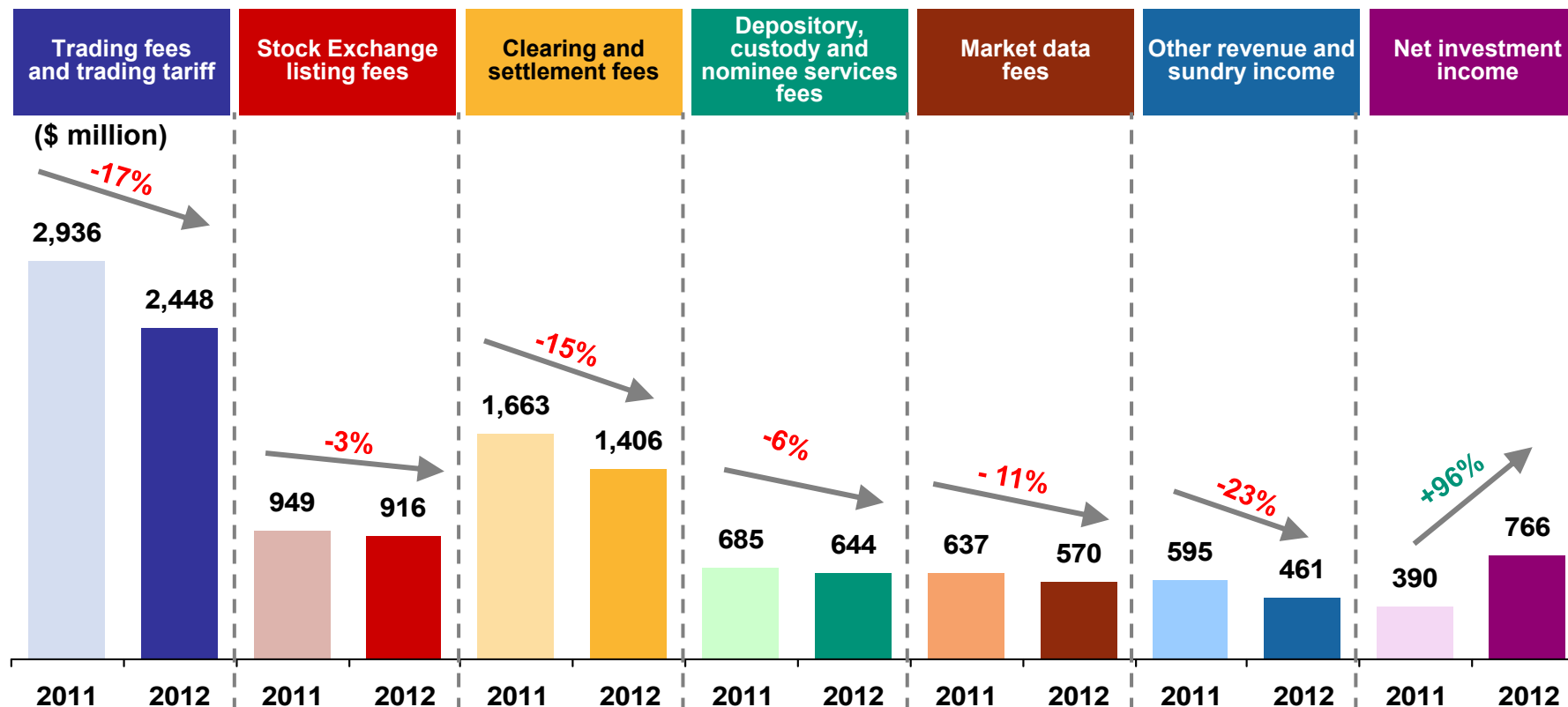


Leverage Ratios	
Total Debt	6,615
Net Debt ⁽¹⁾	2,580
Total Debt / Assets	8%
Total Debt / Equity	37%
Total Debt / EBITDA	1.3x
Net Debt / Equity	15%

**Acquisition of the LME has created Goodwill on Balance Sheet.
Leverage ratios well within targeted ranges**

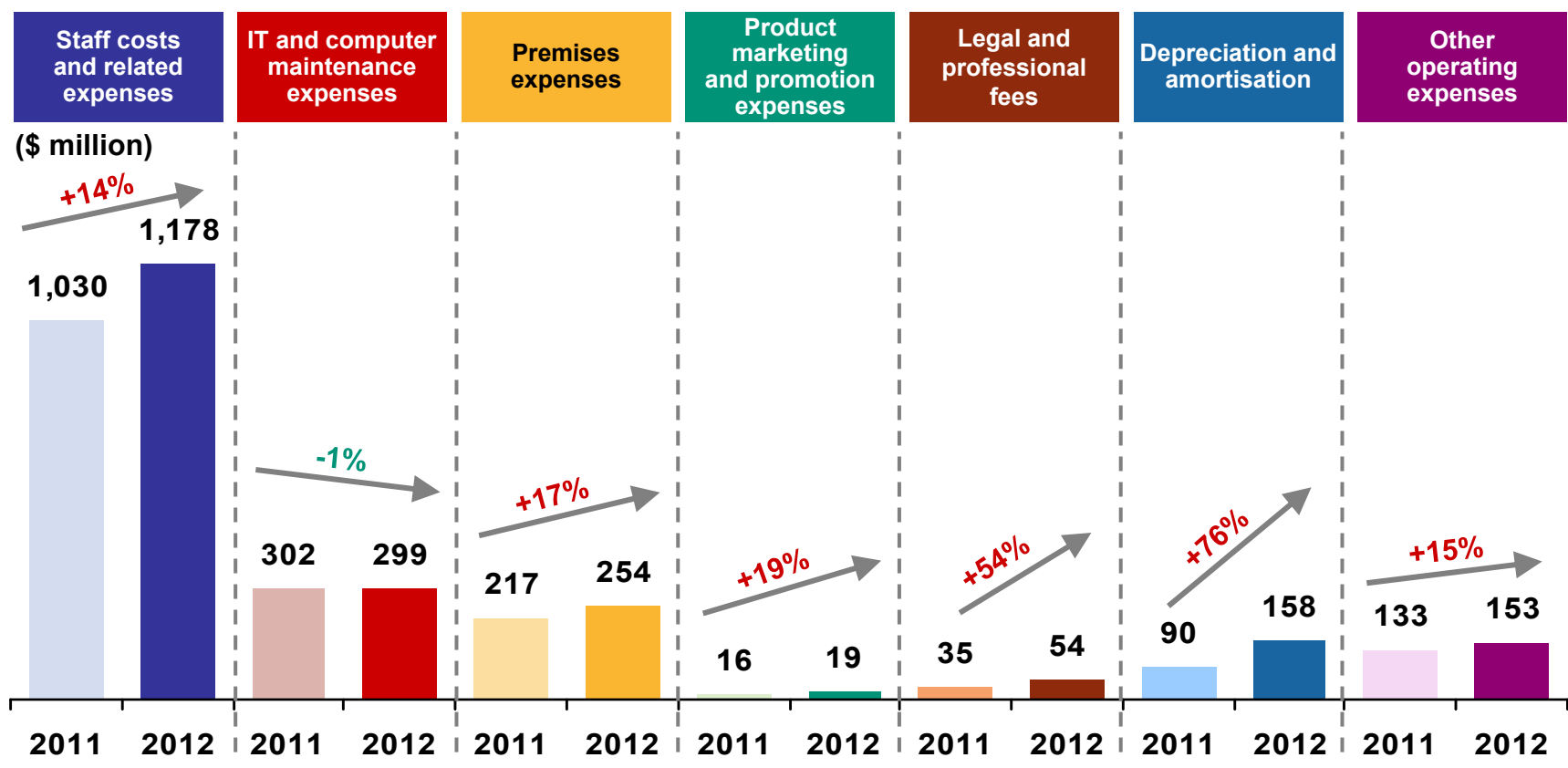
(1) Net Debt equals total borrowings minus cash and cash equivalents of Corporate Funds

2012 Annual Results - Revenue and Other Income



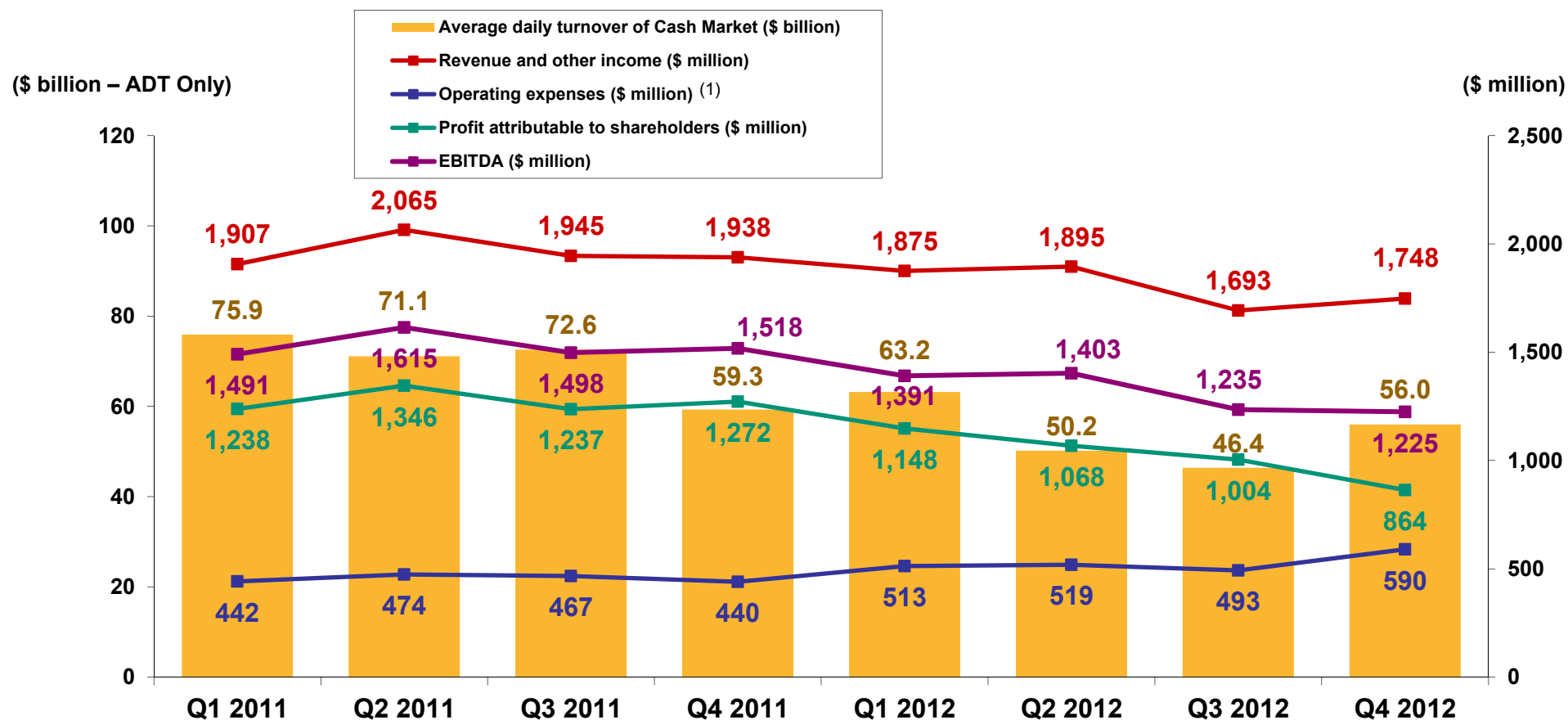
- Trading and clearing fees decreased on account of decrease in market activity
- Market data revenue declined due to lower per-quote fees
- Other revenue and sundry income decreased due to decrease in forfeiture of unclaimed dividends held by HKSCC Nominees
- Net investment income increased due to higher fair value gains and higher bank deposit rates

2012 Annual Results - Operating Expenses



Operating costs increased due to implementation of strategic initiatives

Quarterly Results Trend Summary



(1) Excluding costs relating to acquisition of LME Group, finance costs and fair value loss on derivative component of convertible bonds

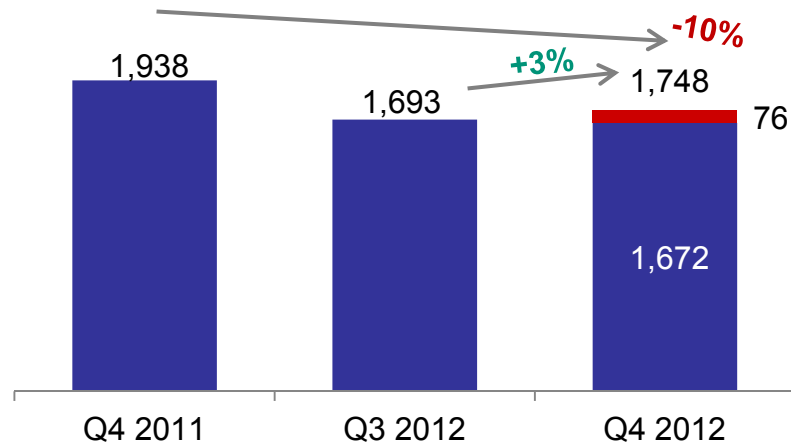
ADT rebound in Q4 2012 has gained momentum in Q1 2013. Q4 2012 opex increase mainly due to consolidation of LME opex, D&A of Next Generation Data Centre and other costs

Q4 2012 Financial Results

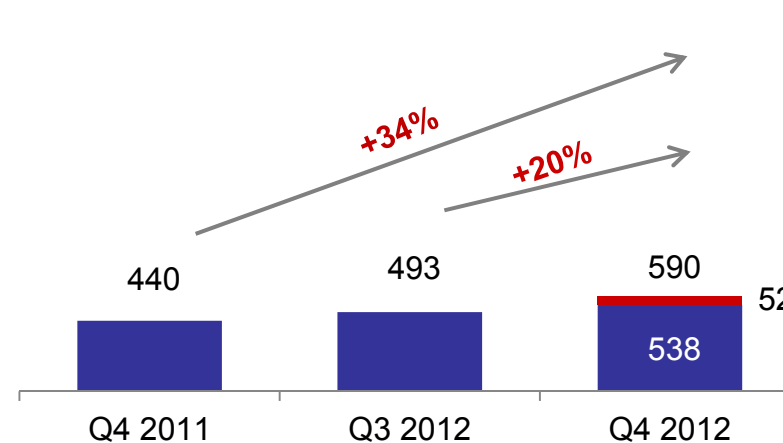


(\$ million)

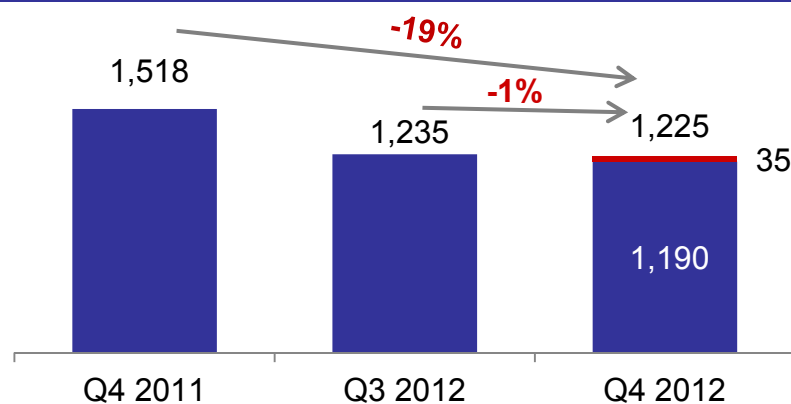
Revenue and Other Income



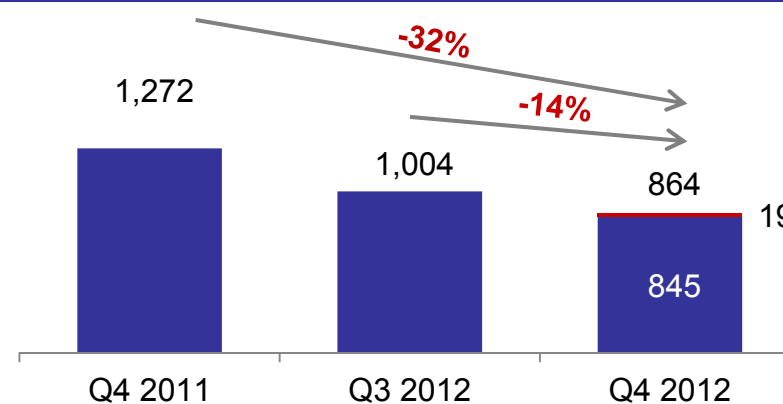
Operating Expenses (1)



EBITDA



Profit Attributable to Shareholders



■ LME contribution to Q4 results

(1) Excluding costs relating to acquisition of LME Group, finance costs and fair value loss on derivative component of convertible bonds

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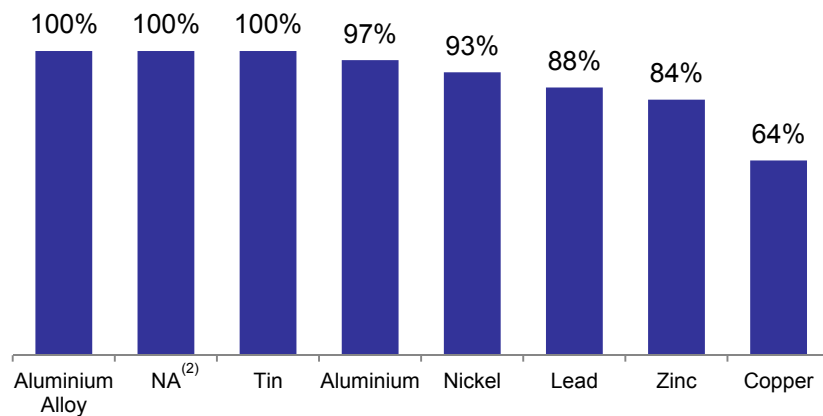
LME Maintains Leading Market Position



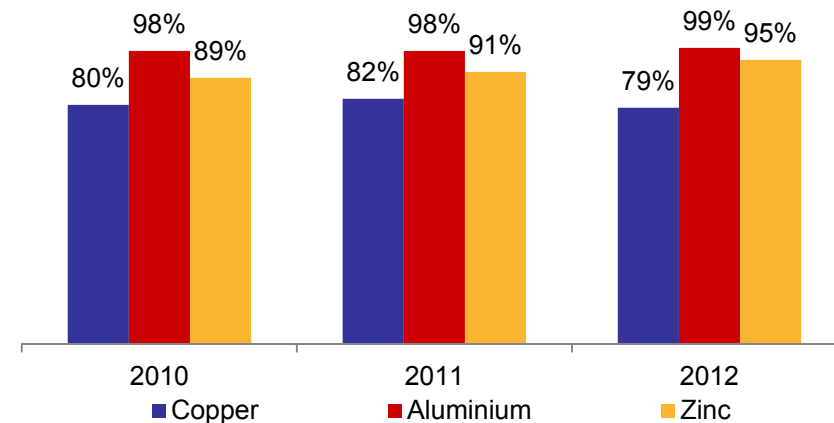
The LME Sets the Global Standard

- ✓ **World's largest base metals futures market with 83%⁽¹⁾ of all base metals forwards/futures contracts in 2012, up from 80% in 2011**
- ✓ **World's price formation venue with prices discovered on the LME used as the global benchmark and basis for physical trading**
- ✓ **Global network with worldwide network of 765 LME-approved warehouses across 36 locations in 14 countries**
- ✓ **93 members representing globally leading financial institutions, futures brokers, metals traders, producers and consumers**

2012 Market Share of Trading Volume ⁽¹⁾



Market Share of Open Interest ⁽¹⁾



Source: Company information, Forwards/Futures

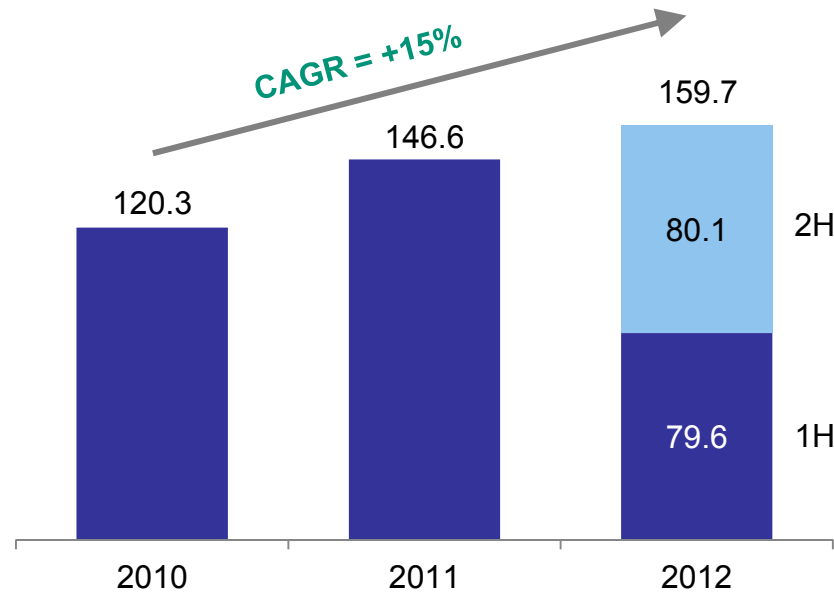
(1) Trading volume market share is based on 2012 full year, MCX is included when calculating market share; Open interest market share is at 2012 year end and calculation excludes MCX

(2) NA = North American Special Aluminium Alloy

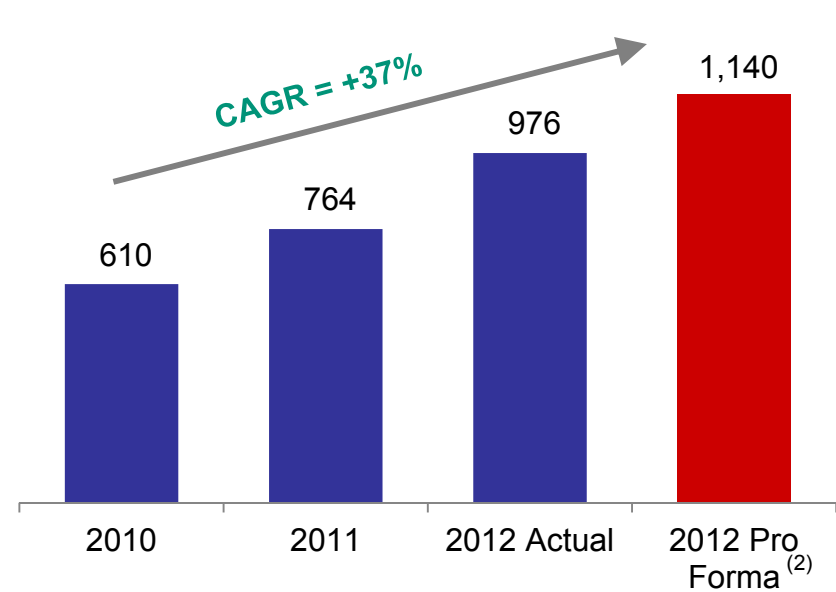
LME Trading Reached Record High in 2012



2010-2012 Trading Volume ⁽¹⁾ (million lots)



Revenue ⁽¹⁾ (\$ million)



Source: Company information

(1) Including options and Tapos

(2) 2012 Pro forma assuming new fee level applied to full year

- **Strong growth momentum in trading volume, especially in minor metals contracts and other smaller contracts (zinc, lead and nickel)**
- **New fee was applied from 2 July 2012 – trading volume remained steady after fee increase; significant revenue growth on an absolute and pro forma basis**

LME Key Initiatives in 2012



Initial Commercialisation

- Applied new fees from 2 July 2012 to better align with global fee levels
- Fees remain significantly below fully commercialised competitors

LME Clear

- IT vendor selected
- Management team strengthened – new COO and CRO
- On track for 2014 launch

Changes to Asian Benchmark Price

- Consultation completed to shorten Asian benchmark prices reference setting period and bring forward publication time
- Enhanced price discovery procedure and further aligned with Asia time zone
- To be implemented on 3 June 2013

Warehouses

- Maintain and periodically review the efficiency of warehouse network and its interaction with physical markets
- Pro-active approach to the global physical network – Rule changes implemented in 2012, further modifications to be implemented in 2013

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Group Strategic Vision and Mission for 2013-2015



Vision

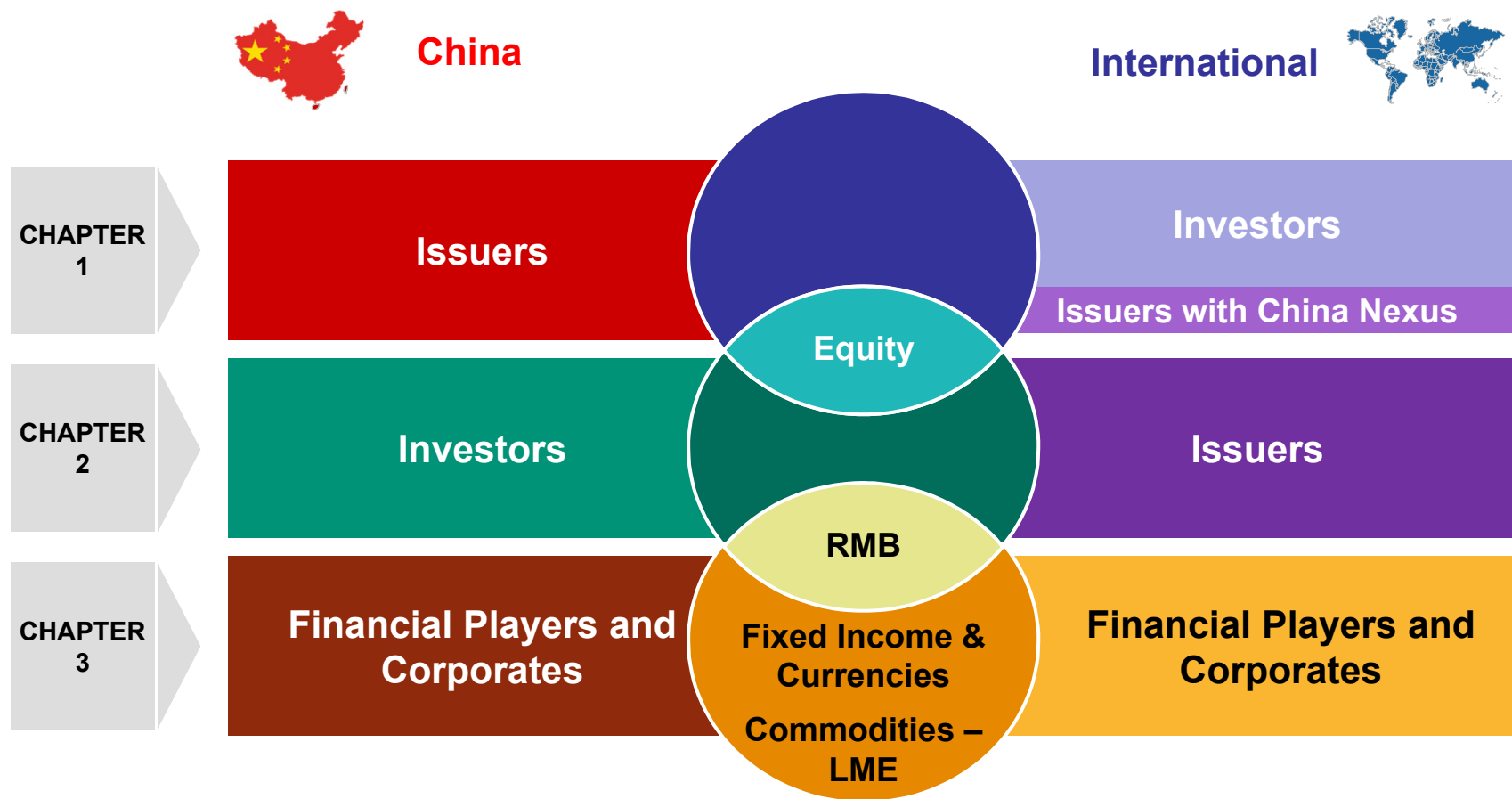
*To build HKEx into a leading global vertically-integrated multi-asset class exchange...
...and prepare ourselves for the managed but accelerating opening of China's capital account*

Mission

Aim to be the Global Exchange of Choice for our China clients and our international clients seeking China exposure

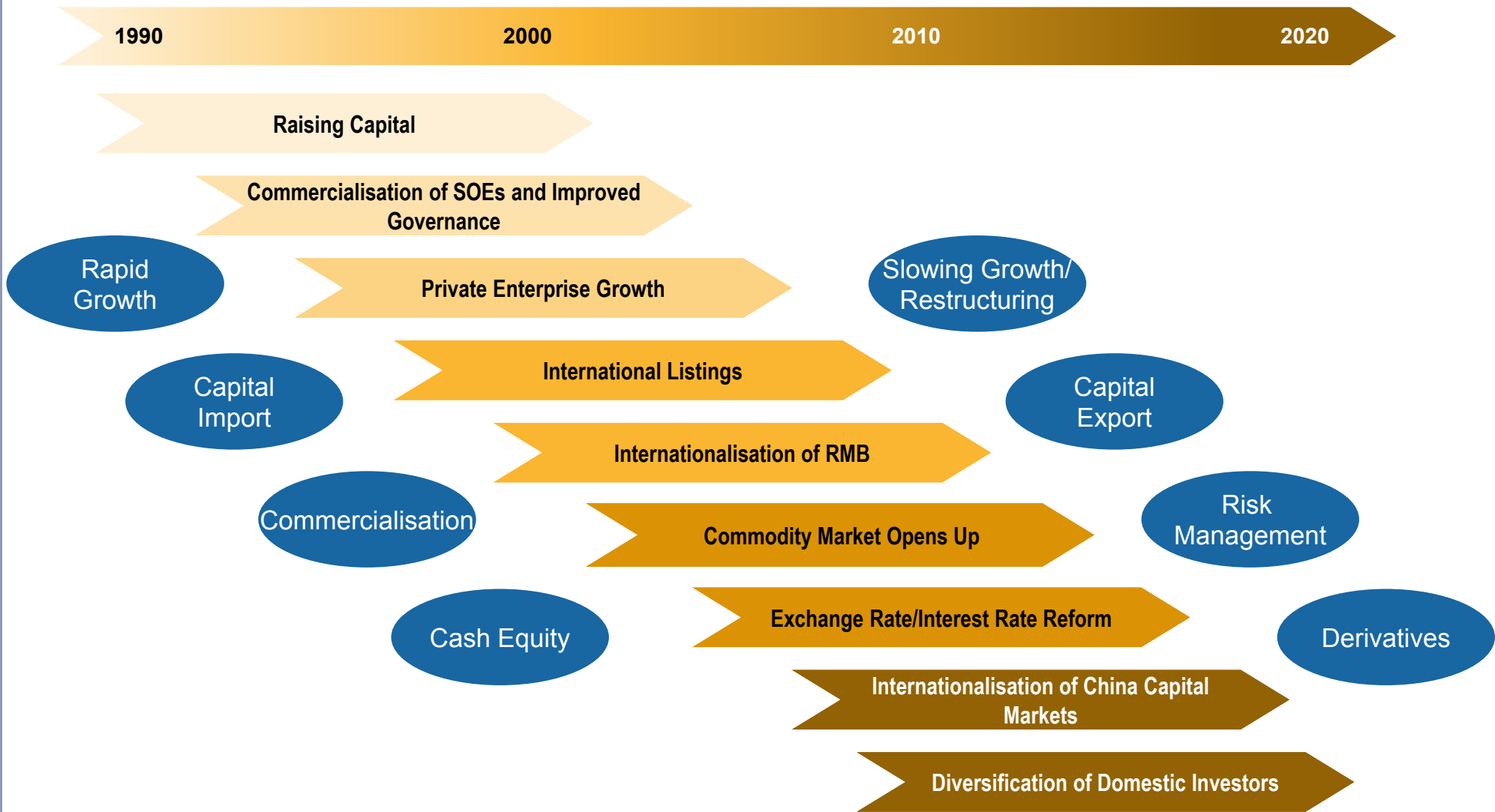
Why Have We Succeeded?

Because We Have Provided China with the Right Value Proposition at the Right Time

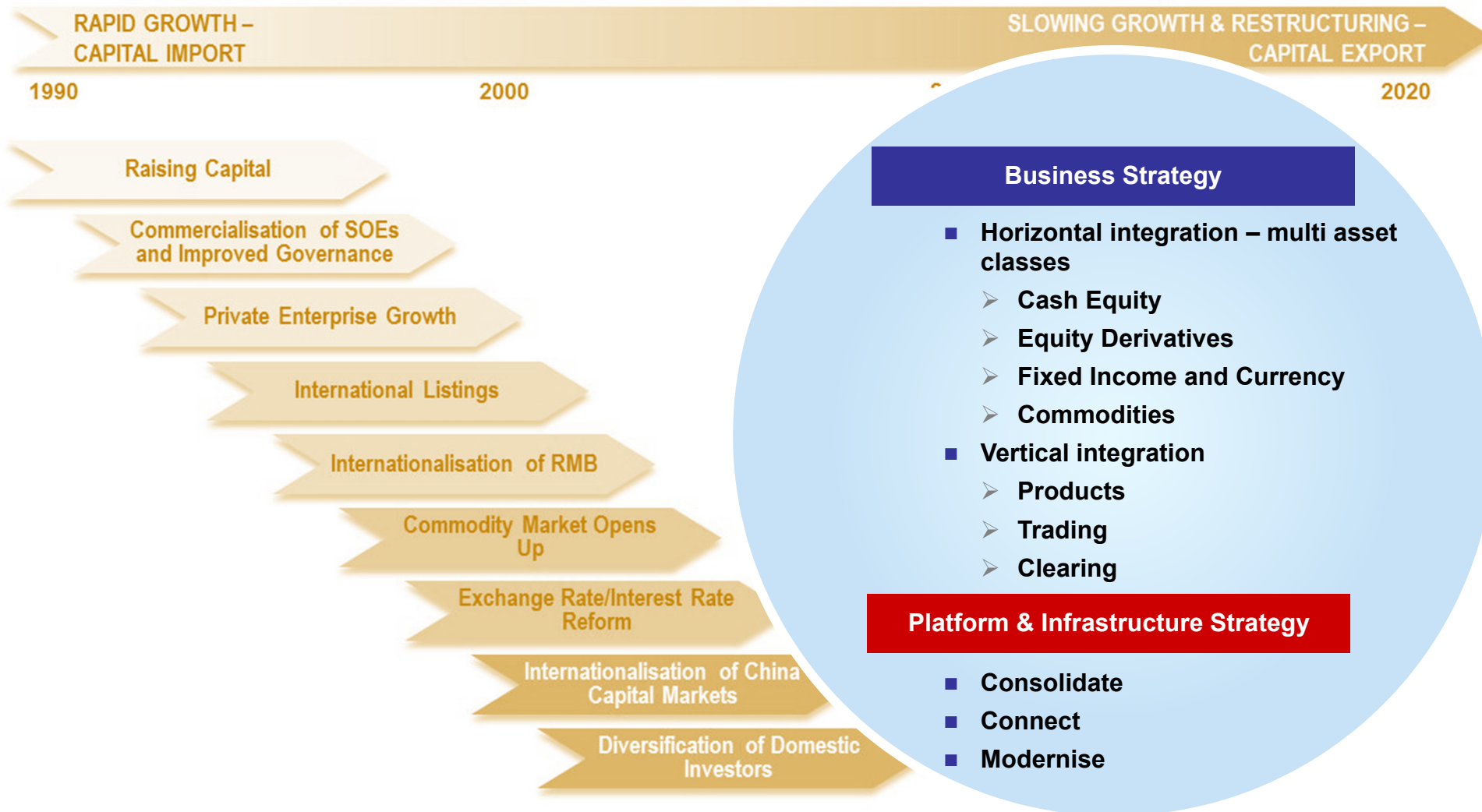


Key Difference: *Chapter 1 – Money inflow to China (Capital Import)*
Chapter 2 & 3 – Money flows out of China (Capital Export)

Evolution of China's Growth Story

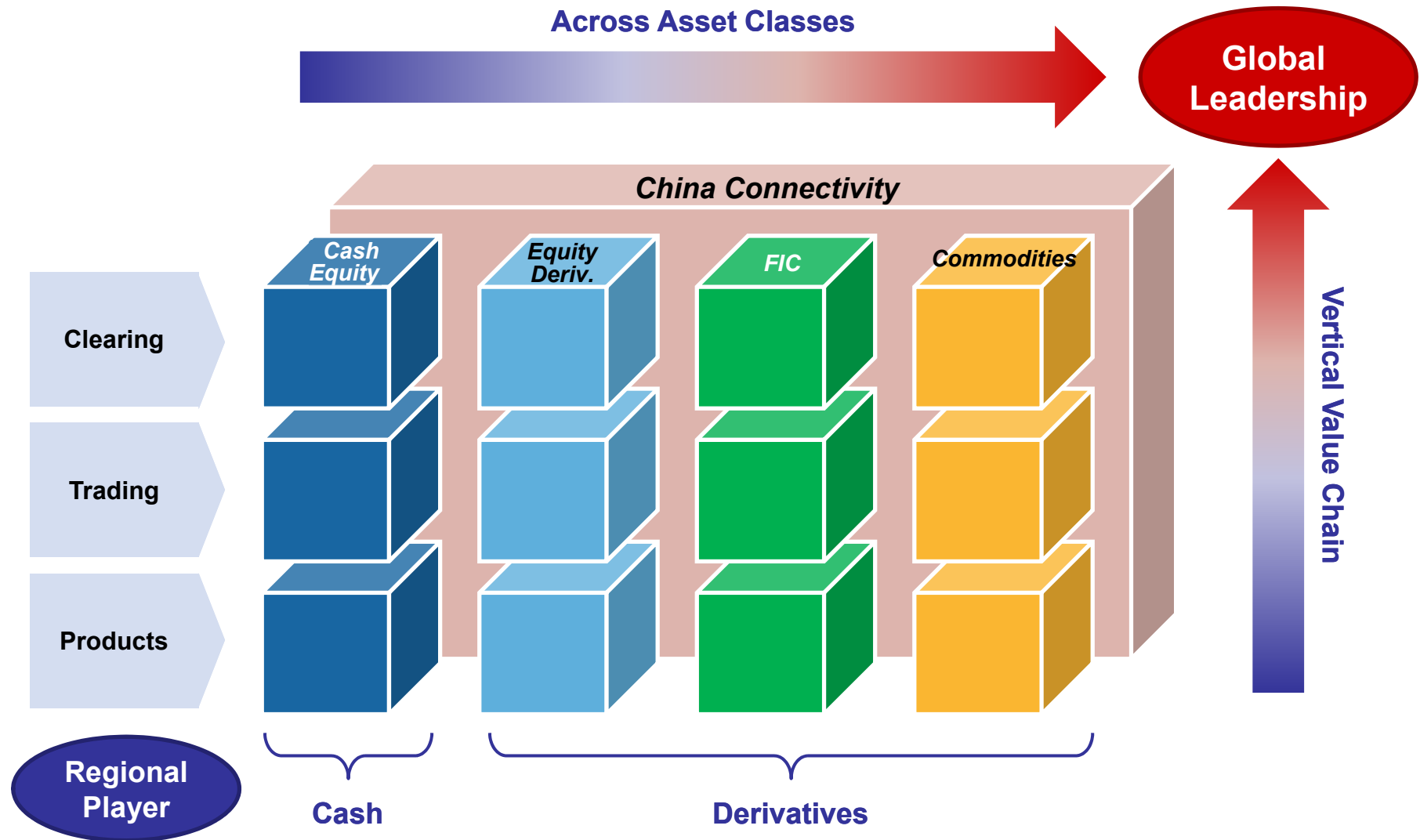


HKEx Strategic Plan 2013-2015 – Leverage China’s Capital Account Opening and Aim for Global Leadership



Strategic Focus 2013-2015: Mutual Market Access with China + Global Leadership

Global Leadership: Horizontal Asset Classes + Full Vertical Integration



Strategic Plan 2013-2015 – Platform and Infrastructure Strategy



Leverage LME as a Catalyst to Facilitate an Accelerated Capital Account Opening



- Domestic investor's strong need to diversify
- Desire internationalisation

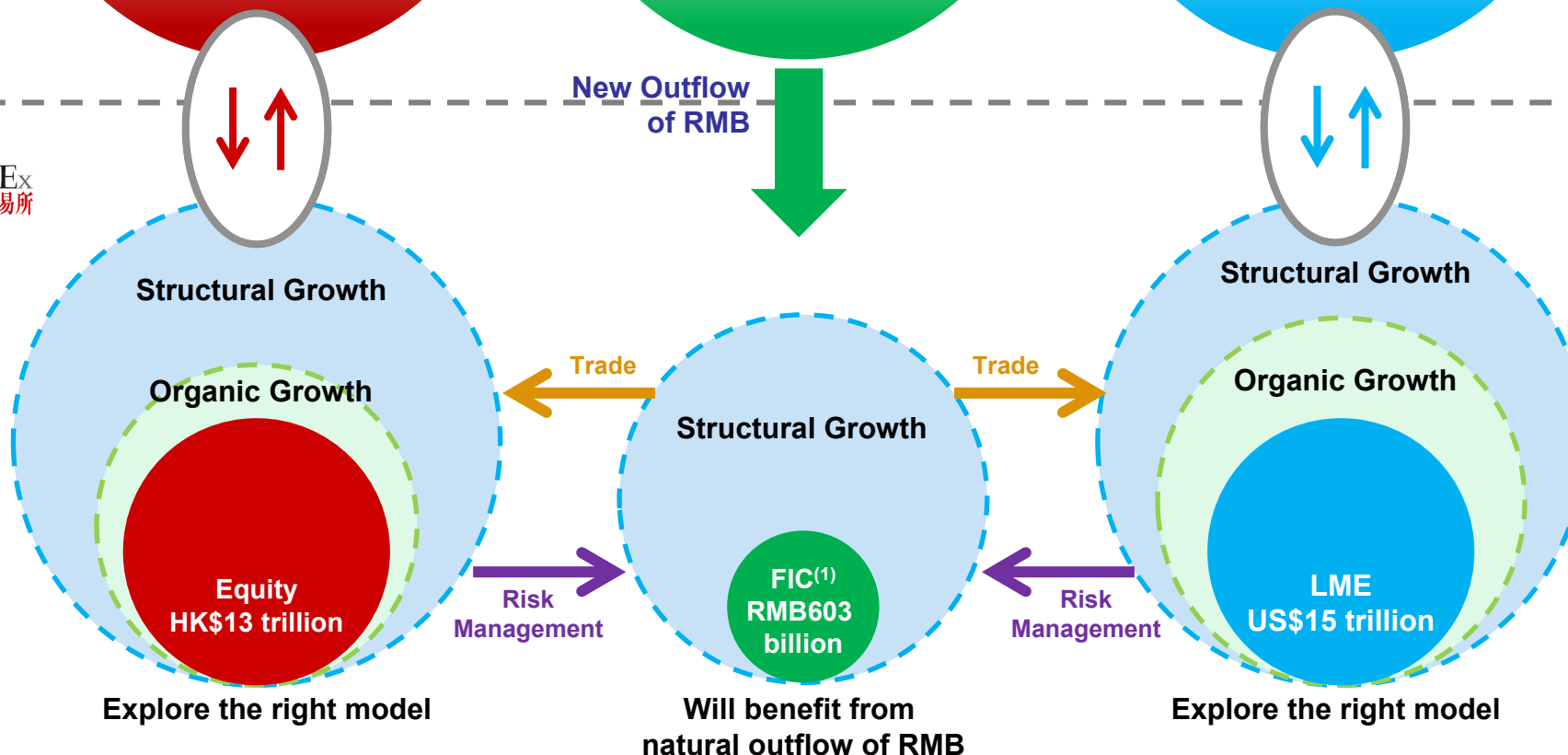
Equity
RMB31 trillion

- Already open
- Need offshore investment products

FIC
RMB258 trillion

- Strong user demand for greater integration
- Risk management needs of the real economy
- Project China to global pricing power

Commodities
RMB95 trillion



(1) All numbers refer to trading volume in 2012, except FIC HK which refers to RMB deposit in Hong Kong as of 31 Dec 2012

Conclusion on Strategic Plan 2013-2015



Strategic Vision:

To build HKEx into a leading global vertically-integrated multi-asset class exchange

Foundation:

Continuing growth of HKEx's core business

Opportunity:

Managed but accelerating opening of China's capital account

Key Catalyst:

The acquisition of the LME

Mutual Market Access + Global Leadership

Q & A

HKEx Group Website: www.hkexgroup.com
HKExnews Website: www.hkexnews.hk

1 Detailed HKEx Group Financial Information

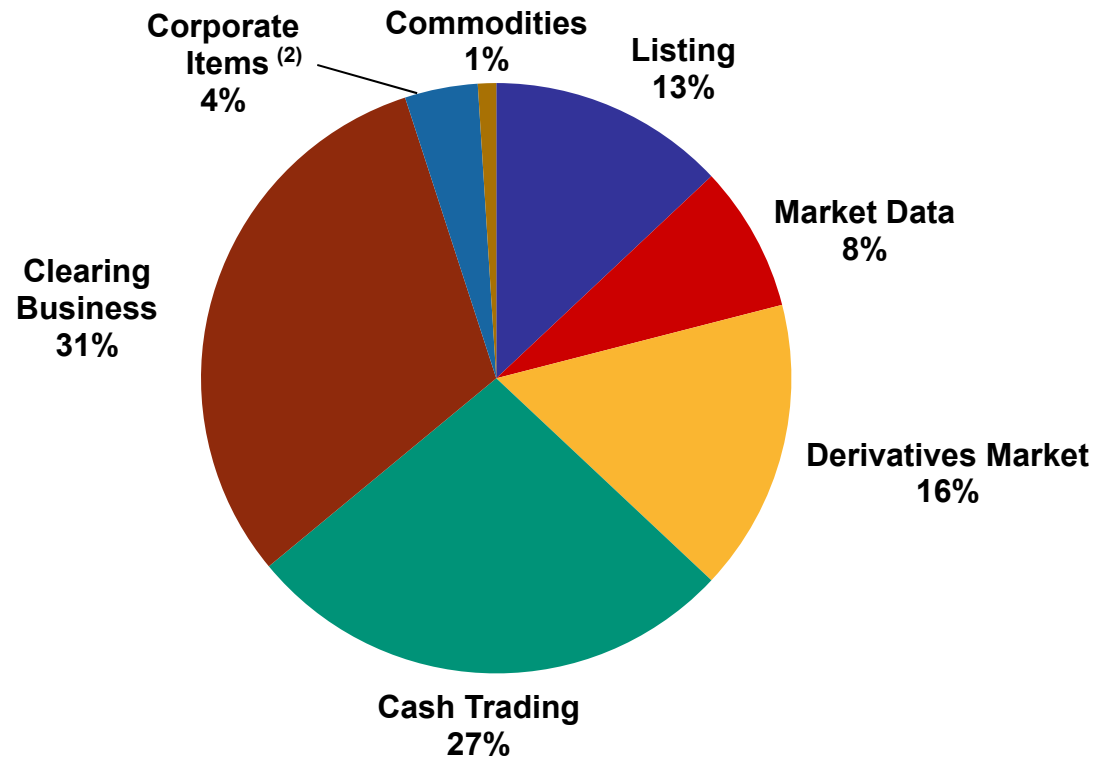
2 LME Pro Forma 2012 Financial Performance

3 Others

2012 HKEx Group Business Overview



Revenue Contribution by Business Segments ⁽¹⁾



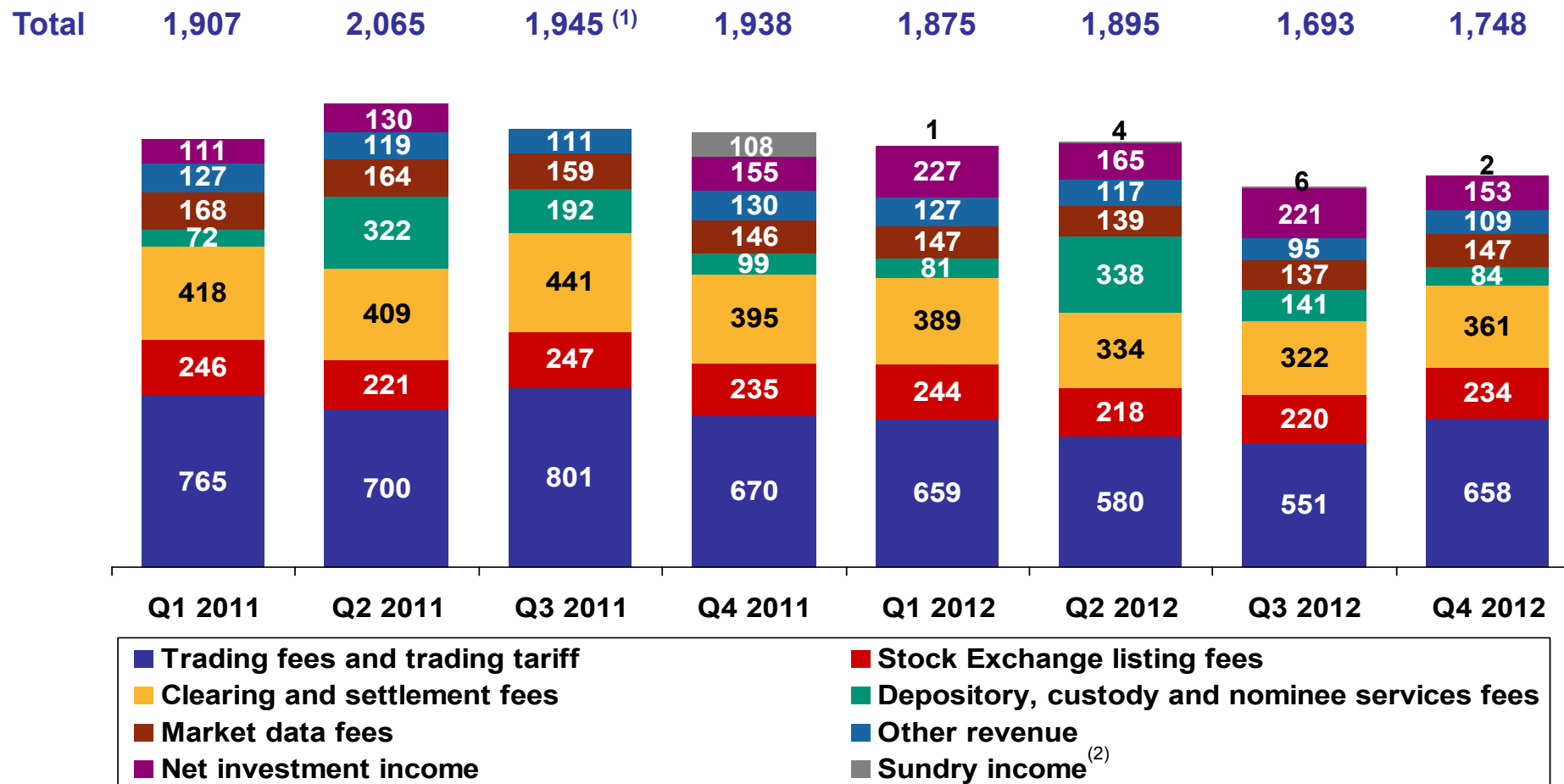
(1) Comprises revenue from external customers and other income
(2) Corporate Items include mainly net investment income of Corporate Funds

Further diversified sources of revenue with the acquisition of the LME

Quarterly Trend - Revenue and Other Income



(\$ million)



(1) Including net investment loss of \$6 million for the third quarter of 2011

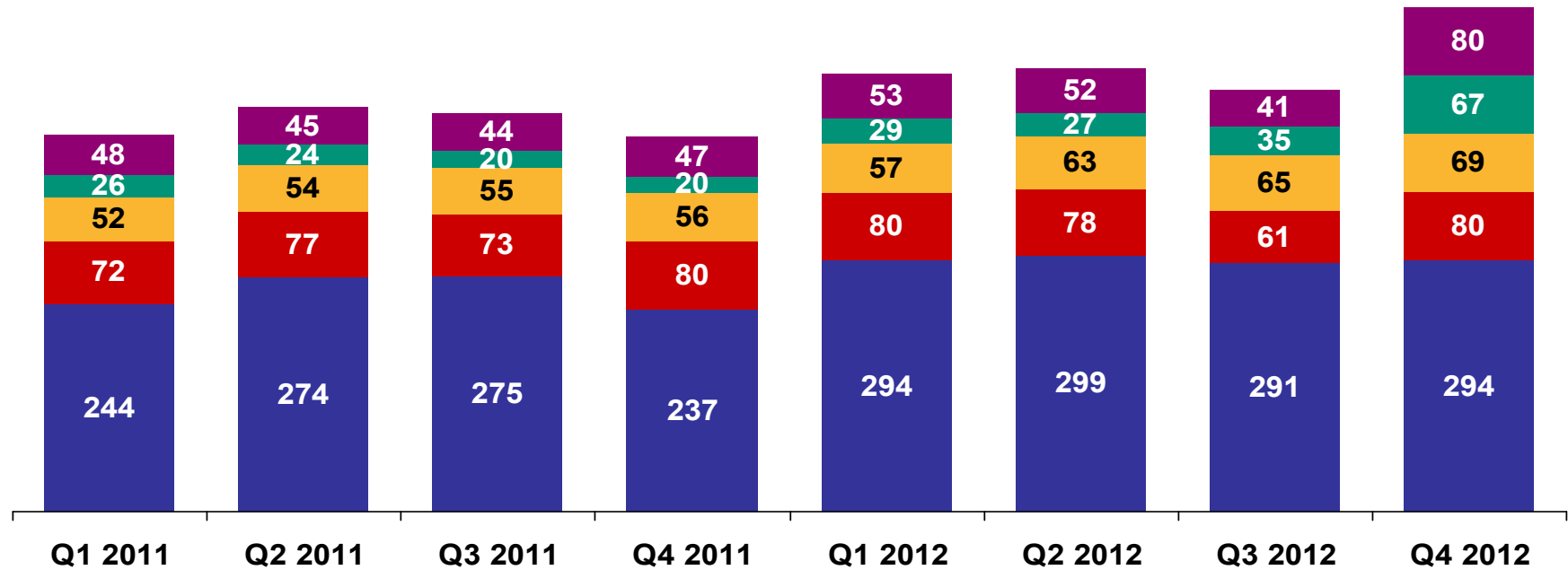
(2) Sundry income represents the forfeiture of unclaimed cash dividends held by HKSCC Nominees Limited

Quarterly Trend - Operating Expenses



(\$ million)

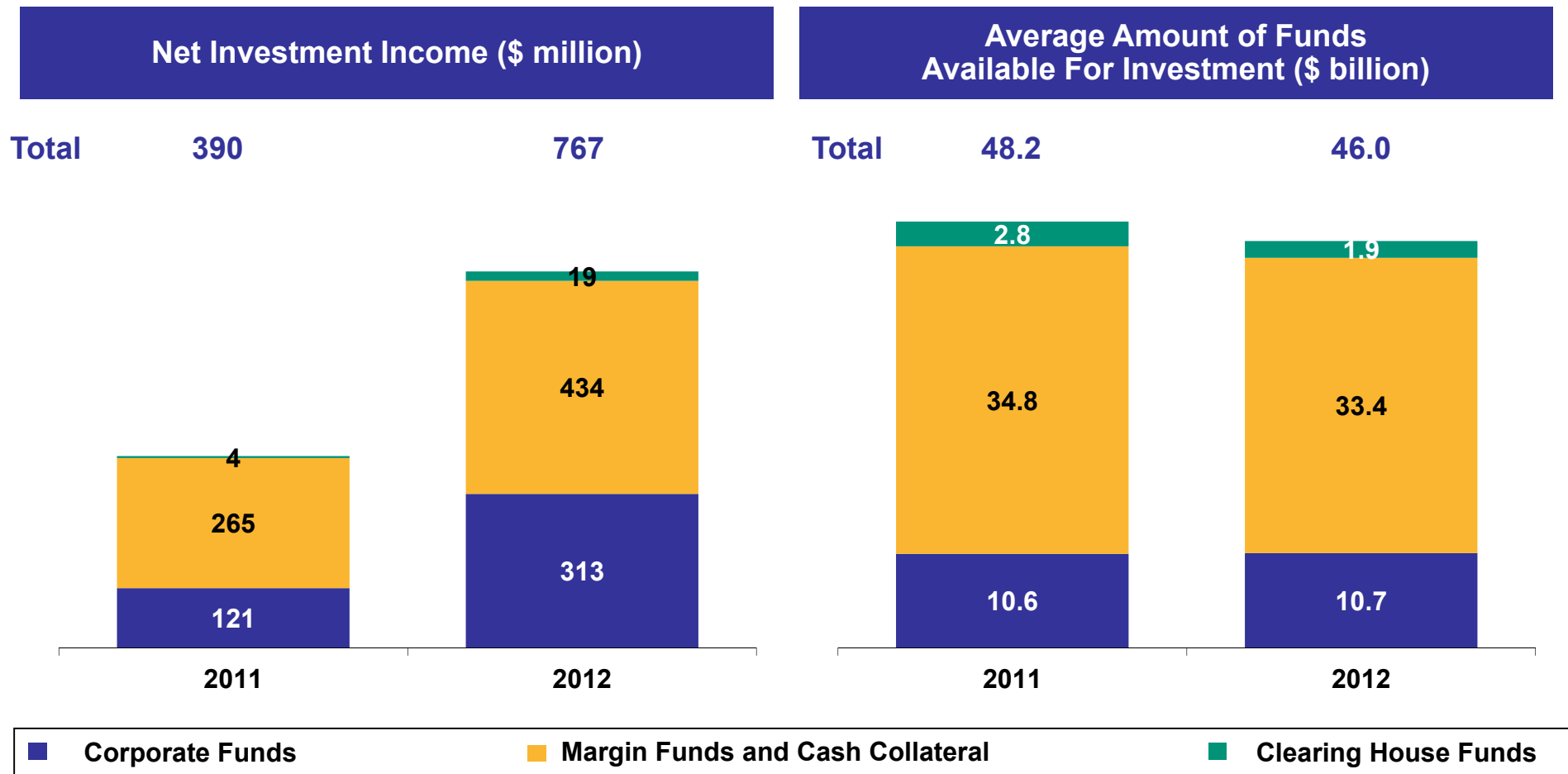
Total **442** **474** **467** **440** **513** **519** **493** **590**



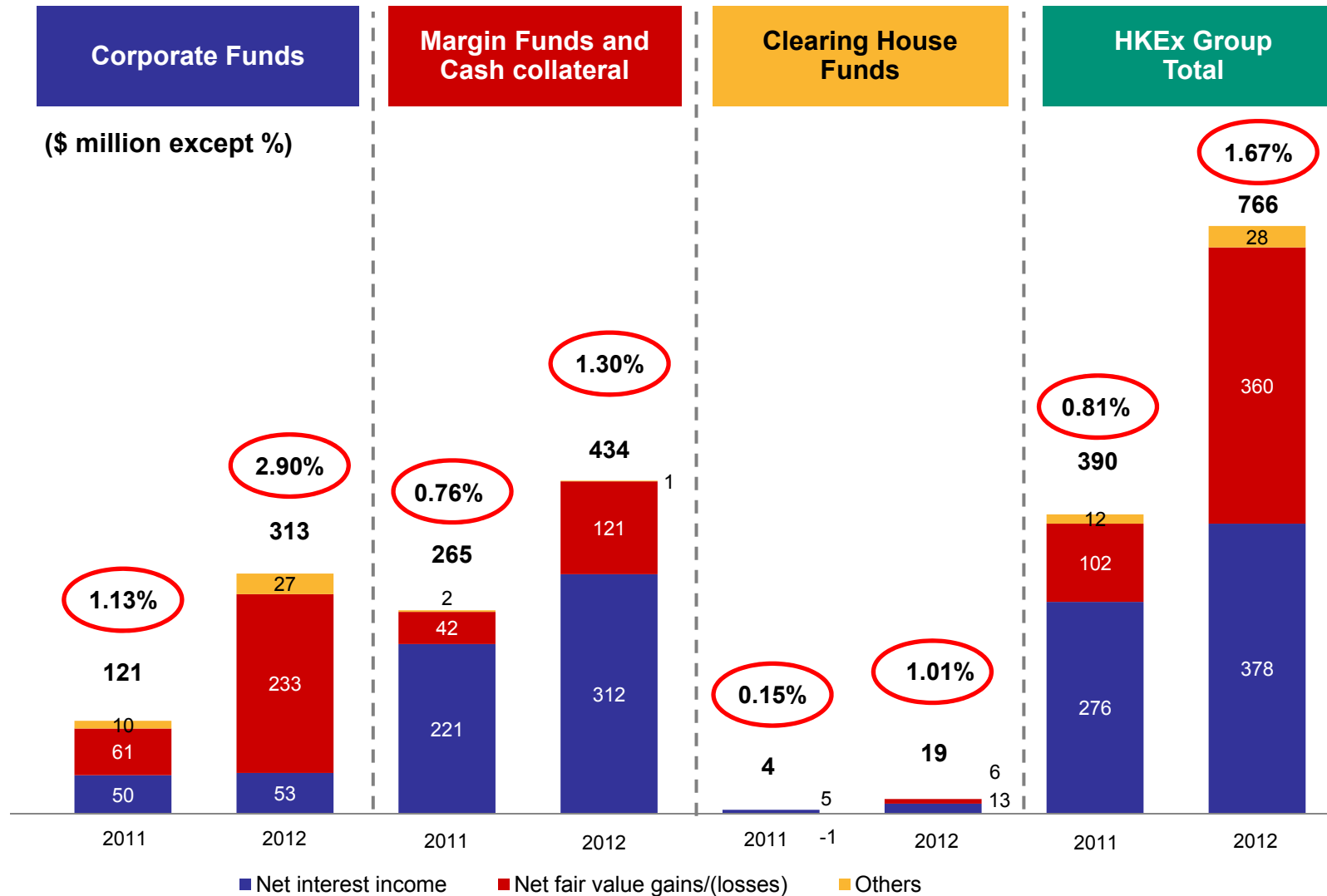
- Staff costs and related expenses
- IT and computer maintenance expenses
- Premises expenses
- Depreciation and amortisation
- Other costs⁽¹⁾

(1) Other costs include product marketing and promotion expenses, legal and professional fees and other operating expenses

Net Investment Income by Funds



Net Investment Income and Return by Funds



1 Detailed HKEx Group Financial Information

2 **LME Pro Forma 2012 Financial Performance**

3 Others

The pro forma financial analysis shown herein is intended to illustrate how the acquisition of the LME Group might have affected HKEx's financial performance in 2012, had the acquisition been completed on 1 January 2012. The pro forma financial analysis is based on (i) the audited financial statements of HKEx for the year ended 31 December 2012 as set out in the 2012 annual results announcement; (ii) the LME Group's unaudited consolidated 2012 full year results; (iii) adjustments made to exclude from the unaudited pro forma financial information those items from the LME Group's unaudited consolidated 2012 full year results which are not expected by HKEx to have a continuing impact on HKEx.

The pro forma financial analysis is prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of LME's or HKEx's financial position or results. An accountants' report on the pro forma financial information is available at <http://www.hkex.com.hk/eng/newsconsul/hkexnews/2013/Documents/130227pwc.pdf>.

2012 Actual Full Year Results under New Reporting Segments (1)



HK\$ million	Cash	Equity & Financial Derivatives	Commodities	Clearing	Platform and Infrastructure	Corporate Items	Group 2012 Actual	Group 2011 Actual
Revenue from external customers	2,203	1,599	74	2,201	354	1	6,432	7,357
Net investment income	-	-	2	453	-	311	766	390
Sundry income	-	-	-	13	-	-	13	108
Revenue and other income	2,203	1,599	76	2,667	354	312	7,211	7,855
<i>% of Group Total</i>	<i>30.5%</i>	<i>22.2%</i>	<i>1.1%</i>	<i>37.0%</i>	<i>4.9%</i>	<i>4.3%</i>	<i>100.0%</i>	
Operating expenses (excl. D&A)	(472)	(399)	(37)	(402)	(171)	(476)	(1,957)	(1,733)
EBITDA	1,731	1,200	39	2,265	183	(164)	5,254	6,122
<i>% of Group Total</i>	<i>33.0%</i>	<i>22.8%</i>	<i>0.7%</i>	<i>43.1%</i>	<i>3.5%</i>	<i>(3.1)%</i>	<i>100.0%</i>	
<i>EBITDA margin</i>	<i>78.6%</i>	<i>75.0%</i>	<i>51.3%</i>	<i>84.9%</i>	<i>51.7%</i>	<i>n/m</i>	<i>72.9%</i>	<i>77.9%</i>
Depreciation and amortisation							(158)	(90)
Costs relating to acquisition of LME Group							(138)	-
Finance costs							(55)	-
Fair value loss on derivative component of convertible bonds							(55)	-
Share of loss of a joint venture							(3)	-
Profit before tax							4,845	6,032

HKEx completed the acquisition of LME Group⁽²⁾ on 6 December 2012. The Group's reported results therefore include 26 days of LME results under 'Commodities' and 'Clearing'

(1) Please refer to page 53 of HKEx's full year 2012 results announcement dated 27 February 2013 for further details on the new reporting segments

(2) Includes the London Metal Exchange, LME Holdings Limited and LME Clear Limited

LME's 2012 Full Year Performance

- HKEx consolidated LME for the last 26 days of 2012, during which time LME's EBITDA and PAT were positive
- LME's full year 2012 results (not consolidated by HKEx save for the last 26 days) are not indicative of underlying performance due to several non-recurring items

Full year results of LME Group HK\$m ⁽¹⁾	2010 Actual ⁽²⁾	2011 Actual ⁽²⁾	2012 Actual ⁽³⁾
Revenue and other income	610	764	976
Operating expenses (excluding D&A)	(390)	(510)	(1,005)
EBITDA	220	254	(29)
<i>EBITDA margin</i>	<i>36.1%</i>	<i>33.3%</i>	<i>neg.</i>

➤ Revenues reflect only six months' impact of the July 2012 trading fee increase, which accounted for \$155 million of extra revenue between implementation and year end ⁽⁴⁾

➤ Expenses affected by one-off transaction-related costs

As 2012 was a transitional year, LME's results for the year are not representative of its underlying performance

(1) LME financials converted to HK\$ at average month-end exchange rates of £1 = \$12.01 (2010), \$12.49 (2011) and \$12.33 (2012)

(2) 2010 and 2011 financials are derived from continuing operations as disclosed in HKEx's presentation of 15 June 2012 (www.hkex.com.hk/eng/newsconsul/hkexnews/2012/Documents/1206153news.pdf)

(3) 2012 financials are unaudited consolidated full year results of LME Group, shown here for pro forma analysis purposes only. Please refer to page 53 of HKEx's full year 2012 results announcement dated 27 February 2013

(4) The remainder of the revenue increase between 2011 and 2012 was due to an increase in overall trading volumes, changes in the mix of trading volumes by category, and movements in the £/\$ exchange rate

LME's Illustrative Pro Forma 2012 Performance ⁽¹⁾



Adjustments required to 'normalise' LME Group's 2012 full year results

HK\$ million	2010 Actual	2011 Actual	2012 Actual		2012 Pro Forma ⁽¹⁾
Revenue and other income	610	764	976	+164 →	1,140
Operating expenses (excluding D&A)	(390)	(510)	(1,005)	-366 →	(639)
EBITDA	220	254	(29)	<i>Pro forma adjustments</i>	501
<i>EBITDA margin</i>	<i>36.1%</i>	<i>33.3%</i>	<i>neg.</i>		<i>43.9%</i>

Pro Forma Adjustment to 2012 Revenue and other income: up \$164 million

- Applies higher client trading fees (which were increased by LME on 2 July 2012) to the full financial year ⁽²⁾

Pro Forma Adjustments to 2012 Operating expenses: down \$366 million

- Excludes the one-time expenses incurred by LME in relation to its sale process (\$124 million) ⁽³⁾
- Excludes the one-time management incentive payouts triggered as a result of the sale of LME to HKEx (\$242 million) ⁽³⁾

Pro Forma LME 2012 EBITDA of \$501 million, equating to a 44% EBITDA margin

⁽¹⁾ Please refer to the important information about the pro forma financial information on the cover page of this section of the presentation

⁽²⁾ Based on recorded LME trading volumes in H1 2012 which would have been eligible for the higher Exchange User Fee introduced by LME on 2 July 2012. Please refer to page 54 of HKEx's 2012 full year results regulatory announcement dated 27 February 2013 for a breakdown of eligible volumes and associated revenues between the first and second half of the 2012 financial year, as well as a description of the fee increase

⁽³⁾ Please refer to page 53 of HKEx's 2012 full year results regulatory announcement dated 27 February 2013

LME's Illustrative Pro Forma 2012 Performance ⁽¹⁾

Illustrative allocation of LME Group between HKEx reporting segments



HK\$ million	2010 Actual	2011 Actual	2012 Actual		2012 Pro Forma ⁽¹⁾		Commodities	Clearing
Revenue and other income	610	764	976	+164	1,140	➔	1,140	-
Operating expenses (excluding D&A)	(390)	(510)	(1,005)	-366	(639)		(553)	(86)
EBITDA	220	254	(29)	<i>Pro forma adjustments</i>	501	➔	587	(86)
<i>EBITDA margin</i>	<i>36.1%</i>	<i>33.3%</i>	<i>neg.</i>		<i>43.9%</i>		<i>51.5%</i>	<i>n/m</i>

Allocation of 2012 Pro Forma contribution of LME:

- Cost of building the LME Clear platform and associated projects allocated to Clearing
- All other LME income allocated to Commodities

LME will be allocated to Commodities and Clearing HKEx Group segments going forward

⁽¹⁾ Please refer to the important information about the pro forma financial information on the cover page of this section of the presentation

Illustrative Full Year 2012 Pro Forma Results ⁽¹⁾



HK\$ million	Cash	Equity & Financial Derivatives	Commodities	Clearing	Platform and Infrastructure	Corporate Items	Group 2012 Pro Forma	Group 2011 Actual
Revenue from external customers	2,203	1,599	1,137	2,201	354	1	7,495	7,357
Net investment income	-	-	3	453	-	311	767	390
Sundry income	-	-	-	13	-	-	13	108
Revenue and other income	2,203	1,599	1,140	2,667	354	312	8,275	7,855
<i>% of Group Total</i>	<i>26.6%</i>	<i>19.3%</i>	<i>13.8%</i>	<i>32.2%</i>	<i>4.3%</i>	<i>3.8%</i>	<i>100.0%</i>	
Operating expenses (excl. D&A)	(472)	(399)	(553)	(484)	(171)	(476)	(2,555)	(1,733)
EBITDA	1,731	1,200	587	2,183	183	(164)	5,720	6,122
<i>% of Group Total</i>	<i>30.3%</i>	<i>21.0%</i>	<i>10.2%</i>	<i>38.2%</i>	<i>3.2%</i>	<i>(2.9)%</i>	<i>100.0%</i>	
<i>EBITDA margin</i>	<i>78.6%</i>	<i>75.0%</i>	<i>51.5%</i>	<i>81.9%</i>	<i>51.7%</i>	<i>neg.</i>	<i>69.1%</i>	<i>77.9%</i>

Impact of LME on HKEx Group's Pro Forma Financials:

- Commodities would account for around 10% of Group EBITDA on a pro forma basis in 2012
- Commodities' pro forma operating EBITDA margin ~52%
- Self-clearing revenue to contribute to Clearing (LME Clear to launch by end of 2014)
- Transitional impact from LME Clear build-out recorded under Clearing

(1) Please refer to the important information about the pro forma financial information on the cover page of this section of the presentation

Below the EBITDA Line

Depreciation:

- HKEx is beginning to depreciate \$1,247 million of capex already spent on major projects ⁽¹⁾
 - Useful life of these assets ranges from 5 to 35 years (average is 17 years)
- HKEx had capex commitments of \$832 million as at 31 Dec 2012, of which \$73 million relate to LME ⁽²⁾

Amortisation of acquired intangible assets:

- Total LME intangibles of \$4,445 million identified during purchase price allocation
- Recorded \$11 million of amortisation during the period in which LME has been consolidated ⁽³⁾

Financing cost:

- Recorded \$24 million of P&L interest expense on debt in 2012 ⁽⁴⁾
 - Represents an annualised blended interest rate of 2.7%
 - Cash interest expense on debt is lower due to accounting treatment of convertible bond

Note on capital structure:

- HKEx had US\$900 million of outstanding gross debt at year end 2012:
 - US\$500 million 0.5% fixed rate Convertible Bonds maturing Oct 2017
 - US\$400 million floating rate bilateral bank facilities maturing in 10 years, partly repayable from Year 3
- Year end gross debt-to-equity ratio: 37%; gearing ratio: 15% ⁽⁵⁾

References to page numbers in HKEx's 2012 full year results regulatory announcement dated 27 February 2013: (1) Page 50 (2) Page 55 (3) Page 53 (4) Page 66 (5) Page 55

(1) Next Generation Data Centre and Hosting Services have commenced depreciation; OTC Clearing has not yet been launched.

(5) Gearing ratio defined as net debt divided by adjusted capital (total equity minus designated reserves)

1 Detailed HKEx Group Financial Information

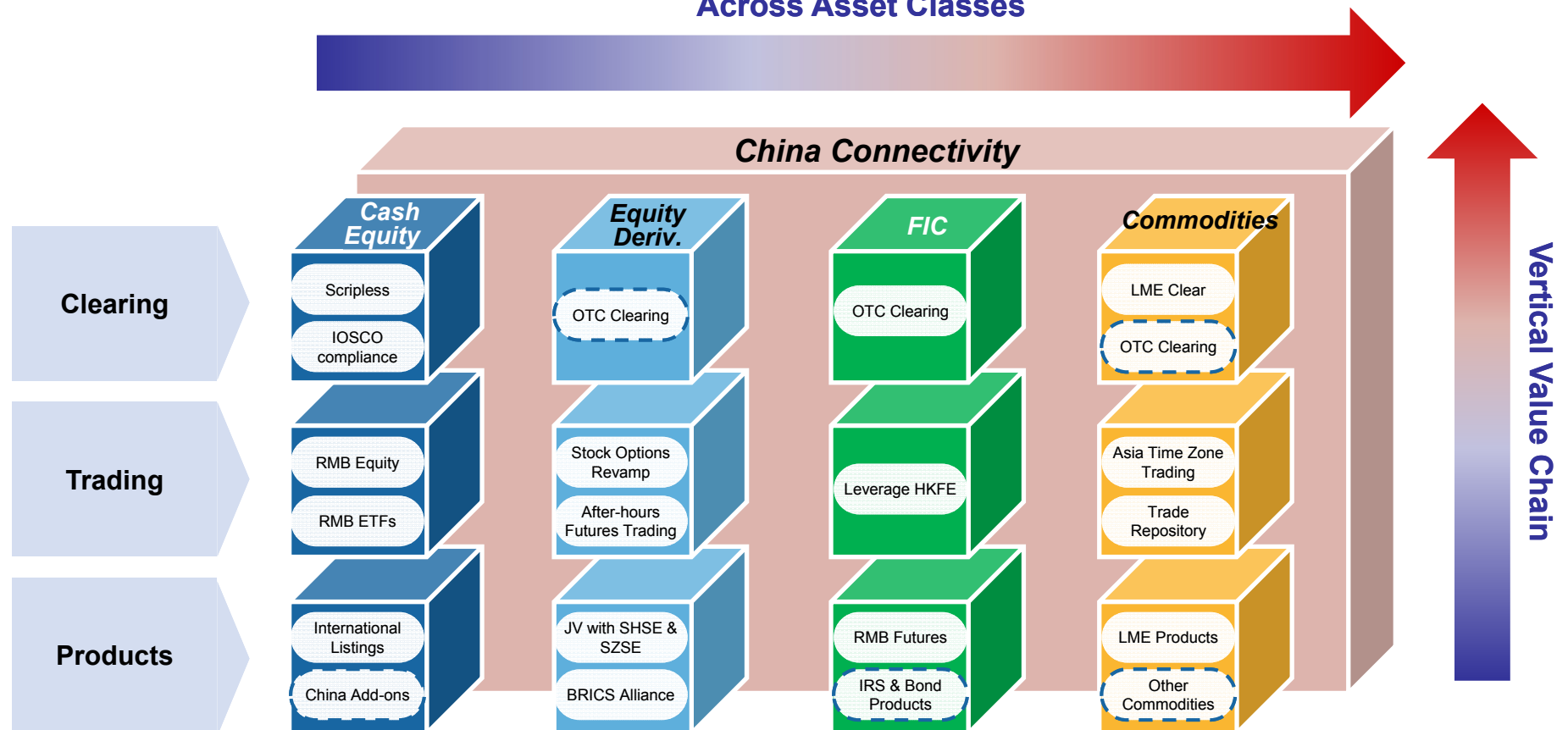
2 LME Pro Forma 2012 Financial Performance

3 Others

HKEx Group Business Strategy = Horizontal Asset Classes + Full Vertical Integration



Across Asset Classes



Platform Strategy – Transitioning to Cross-Asset Common Platforms



	Today: Market Specific Platforms					Future: Common Platforms			
	Cash	Derivatives				Cash	Derivatives		
	Equity	Equity Derivatives	Fixed Income & Currency	Commodities		Equity	Equity	Fixed Income & Currency	Commodities
Trading	Existing	Next Gen	Next Gen	Next Gen	<ul style="list-style-type: none"> Build the Next Generation Trading System for Cash Equities Extend Orion Market Data System to cover FIC and Commodities Feasibility study on Next Generation Clearing System 	Next Gen	Next Gen	Next Gen	Next Gen
Market Data	Existing	Next Gen	Next Gen	Next Gen		Next Gen	Next Gen	Next Gen	Next Gen
Clearing	Existing	Next Gen	Next Gen	Next Gen		Next Gen	Next Gen	Next Gen	Next Gen

Note: Conceptual illustration only.



Existing platforms



Next Generation platforms

- Vertical silos from historical legacy
- Vendor dependent support

- “Seed” best of breed technology in certain asset classes
- Prepare for extending the platform to other asset classes

- Cross-asset class platforms
- Fewer vendors
- Horizontal deployment – synergy
- In-house support capability

Infrastructure Strategy

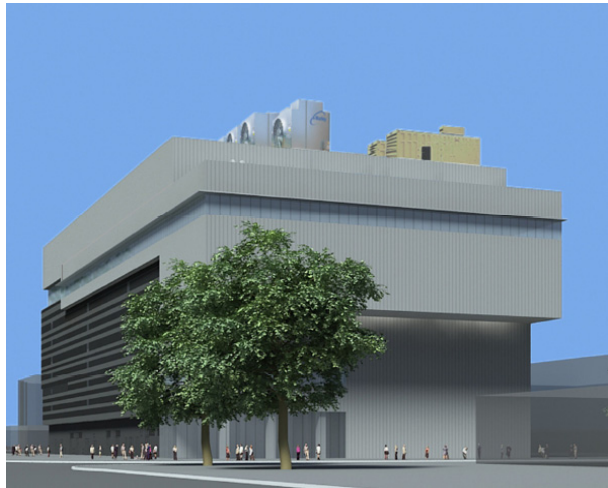


Today

Future

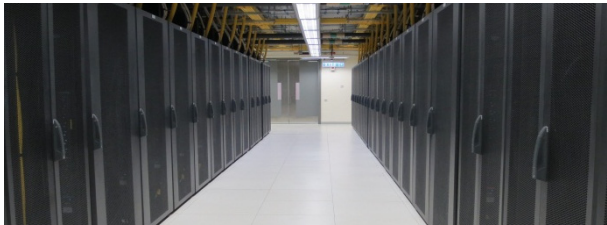


TKO Data Centre



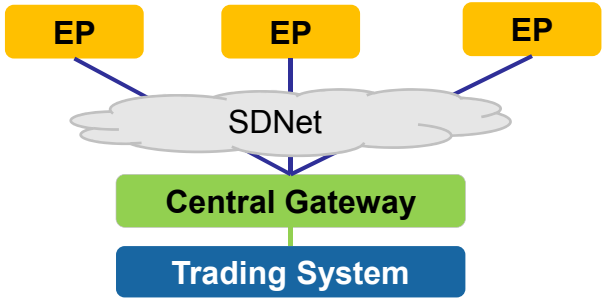
- Consolidate IT offices and multiple data centres – operational efficiency achieved
- Cash system migrated in Oct 2012
- Foundation for Next Gen platforms

Hosting Services



- Lower latency & ecosystem
- Launched in Dec 2012

Central Gateway



- Lower costs for market

Mainland Market Data Hub

- Mainland WOFE set up
- Distribution of Market Data to Mainland via data hub

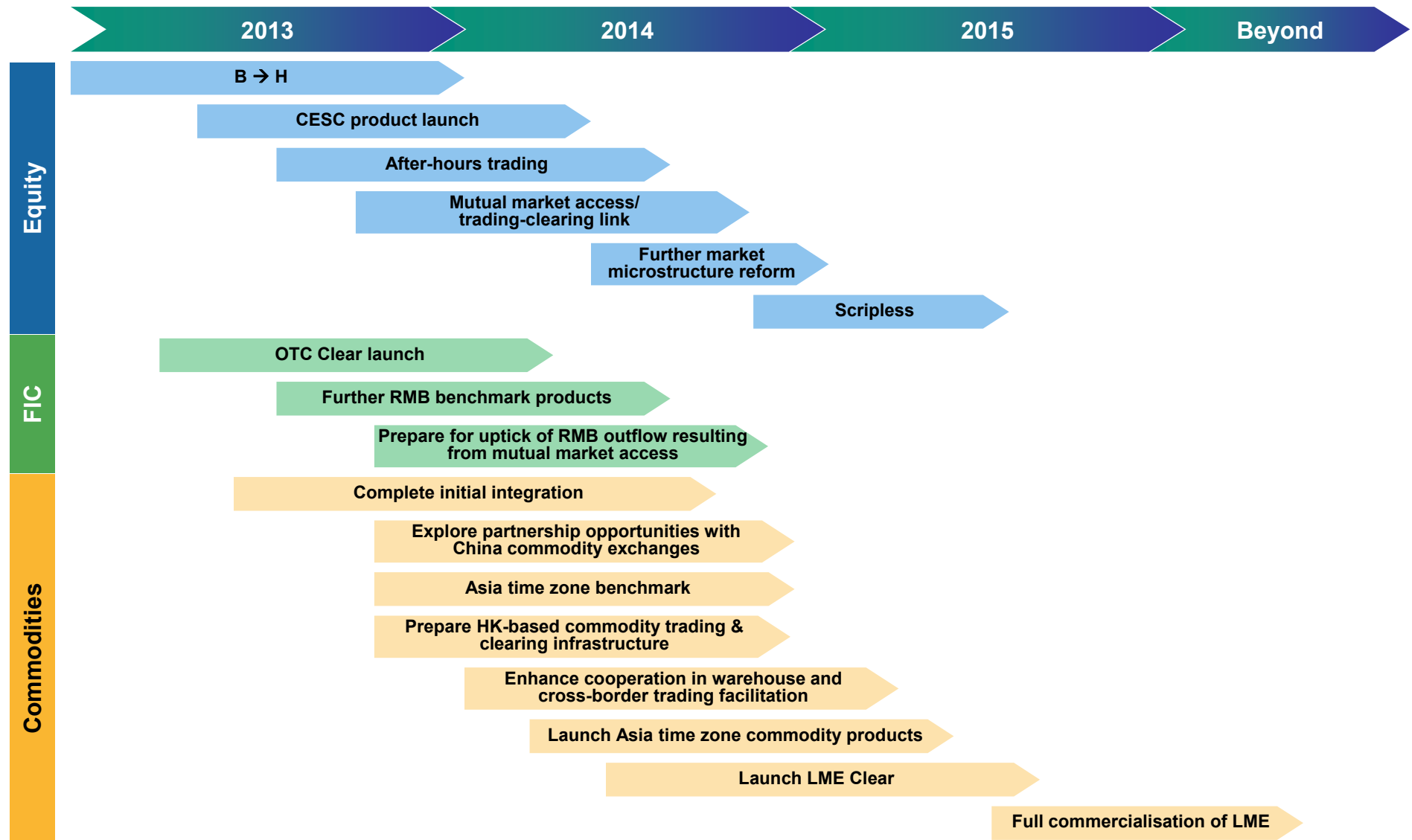
LME Point of Presence in HK

- Facilitate Asian participants' access to LME

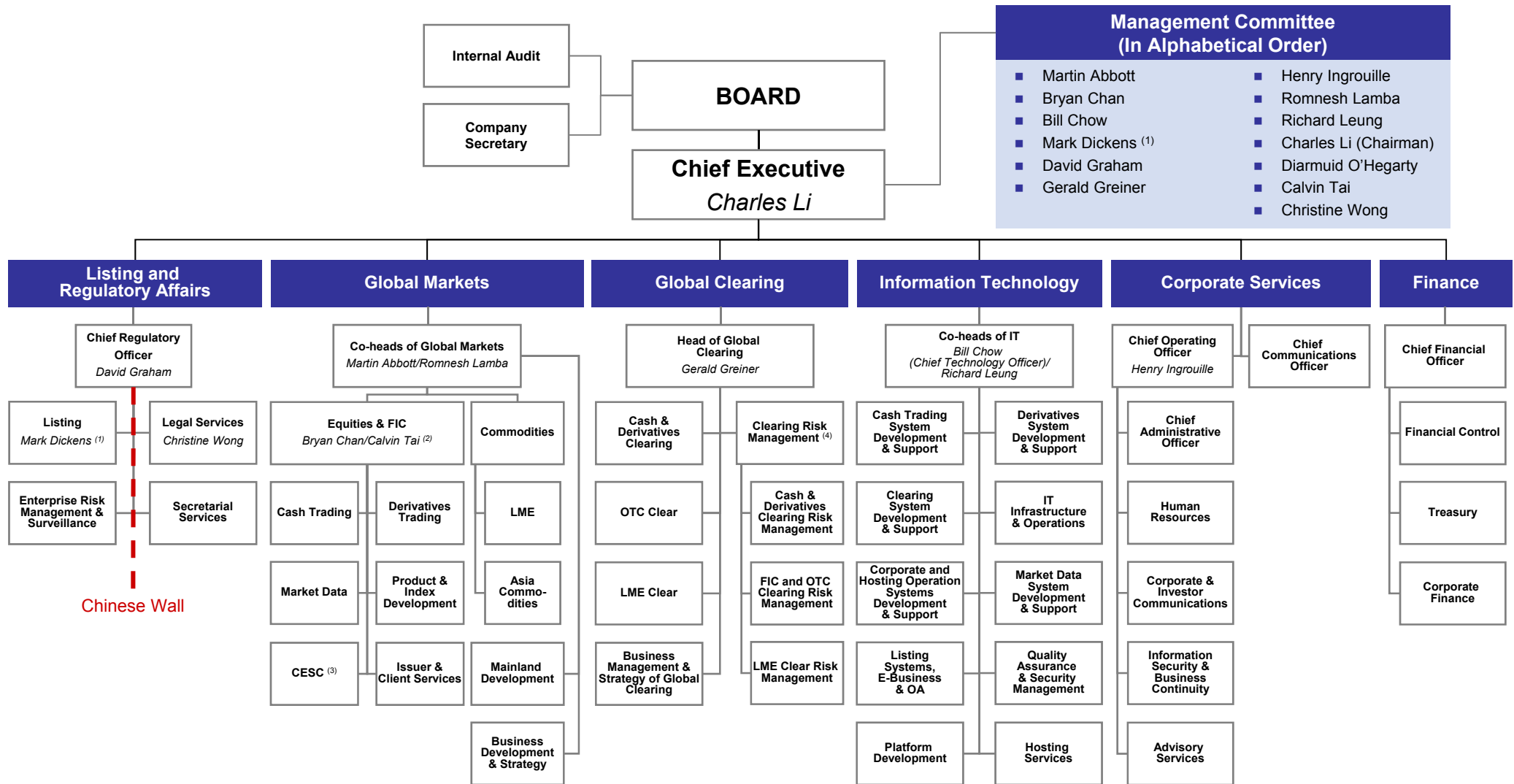
Global Networks

- Increase exposure to overseas participants
- Attract global network into our ecosystem so that we can receive increased overseas liquidity

Preliminary Timeline – It is a Plan; It will Take Time; Timing will be Uncertain



HKEx Group Organisation Structure



Note:

(1) Mark Dickens will retire on 1 March 2013; David Graham will succeed him as Head of Listing

(2) Bryan Chan is principally responsible for Cash Trading, Market Data and CESC; Calvin Tai principally oversees Derivatives Trading and Product & Index Development; they jointly supervise Issuer & Client Services

(3) CESC: China Exchanges Services Company Limited

(4) Co-heads of Clearing Risk Management will report to HKEx's Chief Executive directly on material risk matters