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)

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 the "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 metal warehousing.

On 25 August 2014, the US District Court for the Southern District of New York (the "Court") issued a ruling on the LME's motion to dismiss the pending class actions on grounds of sovereign immunity. The Court granted the LME's motion to dismiss and dismissed all of the pending claims against it. The Court also denied plaintiffs the ability to replead the claims against LME. The Court has not yet issued a ruling on the motions to dismiss that HKEx and LMEH have filed, and they currently remain defendants in the litigation. HKEx management continues to believe that the claims are without merit and expects to continue to contest these 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 metal warehousing.

On 25 August 2014, the Court issued a ruling on the LME's motion to dismiss the pending class actions on sovereign immunity grounds. The Court granted the LME's motion to dismiss in its entirety and dismissed all of the pending claims against it, on the ground that LME is an instrumentality of the government of the United Kingdom, and was engaged in regulatory functions when it adopted its load-out rule. The Court denied plaintiffs the ability to replead the claims against LME.

The Court has not ruled upon the motions to dismiss that HKEx and LMEH have filed, and they currently remain defendants in the aluminium warehousing litigation. HKEx management continues to believe that the allegations against LMEH and HKEx are without merit and will continue to contest them vigorously.

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

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

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Hong Kong, 27 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.