

**HONG KONG EXCHANGES AND CLEARING LIMITED**  
**(“HKEX” or “Company”)**  
**CONTINUOUS DISCLOSURE AND COMMUNICATION POLICY**

**1.0 Purpose**

**1.1** The purpose of the Continuous Disclosure and Communication Policy (“Policy”) is to provide guiding principles, practices and procedures to assist employees of HKEX and its subsidiaries (“Group”) in (a) relaying Inside Information as defined in paragraph 2.2 below (“Inside Information”) to the HKEX Board (“Board”) to enable it to make timely decisions on disclosure, if necessary, and (b) communicating with the Group’s stakeholders, in ways which are in strict compliance with the Securities and Futures Ordinance (“SFO”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), and best practices.

**2.0 Inside Information**

**2.1** Under Part XIVA of the SFO, a listed corporation must as soon as reasonably practicable after any Inside Information has come to its knowledge, disclose the information to the public. If a listed corporation breaches a disclosure requirement, each of its officers could be held personally responsible if his/her intentional, reckless or negligent conduct has led to the breach, or if he/she failed to take all reasonable measures to prevent such a breach.

**2.2** Section 307A(1) of the SFO states that “Inside Information” is specific information:

- (a) about a listed corporation, the corporation’s shareholder or officer, or the corporation’s listed securities or their derivatives, and
- (b) that is not generally known to the persons who are accustomed or would be likely to deal in the corporation’s listed securities but would, if generally known to them be likely to materially affect the price of the listed securities.

**2.3** As far as HKEX is concerned, Inside Information refers to any specific information about the Group, including without limitation information relating to any changes in HKEX’s directors, auditors and senior executives and any changes in the Group’s corporate structure, capital structure, financial results, business and operations, as well as any substantial legal disputes and corporate actions of the Group, that is NOT generally known to that segment of the market which deals or which would likely deal in HKEX’s securities, and such information would, if so known be likely to have a material effect on HKEX’s share price.

**2.4** SFO provides the following safe harbours under which a listed corporation is not required publicly to disclose otherwise discloseable Inside Information.

- (a) If the disclosure is prohibited under, or would constitute a breach of a court order or an enactment.
- (b) If the information concerns an incomplete proposal or negotiation.
- (c) If the information is a trade secret.
- (d) If the information relates to the provision of liquidity support from the Exchange

Fund, or an institution which performs the functions of a central bank to the listed corporation/its group companies.

- (e) If a specific waiver is granted by the Securities and Futures Commission (“SFC”) as it is satisfied that the disclosure would contravene foreign legislation/a foreign court order/a restriction imposed by a foreign law enforcement agency or a foreign government authority.

However, safe harbours (b) to (e) above are available only if the listed corporation has taken reasonable precautions to preserve the confidentiality of the Inside Information and confidentiality is in fact preserved.

- 2.5** Any breach of the statutory disclosure obligation would expose the listed corporation and/or its officer(s) to the risk of civil sanctions, including a regulatory fine not exceeding HK\$8 million.
- 2.6** The Listing Rules require that an issuer and its directors must maintain strict confidentiality of Inside Information until it is announced, and must ensure that the strictest security of the information is observed within the issuer and its advisers. Where an issuer is required to disclose Inside Information under the SFO, it must also simultaneously announce the information in accordance with the Listing Rules, failing which, the issuer must, as soon as reasonably practicable, apply for a trading halt.

### **3.0 HKEX’s Commitment**

**3.1** HKEX is committed to:

- 3.1.1 complying with the disclosure requirements, as set out in the applicable laws and rules, and prevailing best practices;
- 3.1.2 preventing inadvertent or selective disclosure of Inside Information and/or potential Inside Information; and
- 3.1.3 ensuring shareholders and the public being provided with full, accurate and timely information about the Group’s activities and its financial condition.

### **4.0 Roles and Responsibilities**

**4.1** The parties responsible for administering the Policy are:

- (a) **the Board** is responsible for approving the Policy, and any revision thereof. The Board decides whether or not a transaction, development or event constitutes Inside Information, whether disclosure shall be made immediately or may be temporarily delayed under statutory exemptions, and when a trading halt is required. HKEX’s Chairman shall be the authorised spokesperson for the Board and HKEX unless resolved otherwise by the Board.
- (b) **HKEX’s Chief Executive (“CE”)** is responsible for assessing materiality and advising the Board on whether or not a transaction, development or event constitutes Inside Information. The CE shall be the authorised spokesperson for HKEX unless resolved otherwise by the Board.

- (c) the following persons shall provide a critical insight into the likely operational performance of the Group – (i) **HKEX’s Co-Chief Operating Officers (“Co-COOs”)**; (ii) **HKEX’s Co-Heads of Markets**; (iii) **the Chief Executive of The London Metal Exchange (“LME”)**; (iv) **the Chief Executive of LME Clear Limited (“LME Clear”)**; (v) **the General Manager of Qianhai Mercantile Exchange Co., Ltd. (“QME”)**, and (vi) **the General Manager of BayConnect Technology Company Limited (“BayConnect”)**, or any of their delegates during their absence. Failing the CE, the above persons shall be the authorised spokespersons for HKEX as regards their respective areas of operation unless resolved otherwise by the Board.
- (d) **Group Chief Financial Officer (“GCFO”)** is responsible for establishing and maintaining the financial reporting framework and procedures to ensure a structured flow of financial and operational data required for appraising the Group’s financial position, and monitoring any material changes in the Group’s financial performance which are required to be brought promptly to the Board’s and/or the CE’s attention. The GCFO shall be the authorised spokesperson for the Group in respect of its financial information (including communicating with analysts and investors) unless resolved otherwise by the Board.
- (e) **HKEX’s Co-COOs and Group Chief Communications Officer** are the authorised spokespersons for HKEX to communicate with the media and are responsible for ensuring that there is balanced and timely disclosure of the relevant information to them. They shall coordinate closely with HKEX’s Group Company Secretary in the release of Inside Information.
- (f) **HKEX’s Group Company Secretary** is the authorised spokesperson for HKEX to communicate with the regulators in respect of matters related to HKEX as a listed issuer and is responsible for ensuring that there is full, accurate and timely release of Inside Information in accordance with the disclosure requirements. HKEX’s Group Company Secretary is also responsible for conducting periodic reviews of the Policy and making recommendations on amendments thereto, if necessary, in order to ensure strict compliance with the changing regulatory requirements.
- (g) **HKEX’s Group General Counsel** is responsible for advising the CE and the Board in assessing materiality, and whether or not a transaction, development or event constitutes Inside Information, whether disclosure shall be made immediately or may be temporarily delayed under statutory exemptions, and when a trading halt is required.
- (h) **HKEX’s Co-COOs, HKEX’s Division/Department Heads, the LME’s Chief Executive, LME Clear’s Chief Executive, the QME’s General Manager and BayConnect’s General Manager** are responsible for establishing effective systems, controls, and procedures within their Divisions/Departments/the LME/LME Clear/QME/BayConnect as appropriate to (i) enable them to monitor continuously any changes in their respective areas of operation that would result in potential Inside Information which is required to be brought to the attention of the CE in a timely manner, and (ii) ensure that there are proper safeguards to preserve the confidentiality of any unpublished or potential Inside Information. They are the authorised spokespersons for HKEX, the LME, LME Clear, QME and BayConnect to communicate with its stakeholders in respect of their respective areas of operations.

## **5.0 Materiality Guidelines**

**5.1** The Materiality Guidelines serve to assist employees in identifying potential Inside Information which shall be escalated and reported to the relevant senior executives for them to assess whether or not the relevant information constitutes Inside Information. It is important to note that the examples of material information given in the Guidelines are not exhaustive, and employees shall exercise their own judgment in determining materiality. The overriding principle is that information which is expected to be Inside Information shall be escalated to senior executives immediately.

## **6.0 Reporting and Dissemination of Material Information**

### **6.1 Regular reports**

6.1.1 Regular reports are prepared by employees for a variety of functional reasons, which help identify material information. The regular reports include:

- (a) monthly management reports, if any, provided by each of HKEX's Divisions/Departments and by the LME's/LME Clear's Chief Executive, the QME's/BayConnect's General Manager to the CE, which include updates and analyses of the ongoing development and performance of the projects and initiatives being undertaken;
- (b) monthly management accounts provided by the GCFO to the Board, which include variance analyses of the Group's financial and operational performance against the budget and the results of the corresponding period of the preceding year; and
- (c) monthly reports provided by the CE to the Board, which include a review of the Group's major events, projects and initiatives.

### **6.2 Events occur between regular reporting**

6.2.1 An employee who becomes aware of a matter, development or event that he/she considers it to be material or potentially Inside Information shall report it promptly to HKEX's Co-COOs and his/her Division/Department Head or the LME's/LME Clear's Chief Executive or the QME's/BayConnect's General Manager as appropriate who will, after consulting with HKEX's Group General Counsel, assess the sensitivity of the relevant information and, if considered appropriate, escalate and report it to the CE.

6.2.2 Upon being notified, the CE shall, together with all or any of the GCFO, HKEX's Co-COOs and the Group General Counsel of HKEX, assess the materiality of the relevant information, and determine the appropriate course of action:

- (i) if it is determined that the relevant information constitutes (or may constitute) Inside Information, then the CE shall consult HKEX's Chairman who may convene a Board meeting to consider and decide whether or not the information constitutes Inside Information and whether disclosure shall be made immediately or may be temporarily delayed under statutory exemptions; or

- (ii) if it is determined that the relevant information does not constitute Inside Information, then the Group General Counsel shall prepare a summary of the decision and update the Board as soon as practicable.

In the event of (ii) above, upon receiving such summary, to the extent the Board wishes to discuss or reconsider the decision, HKEX's Chairman shall convene a Board meeting and decide whether or not the information constitutes Inside Information and whether disclosure shall be made immediately or may be temporarily delayed under statutory exemptions.

- 6.2.3 When considering a disclosure, the Board shall decide on the scope of information to be released and the timing of the release. If the matter is being developed, such as, when negotiations are at a stage that makes it impossible to be more forthcoming, and more precise details could only be released at a later stage, the Board might decide issuing a "holding" announcement or simply issuing a "no comment" statement. HKEX's directors may seek independent professional advice, if and when appropriate, to ensure that HKEX can timely comply with the disclosure requirements.
- 6.2.4 If the GCFO becomes aware that the general market projections of the Group's financial performance are materially different from the in-house estimates, he/she shall promptly notify the Board of the differences, and the Board may consider, if and when appropriate, issuing a warning announcement.
- 6.2.5 If a matter, development or event, after assessment, is considered not Inside Information, the CE might consider, if and when appropriate, informing the market in order to facilitate stakeholders' understanding of the Group's ongoing developments. The information may be released in the form of news release, or as HKEX's Co-COO(s) or Group Chief Communications Officer considers appropriate, through other communication channels, such as corporate publications or presentations.

### **6.3 Accuracy and completeness of information**

- 6.3.1 According to Rule 2.13(2) of the Listing Rules, the information to be disclosed must be accurate and complete in all material aspects and not be misleading or deceptive. HKEX's Group Company Secretary who is responsible for ensuring compliance with the disclosure requirements, and HKEX's Co-COOs and Group Chief Communications Officer who are responsible for keeping the public informed through news releases, shall both take reasonable steps to verify the accuracy and completeness of the relevant information before it is publicly disclosed.
- 6.3.2 Heads of the relevant HKEX's Divisions/Departments or LME's/LME Clear's Company Secretary where the to-be disclosed matter, development or event is identified and/or is being handled shall be responsible for (a) providing HKEX's Group Company Secretary, Co-COOs and Group Chief Communications Officer with the precise details to enable them to prepare the related announcement or news release, if necessary, and (b) confirming the accuracy and completeness of the information before it is publicly disclosed.

## **6.4 Delegation of authority to the CE**

6.4.1 There may be circumstances that HKEX is facing an unexpected and significant event, such as, unusual price and/or trading movements in HKEX's securities, or market rumour which requires immediate clarification in order to avoid development of a false market in its securities, or inadvertent dissemination of Inside Information. As there will be no excuse for delaying an announcement due to the Board not being able to convene a meeting physically or HKEX's Chairman not being contactable, the CE, under such circumstances, is empowered to take appropriate actions to ensure compliance with the disclosure requirements, including but not limited to issuing a "clarification" or "holding" announcement, and making a request to the SFC for a trading halt pending publication of an announcement.

## **6.5 Delay of disclosure**

6.5.1 In the case where the Board decided that the Inside Information shall temporarily be withheld from the public for legitimate business purposes (for example, if release of the information would prejudice negotiations in a corporate transaction) and that this falls within an exemption provided for under Part XIVA of the SFO, such a decision shall be documented by HKEX's Group Company Secretary who shall:

- (a) describe the matter in question;
- (b) include a statement as to the materiality of the matter; and
- (c) set out the reasons for delaying the disclosure.

6.5.2 Where HKEX relies on the conditional relief available under the SFO to temporarily delay disclosure of Inside Information, HKEX must ensure that the strictest confidentiality is maintained. Under such circumstances, access to the withheld Inside Information shall be restricted, as far as practicable, to the highest level of management and on a need-to-know basis. The responsible senior executive shall (a) maintain a list of personnel who have access to the withheld Inside Information, and (b) closely monitor and regularly report to the CE on the development or progress of the relevant matter with a copy to HKEX's Group Company Secretary, Co-COOs and Group Chief Communications Officer. HKEX's Group Company Secretary shall, during the period before the withheld Inside Information is disclosed, closely monitor the activity of HKEX's securities, and prepare a "holding" announcement to be released when there is growing rumour of the undisclosed information whilst HKEX's Co-COOs and Group Chief Communications Officer shall closely monitor market response and issue a news release, if necessary. In the case if the withheld Inside Information is or is likely leaked, the procedures as set out in paragraph 10.1 below shall be closely observed.

6.5.3 An announcement of the withheld Inside Information shall be published without further delay once the matter, development or event has been concluded and finalised.

## **7.0 Maintaining Confidentiality and Dealing Restrictions**

### **7.1 Directors and employees of the Group**

7.1.1 Directors and employees who possess unpublished Inside Information must:

- (a) refrain from discussing that information with, or divulging that information to, any persons who are not authorised by the Board to receive that information; and
- (b) ensure that any documents or other written materials in his/her possession in relation to that information are properly and securely stored and are not disclosed to any unauthorised persons.

7.1.2 Directors and employees must not deal in HKEX's securities when they are in possession of unpublished Inside Information. Details of dealing restrictions imposed on directors and employees are respectively set out in the Director's Handbook under the "Restrictions on Securities Dealings" and the Group Personal Account Dealing Policy.

### **7.2 External parties**

7.2.1 Any external parties who may become privy to unpublished Inside Information shall be informed that they must not divulge such information to any unauthorised persons, other than in the normal course of business, without HKEX's prior written consent. Unless an obligation of confidentiality is implicit in the relationship with an external party, such parties who have access to unpublished Inside Information shall (a) confirm their commitment to non-disclosure of the received information in the form of a written confidentiality agreement or in a standard clause within the contract signed with any entities within the Group; (b) undertake not to deal in HKEX's securities whilst they are in possession of the unpublished Inside Information until such information has been publicly disclosed; and (c) provide the relevant HKEX group company with a list of its personnel who, during the normal course of business, have access to the Inside Information.

## **8.0 Trading Halt**

8.1 The Board may, if and when appropriate, apply for a trading halt in order to maintain fair trading in HKEX's securities and to manage any disclosure issues before the Inside Information is publicly disclosed.

## **9.0 Communication Guidelines**

9.1 Whilst good and open relationship with the media, analysts and investors can often contribute to a well-informed market, selective disclosure of Inside Information before such information is publicly released must be avoided.

9.2 As a general principle, authorised spokespersons shall only explain information already in the public domain or discuss in general the markets in which the Group operates, and shall avoid giving answers which individually or cumulatively may provide unpublished or potential Inside Information to the receiving party.

**9.3** To reduce the risks of providing unpublished or potential Inside Information in meetings/briefings with the media/analysts/investors, the following procedures shall be closely observed:

- (a) authorised spokespersons shall seek clarification from the relevant parties, such as HKEX's Co-COOs, the responsible Division/Department Head, the LME's/LME Clear's Chief Executive and the QME's/BayConnect's General Manager, should there be any uncertainty to the extent and nature of information that they can disclose before attending an external interview or briefing in order to avoid any inadvertent disclosure of unpublished or potential Inside Information;
- (b) authorised spokesperson shall be accompanied by at least one representative from HKEX's Corporate Communications/Investor Relations during an external interview or briefing which includes discussions of the Group's financial performance;
- (c) discussions of the Group's financial performance in an external interview or briefing shall be recorded and kept for a reasonable period so that a reliable source of information is available in case of misreporting or when further clarification of information is needed; and
- (d) no interviews or briefings to discuss the financial performance of the Group shall be conducted during "black out" periods.

**9.4** HKEX's, the LME's, LME Clear's, QME's and BayConnect's comments on analysts' reports shall be limited to:

- (a) information that has been disclosed publicly; and
- (b) correction to factual errors or assumptions with reference to publicly available information.

**9.5** As a guiding principle, HKEX, the LME, LME Clear, QME and BayConnect shall give a "no comment" response to market speculation and rumours. HKEX may issue a "clarification" announcement to:

- (a) correct significant errors that have been circulating publicly, which lead to a widespread and serious misapprehension in the market; or
- (b) respond to a formal request for clarification from the SFC.

## **10.0 Inadvertent Dissemination of Inside Information**

**10.1** In the case of an inadvertent disclosure of Inside Information by any employees, the incident must be reported immediately to the CE, or to the LME's/LME Clear's Chief Executive or the QME's/BayConnect's General Manager who shall report immediately to the CE, with a copy to HKEX's Group Company Secretary, Co-COOs and Group Chief Communications Officer. The CE shall, under delegated authority, apply for a trading halt until an announcement of the Inside Information has been published. HKEX's



Group Company Secretary shall inform every director of HKEX of the incident and issue an announcement of the Inside Information as soon as practicable, and HKEX's Co-COO(s) or Group Chief Communications Officer shall arrange to issue a news release simultaneously.

## **11.0 The HKEX's Websites**

**11.1** To enable stakeholders to appraise the position of the HKEX group, the following information of HKEX shall be made available on the Group's and/or HKEX's website(s) by the responsible parties:

- (a) all regulatory announcements;
- (b) financial statements and financial results announcements;
- (c) news releases;
- (d) fact books and other corporate publications; and
- (e) HKEX's profile and contact details.

**11.2** The Group's and/or HKEX's website(s) shall not reproduce or link to any analysts' reports.

**11.3** Publications on the HKEX Group Intranet shall not include unpublished or potential Inside Information.

## **12.0 Review of the Policy**

**12.1** The Policy shall be reviewed periodically by HKEX's Group Company Secretary who will make recommendations to the Board for consideration and approval should any substantive amendments have to be made to the Policy or proceed to make any non-substantive amendments due to changes in job titles under the authority delegated by the Board.

## **13.0 Queries**

**13.1** If, at any time, directors or employees of the Group have any queries regarding their reporting obligations, they shall contact HKEX's Group Company Secretary or the LME's/LME Clear's Company Secretary as appropriate immediately.

June 2022