



HKMEX

PRESS RELEASE

HKMEX Voluntarily Surrenders Authorisation To Provide Automated Trading Services

HONG KONG, 18 May, 2013 – The Hong Kong Mercantile Exchange (HKMEX) announces today it has decided to voluntarily surrender the authorisation to provide automated trading services (“ATS”) granted by the Securities and Futures Commission (“the SFC”).

With immediate effect, no new orders may be placed and all open positions will be financially settled at the settlement price determined by HKMEX and its designated clearinghouse.

The voluntary surrender decision was made to enable the Exchange to re-align its strategy with the new industry environment since its trading revenues have not been sufficient to support operating expenses and, as a result, its inability to meet the required regulatory financial conditions.

While trading on the Exchange will discontinue, HKMEX as an organisation will continue to operate with its existing staff, and will focus on developing new products including renminbi-denominated precious and base metals contracts that will better meet customer needs. It also intends to re-apply at an appropriate time for an ATS authorization to launch these products with stronger and more effective market maker programs.

“The favourable conditions under which HKMEX was founded have not changed. Global commodity demand continues to shift towards Asia as the region undergoes sustained growth, presenting great opportunities that we will continue to exploit,” said Barry Cheung, Chairman of HKMEX. “Our priorities now are to protect members’ interests by ensuring effective closing of open positions while strengthening our shareholding base and developing new products that play to our distinctive strengths.”

In closing out the open positions, the Exchange has developed a plan in consultation with the SFC to ensure the process is orderly and that investors are well informed of the matter. The Exchange will disseminate settlement prices to its members the morning of next Monday, 20 May 2013. Investors may contact the Exchange’s hotline at +852 3900 9898 for any assistance or enquiry.

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