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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)

**Scrip Dividend Scheme in relation to
the Final Dividend for the year ended 31 December 2011
Calculation of Market Value**

At HKEx's annual general meeting held on 23 April 2012, Shareholders approved the payment of the Final Dividend, as recommended by the Board, to Shareholders whose names appeared on HKEx's register of members on the Record Date. The Final Dividend will be payable in cash with a scrip alternative under which eligible Shareholders may elect to receive the Final Dividend wholly or partly in the form of New Shares instead of in cash.

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

For the purpose of calculating the number of New Shares to be allotted, the Market Value for each New Share is the average closing price of one Share as quoted on the Stock Exchange for the five (5) consecutive trading days during the period between Wednesday, 25 April 2012 (being the first day that the Shares were traded ex-dividend) and Wednesday, 2 May 2012 (both dates inclusive), which is HK\$124.46.

The number of New Shares which a Shareholder will receive in respect of the Final Dividend will be calculated as follows:

$$\begin{array}{l} \text{Number of} \\ \text{New Shares to} \\ \text{be received} \\ \text{(rounded down to the} \\ \text{nearest whole number)} \end{array} = \begin{array}{l} \text{Number of existing Shares} \\ \text{held on Record Date for} \\ \text{which election for} \\ \text{New Shares is made} \end{array} \times \frac{\begin{array}{l} \text{Final Dividend per Share} \\ \text{(HK\$2.09)} \end{array}}{\begin{array}{l} \text{Market Value per New Share} \\ \text{(HK\$124.46)} \end{array}}$$

Fractional entitlements to the New Shares will not be issued and the residual dividend entitlement will be paid in cash to the relevant Shareholders.

A circular containing details of the Scrip Dividend Scheme and an Election Form or a Revocation Notice (as the case may be) will be despatched to Shareholders on or about Monday, 7 May 2012.

No action is required by the following Shareholders:

- (A) Shareholders with no Permanent Election and wish to receive the Final Dividend in cash only; and**
- (B) Shareholders made the Permanent Election and do not intend to revoke it for receiving the Final Dividend in cash.**

Shareholders with no Permanent Election and wish to receive their Final Dividend wholly or partly in New Shares instead of in cash and/or make a Permanent Election should complete the Election Form. Shareholders who have previously made the Permanent Election and wish to receive their Final 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 as soon as possible so as to enable it to be received by the Share Registrar before the Closing Time. Late submission will not be accepted.

Shareholders who are not eligible to receive the Final Dividend wholly or partly 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 of no effect.

The Closing Time will be extended, as the case may be, in accordance with (a) or (b) below if there is a Typhoon Signal No. 8 or above, or a “black” rainstorm warning:

- (a) in force in Hong Kong at any time before 12:00 noon on Tuesday, 22 May 2012. 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) in force in Hong Kong at any time between 12:00 noon and 4:30 pm on Tuesday, 22 May 2012. 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 where none of the above warnings is 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 New Shares will be despatched by ordinary mail to the respective Shareholders concerned at their own risk on or about Tuesday, 29 May 2012. The New Shares will, on issue, rank equally in all other respects with the existing Shares save that they will not rank for the Final Dividend. Subject to the proper receipt of definitive certificates for New Shares by the relevant Shareholders, dealings in the New Shares on the Stock Exchange are expected to commence on or about Tuesday, 29 May 2012.

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

“Board”	HKEx’s board of directors;
“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 is 4:30 pm on Tuesday, 22 May 2012;
“Election Form”	the form of election for use by Shareholders who wish to receive the Final Dividend wholly or partly in New Shares instead of in cash and/or make a Permanent Election;
“Final Dividend”	the final dividend of HK\$2.09 per Share for the year ended 31 December 2011 payable to Shareholders whose names appeared on HKEx’s register of members on the Record Date;
“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 conversion price of the cash dividend to scrip dividend 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 in respect of all future dividends to be paid by HKEx for which a scrip alternative is available for such Shareholder’s entire registered holding of Shares held on the relevant record dates;
“Record Date”	Monday, 30 April 2012, being the date for determining Shareholders’ entitlement to the Final Dividend;
“Revocation Notice”	the form of revocation for use by Shareholders who have previously made the Permanent Election but wish to receive the Final Dividend wholly or partly in cash;
“Scrip Dividend Scheme”	the scheme under which eligible Shareholders may elect to receive the Final Dividend wholly or partly by the allotment of New Shares instead of in cash;
“SFC”	Securities and Futures Commission;
“Share(s)”	share(s) of HK\$1.00 each in the capital of HKEx;
“Share Registrar”	Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;
“Shareholder(s)”	holder(s) of Shares; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 2 May 2012

As at the date of this announcement, the Board comprises 12 Independent Non-executive Directors, namely Sir Chung Kong CHOW (Chairman), Mr Ronald Joseph ARCULLI, 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, 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.