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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)

### **Scrip Dividend Scheme in relation to the Second Interim Dividend for the year ended 31 December 2019 Calculation of Market Value**

On 26 February 2020, the Board declared a Second Interim Dividend which will be payable in cash with a scrip alternative to the Shareholders whose names appeared on HKEX's register of members on the Record Date. Pursuant to the Scrip Dividend Scheme and subject to the terms set out in the Circular, the eligible Shareholders have the right to elect to receive the Second Interim Dividend wholly or partly in New Shares instead of in cash.

In addition, the eligible Shareholders have the right to choose to receive new Shares instead of cash for all future dividends to be paid by HKEX for which a scrip alternative is available, until they revoke such election by notice in writing to the Share Registrar.

The Market Value for the issue of each New Share is equivalent to 97% of the average closing price per Share as quoted on the Stock Exchange for the five (5) consecutive trading days starting from 20 March until 26 March 2020 (both dates inclusive). On this basis, the average closing price is now determined to be HK\$223.4, and therefore the Market Value for the calculation of the scrip entitlement is HK\$216.698.

The number of New Shares which an eligible Shareholder electing a scrip alternative will receive in respect of the Second Interim Dividend that he/she is entitled will be calculated as follows:

$$\begin{array}{l} \text{Number of} \\ \text{New Shares} \\ \text{to be received} \\ \text{(rounded down to the} \\ \text{nearest whole} \\ \text{number)} \end{array} = \begin{array}{l} \text{Number of registered} \\ \text{Shares held on} \\ \text{Record Date for} \\ \text{which election for} \\ \text{New Shares is made} \end{array} \times \frac{\text{Second Interim Dividend} \\ \text{per Share (HK\$2.99)}}{\text{Market Value per New Share} \\ \text{(HK\$216.698)}}$$

Fractional entitlements to the New Shares will not be issued, and any residual dividend entitlement will be paid in cash (rounded down to the nearest cent) to the relevant Shareholders.

Based on 1,261,201,319 Shares in issue on the Record Date, if all Shareholders choose to receive the Second Interim Dividend in the form of New Shares instead of cash, HKEX will issue approximately 17,402,061 New Shares, representing approximately 1.38% of the total Shares in issue (1,261,201,319 Shares) as at the date of this announcement.

**No action is required by the following Shareholders:**

- (A) Shareholders who have not made a Permanent Election and wish to receive the Second Interim Dividend in cash only; and**
- (B) Shareholders who have made a Permanent Election and wish to receive the Second Interim Dividend in New Shares only.**

Shareholders who have not made a Permanent Election and wish to receive their Second Interim Dividend wholly or partly in New Shares instead of in cash and, where applicable, to make a Permanent Election should complete the Election Form. Shareholders who have previously made a Permanent Election and wish to receive their Second Interim Dividend wholly or partly in cash should complete the Revocation Notice. The completed Election Form or Revocation Notice (as the case may be) should be returned to the Share Registrar as soon as possible so as to enable it to be received before the Closing Time. Late submissions of the Election Form or the Revocation Notice will not be accepted.

Shareholders who are not eligible to receive the Second Interim Dividend in New Shares under the provisions of the Scrip Dividend Scheme should not complete the Election Form and, if they do so, such Election Form will be voided and have no effect.

The Closing Time will be extended, as the case may be, in accordance with (a) or (b) below if Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or “extreme conditions after super typhoons” announced by the Government is/are in force in Hong Kong:

- (a) at any time before 12:00 noon and no longer in force after 12:00 noon on Monday, 6 April 2020. In such a case, the closing time for the return of the Election Form and Revocation Notice will be extended to 5:00 pm on the same business day; or
- (b) at any time between 12:00 noon and 4:30 pm on Monday, 6 April 2020. In such a case, the closing time for the return of the Election Form and Revocation Notice will be extended to 4:30 pm on the next business day (excluding Saturday) where none of the above signals is hoisted or in force at any time between 9:00 am and 4:30 pm.

HKEX has applied to the SFC for the listing of, and permission to deal in, the New Shares. It is expected that the dividend warrants and/or, subject to the SFC’s approval of the above application, definitive certificates for the New Shares will be despatched by ordinary mail to the respective Shareholders concerned at their own risk on Wednesday, 15 April 2020. The New Shares will, on issue, rank equally in all other respects with the existing Shares save that they will not be eligible for the Second Interim Dividend.

Subject to the proper receipt of definitive certificates for the New Shares by the relevant Shareholders, dealings in the New Shares on the Stock Exchange are expected to commence on Wednesday, 15 April 2020.

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

|                 |   |
|-----------------|---|
| “Board”         | HKEX’s board of directors;  |
| “Circular”      | the circular to the Shareholders dated 20 March 2020 about the Scrip Dividend Scheme in relation to the Second Interim Dividend;  |
| “Closing Time”  | the closing time for the return of the completed Election Form or Revocation Notice (as the case may be) to the Share Registrar, being 4:30 pm on Monday, 6 April 2020;                                 |
| “Election Form” | the form of election for use by the Shareholders who wish to receive the Second Interim Dividend wholly or partly in New Shares instead of in cash and, where applicable, to make a Permanent Election; |

|                           |   |
|---------------------------|---|
| “Government”              | The Government of the Hong Kong Special Administrative Region of the People’s Republic of China;  |
| “HKEX”                    | Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange;                                      |
| “Hong Kong”               | Hong Kong Special Administrative Region of the People’s Republic of China;  |
| “Market Value”            | the price for converting cash dividend to scrip under the Scrip Dividend Scheme;  |
| “New Share(s)”            | new fully paid Share(s) to be issued under the Scrip Dividend Scheme;   |
| “Permanent Election”      | election made by a Shareholder to receive new Shares instead of cash for all future dividends to be paid by HKEX with scrip alternative;  |
| “Record Date”             | Monday, 16 March 2020, being the date for determining Shareholders’ respective entitlements to the Second Interim Dividend;   |
| “Revocation Notice”       | the form of revocation for use by Shareholders who have previously made a Permanent Election but wish to revoke the Permanent Election and to receive the Second Interim Dividend wholly or partly in cash; |
| “Scrip Dividend Scheme”   | the scheme under which the eligible Shareholders may elect to receive the Second Interim Dividend wholly or partly in New Shares instead of in cash;  |
| “Second Interim Dividend” | the second interim dividend of HK\$2.99 per Share for the year ended 31 December 2019 payable to Shareholders whose names appeared on the HKEX’s register of members on the Record Date;                    |
| “SFC”                     | Securities and Futures Commission;  |
| “Share(s)”                | share(s) of HKEX;   |
| “Share Registrar”         | Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong;  |
| “Shareholder(s)”          | holder(s) of the Shares;  |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of HKEX, being a recognized exchange company under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and      |
| “%”                       | per cent.   |

By Order of the Board  
**Hong Kong Exchanges and Clearing Limited**  
**Joseph Mau**  
Group Company Secretary

Hong Kong, 26 March 2020

As at the date of this announcement, the Board comprises 11 Independent Non-executive Directors, namely Mrs Laura May-Lung CHA (Chairman), Mr Apurv BAGRI, Mr CHAN Tze Ching, Ignatius, Mr CHEAH Cheng Hye, Ms FUNG Yuen Mei, Anita, Mr Rafael GIL-TIENDA, Dr HU Zuli, Fred, Mr HUNG Pi Cheng, Benjamin, Mr LEUNG Pak Hon, Hugo, Mr John Mackay McCulloch WILLIAMSON and Mr YIU Kin Wah, Stephen, and one Executive Director, Mr LI Xiaojia, Charles, who is also the Chief Executive of HKEX.