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香港交易及結算所有限公司
HONG KONG EXCHANGES AND CLEARING LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 388)

Legal proceedings involving subsidiaries

The London Metal Exchange (“LME”) and LME Clear Limited (“LME Clear”), wholly-owned subsidiaries of Hong Kong Exchanges and Clearing Limited (“HKEX” or the “Company”), have been named as defendants in a judicial review claim commenced by Jane Street Global Trading, LLC (the “Claimant”), which was filed in the English High Court and served on the LME and LME Clear on 6 June 2022.

As explained in LME Notice 22/057 published on 10 March 2022, during 7 March 2022 (UK time), significant upward price movements were observed in the nickel market. However, the LME considered that trading activity up to and including close of trading that evening had been orderly. In the early hours of 8 March 2022 (UK time) nickel prices then increased dramatically over a short period of time. After consultation with LME Clear, the LME took the decision to suspend trading in all nickel contracts with effect from 08:15 UK time and to cancel all trades executed on or after 00:00 UK time on 8 March 2022. This decision to suspend trading was taken because the nickel market had become disorderly. Cancellations were made retrospectively to take the market back to the last point in time at which the LME could be confident that the market was operating in an orderly manner. It should be stressed that the LME always acted in the interests of the market as a whole. LME nickel trading later resumed on 16 March 2022 on all LME execution venues.

The claim seeks to challenge the LME’s decision to cancel the Claimant’s alleged trades in nickel contracts executed on or after 00:00 UK time on 8 March 2022. The Claimant has alleged that this was unlawful on public law grounds and/or constituted a violation of the Claimant’s human rights. The amount claimed by the Claimant is approximately US\$15.34 million. The LME management is of the view that the claim is without merit and the LME will contest it vigorously.

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

The Company will update shareholders and investors on any further developments in compliance with Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

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
David Fu
Group Company Secretary

Hong Kong, 7 June 2022

As at the date of this announcement, HKEX's Board of Directors comprises 12 Independent Non-executive Directors, namely Mrs Laura May-Lung CHA (Chairman), Mr Nicholas Charles ALLEN, Mr Apurv BAGRI, Mr CHEAH Cheng Hye, Ms CHEUNG Ming Ming, Anna, Mrs CHOW WOO Mo Fong, Susan, Mr Rafael GIL-TIENDA, Mr HUNG Pi Cheng, Benjamin, Ms LEUNG Nisa Bernice Wing-Yu, Mr LEUNG Pak Hon, Hugo, Mr YIU Kin Wah, Stephen and Mr ZHANG Yichen, and one Executive Director, Mr Alejandro Nicolas AGUZIN, who is also the Chief Executive of HKEX.