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**THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this supplemental circular or as to the action to be taken, you should consult an exchange participant or other licensed securities dealer, a bank manager, solicitor, professional accountant or other professional advisor.

**If you have sold or transferred** all your shares in Hong Kong Exchanges and Clearing Limited, you should at once hand this supplemental circular and the accompanying proxy form to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Pursuant to Chapter 38 of the Listing Rules, the Securities and Futures Commission regulates Hong Kong Exchanges and Clearing Limited in relation to the listing of its shares on The Stock Exchange of Hong Kong Limited. The Securities and Futures Commission takes no responsibility for the contents of this supplemental circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this supplemental circular.

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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)*

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR  
TO SHAREHOLDERS DATED 18 MARCH 2003  
IN RESPECT OF MATTERS RELATING TO THE  
APPOINTMENT OF DIRECTORS  
AT THE 2003 ANNUAL GENERAL MEETING**

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This supplemental circular should be read together with the Circular to Shareholders dated 18 March 2003. The Notice of Annual General Meeting of Hong Kong Exchanges and Clearing Limited to be held at the Trading Hall of the Stock Exchange at 1st Floor, One and Two Exchange Square, Central, Hong Kong on Tuesday, 15 April 2003 at 4:30 p.m. is set out on pages 118 to 128 of the Annual Report 2002 sent to Shareholders on 22 March 2003. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed new proxy form in accordance with the instructions printed thereon to the Company's registrar, Hong Kong Registrars Limited at Rooms 1901-5, 19/F, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the new proxy form shall not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting should you so wish.

8 April 2003

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## DEFINITIONS

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*In this supplemental circular, the following expressions have the following meanings unless the context otherwise requires:*

“AGM”	the annual general meeting of HKEx to be held at the Trading Hall of the Stock Exchange at 1st Floor, One and Two Exchange Square, Central, Hong Kong on Tuesday, 15 April 2003 at 4:30 p.m., notice of which is set out on pages 118 to 128 of the Annual Report 2002 sent together with the Circular or, where the context so admits, any adjournment thereof;
“Articles of Association”	the articles of association of HKEx, as originally adopted, or as from time to time altered in accordance with the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Circular”	the circular to Shareholders dated 18 March 2003 in respect of matters relating to: (i) the appointment of Directors at the AGM; (ii) the grant of general mandates to the Directors to issue Shares and to repurchase Shares; (iii) the payment of remuneration to non-executive Directors; and (iv) amendments to the Memorandum and Articles of Association of HKEx;
“Company” or “HKEx”	Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability;
“Directors”	the directors of HKEx;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Shareholders”	holders of Shares;
“Shares”	shares of HK\$1.00 each in the share capital of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.



## **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)*

8 April 2003

*To the Shareholders*

Dear Sir or Madam,

### **APPOINTMENT OF DIRECTORS AT THE 2003 ANNUAL GENERAL MEETING**

#### **1. INTRODUCTION**

This supplemental circular should be read together with the Circular which contains information on, *inter alia*, the appointment of Directors at the AGM. In particular, Shareholders' attention is drawn to section 2 of the letter from the board of Directors and Appendix I of the Circular. The purpose of this supplemental circular is to give you further information relating to the appointment of Directors at the AGM.

#### **2. APPOINTMENT OF DIRECTORS**

Subsequent to the despatch of the Circular, the Company Secretary has received from Shareholders notifications of their intention to propose resolutions for the appointment of the following persons as Directors at the AGM pursuant to Article 90(2)(b) of the Articles of Association:

1. Mr Chan, Henry
2. Mr Lam Kin Hing, Kenneth
3. Mr Parker, David Charles

The biographies of the proposed candidates supplied by the relevant Shareholders to the Company are set out in the Appendix of this supplemental circular for Shareholders' information.

The deadline for Shareholders to give notice of any intention to propose a resolution pursuant to Article 90(2)(b) expired on 7 April 2003. Including Mr Chan, Mr Lam and Mr Parker, there are a total of 11 candidates standing for election as Directors at the AGM. Shareholders may, if thought fit, appoint up to six candidates as shareholder elected Directors at the AGM in accordance with Article 90(1) of the Articles of Association. In order to select which six candidates will be elected Directors, the resolutions to be proposed at the AGM will contain a method of determining support for a candidate, all as set out in the Circular. Shareholders are advised to read this supplemental circular together with the Circular for complete information of all candidates and the voting arrangements.

### **3. SECOND PROXY FORM**

As a result of the additional proposed resolutions received from Shareholders subsequent to the despatch of the Circular, the proxy form sent together with the Circular and Annual Report 2002 of the Company (“First Proxy Form”) does not contain the proposed resolutions for the appointment of the additional candidates set out in this supplemental circular. In this connection, a new proxy form (“Second Proxy Form”) has been prepared and is enclosed with this supplemental circular.

You are requested to complete the Second Proxy Form in accordance with the instructions printed thereon and return it to the office of the Company’s registrar, Hong Kong Registrars Limited, at Rooms 1901-5, 19/F, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM, i.e., 4:30 p.m. on Sunday, 13 April 2003 (“Closing Time”). Special arrangements about the Second Proxy Form are also set out in the Appendix of this supplemental circular. Shareholders who have appointed or intend to appoint proxies to attend the AGM are requested to pay particular attention to the special arrangements set out therein.

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

**ADDITIONAL CANDIDATES**

The candidates proposed by Shareholders in accordance with Article 90(2)(b) of the Articles of Association subsequent to the despatch of the Circular, together with the biographies of those candidates provided by the Shareholders concerned, are set out below in alphabetical order. Shareholders should note that the Securities and Futures Commission ("SFC") has informed the Company that it had, in October 2002, successfully prosecuted Mr Lam Kin Hing, Kenneth for contravening the Securities (Disclosure of Interests) Ordinance. Mr Lam had failed to report his interest in Quam Limited within the specified timeframe, and was fined HK\$10,000 plus costs of HK\$12,504 to the SFC. For details, shareholders are referred to the SFC's press release dated 22 October 2002 which can be found on the SFC's website ([www.hksfc.org.hk/eng/press\\_releases/html](http://www.hksfc.org.hk/eng/press_releases/html)).

**Mr CHAN, Henry**, aged 37, is the Executive Director of Sanfull Securities Limited and a Vice-Chairman of the Hong Kong Stockbrokers Association. He is a non-executive Director of Hengan International Group Company Limited and Stockmartnet Holdings Limited. Mr Chan was a former member of the Council of the Stock Exchange (1994 to 2000), a former director of Hong Kong Securities Clearing Company Limited (1996 to 2000) and a former member of the Investor Education Advisory Committee of the SFC (2001 to 2002). Mr Chan has been a member of the Listing Committee of the Stock Exchange since 1997. He has been appointed as a member of the Clearing Consultative Panel of the HKEx since 2000 and has also been appointed as an assessor for the Hong Kong Securities Institute since 2002. Mr Chan holds a Bachelor degree in Arts and Social Sciences and a Master Degree in Business Administration. He has about 17 years of experience in the securities industry.

**Mr LAM Kin Hing, Kenneth**, aged 49, is a director and deputy Chairman of Quam Limited, a public listed company on The Stock Exchange of Hong Kong Limited, since September 2001. He is managing director of Quam Capital (Holdings) Limited group of companies which has business operations in securities and futures broking, asset management, money lending and corporate finance. Mr Lam is a licensed securities dealer, futures dealer, securities adviser and futures adviser (all under the transitional arrangements pursuant to the Securities and Futures Ordinance), and is a responsible officer of Quam Securities Company Limited and Quam Futures Limited. He graduated with a bachelor degree from the University of Western Ontario, Canada in 1976 and further completed a master's degree in business administration from the Chinese University of Hong Kong in 1983. Mr Lam is a non executive director of Chinney Alliance Group Limited, a public listed company on The Stock Exchange of Hong Kong Limited. He is also a director of a public listed company on the Stock Exchange of Thailand, involved in securities dealing. Mr Lam has previously worked for a Dutch international bank as the head of its PRC and corporate banking operations. Mr Lam has over 20 years of experience in banking, financial services, corporate finance and investment advisory services. Mr Lam is the current deputy Chairman of the Institute of Securities Dealer Limited. He is also a member of the Hong Kong Stockbrokers Association and a member of the Hong Kong Securities Institute.

**Mr PARKER David Charles**, aged 49, is the Group Chief Operating Officer of Sun Hung Kai & Co. Limited (“SHK”), a listed issuer, and parent company of trading participants of both the Stock Exchange and Hong Kong Futures Exchange Limited. He is a Director of numerous subsidiary and associated companies of SHK and is the Corporate Nominee of SHK’s subsidiary on the Philippine Stock Exchange Inc. His private company commenced consulting to SHK in the area of systems, internal controls and numerous operations-related matters in July 1997 and in September 2000 Mr Parker took on his current full-time role with the SHK Group. Prior to working with SHK, and since his arrival in Hong Kong in 1990, Mr Parker was involved in direct investment projects on his own account and with partners, in Vietnam and southern China. He also consulted to a number of Australian, Japanese and Hong Kong listed companies on matters primarily related to capital markets or direct investment activities. He was educated in Australia and the United Kingdom and graduated from the University of Western Australia with a Bachelor of Arts degree. He is a Member of the Working Group established by the Securities and Futures Commission on Review of the Financial Regulatory Framework for Intermediaries.

## **SECOND PROXY FORM**

A Shareholder who has not yet lodged the First Proxy Form with the Company’s registrar is requested to lodge the Second Proxy Form if he wishes to appoint proxies to attend the AGM on his behalf. In this case, the First Proxy Form should not be lodged with the Company’s registrar.

A Shareholder who has already lodged the First Proxy Form with the Company’s registrar should note that:

- (i) If no Second Proxy Form is lodged with the Company’s registrar, the First Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by him. The proxy so appointed by the Shareholder will be entitled to vote at his discretion or abstain on any resolution properly put to the AGM other than those referred to in the notice convening the AGM and the First Proxy Form, including a resolution for the appointment of an additional candidate set out in this supplemental circular as Director.
- (ii) If the Second Proxy Form is lodged with the Company’s registrar before the Closing Time, the Second Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by the Shareholder and will revoke and supersede the First Proxy Form previously lodged by him.

- (iii) If the Second Proxy Form is lodged with the Company's registrar after the Closing Time, the Second Proxy Form will be invalid. However, it will revoke the First Proxy Form previously lodged by the Shareholder, and any vote that may be cast by the purported proxy (whether appointed under the First Proxy Form or the Second Proxy Form) will not be counted in any poll which may be taken on a proposed resolution. Accordingly, Shareholders are advised **not to lodge the Second Proxy Form after the Closing Time**. If such Shareholders wish to vote at the AGM, they will have to attend in person and vote at the AGM themselves.

Shareholders are reminded that completion and delivery of the First Proxy Form and/or the Second Proxy Form will not preclude Shareholders from attending and voting at the AGM or any adjourned meeting should they so wish.