
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 securities dealer licensed as a licensed person under the Securities and Futures Ordinance, bank manager, solicitor, certified public accountant or other professional adviser.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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.



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)

SUPPLEMENTAL CIRCULAR
TO
THE CIRCULAR TO SHAREHOLDERS DATED 28 MARCH 2006
IN RESPECT OF MATTERS RELATING TO THE
APPOINTMENT OF DIRECTORS
AT THE 2006 ANNUAL GENERAL MEETING

This supplemental circular should be read together with the Circular to Shareholders dated 28 March 2006. The Notice of Annual General Meeting of Hong Kong Exchanges and Clearing Limited to be held at the Exchange Auditorium in the Exchange Exhibition Hall of The Stock Exchange of Hong Kong Limited at 1st Floor, One and Two Exchange Square, Central, Hong Kong on Wednesday, 26 April 2006 at 4:30 p.m. is set out on page 17 of the Circular to Shareholders dated 28 March 2006. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed new proxy form (Second Proxy Form) in accordance with the instructions printed thereon to the Company's registrar, Hong Kong Registrars Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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 at any adjourned meeting should you so wish.

11 April 2006

DEFINITIONS

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 on Wednesday, 26 April 2006 at 4:30 p.m., notice of which is set out on page 17 of 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);
“Board”	the board of directors of HKEx;
“Circular”	the circular to Shareholders dated 28 March 2006 in respect of matters to be considered at the AGM and proposals relating to: (i) the appointment of Directors; (ii) the grant of general mandate to repurchase Shares; and (iii) the payment of remuneration to non-executive Directors;
“Company” or “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 of Hong Kong Limited;
“Director(s)”	the director(s) of HKEx;
“Elected Directors”	Directors elected by the Shareholders at general meeting;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“SEHK”	The Stock Exchange of Hong Kong Limited;
“SFC”	the Securities and Futures Commission;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Shareholders”	holders of Shares; and
“Shares”	shares of HK\$1.00 each in the share capital of the Company.

LETTER FROM THE BOARD OF DIRECTORS



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)

Independent Non-executive Directors

LEE Yeh Kwong, Charles, *Chairman*
CHEUNG Kin Tung, Marvin
FAN Hung Ling, Henry
FONG Hup
FRESHWATER, Timothy George
KWOK Chi Piu, Bill
LEE Jor Hung, Dannis
LEE Kwan Ho, Vincent Marshall
LO Ka Shui
STRICKLAND, John Estmond
WEBB, David Michael
WONG Sai Hung, Oscar

Registered Office

12th Floor
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Executive Director

CHOW Man Yiu, Paul, *Chief Executive*

11 April 2006

To the Shareholders

Dear Sir or Madam,

APPOINTMENT OF DIRECTORS AT THE AGM

1. INTRODUCTION

This supplemental circular should be read together with the Circular which carries information on 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 the 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.

LETTER FROM THE BOARD OF DIRECTORS

2. APPOINTMENT OF DIRECTORS

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

1. Mr CHU Kwok Tsu, Gilbert
2. Mr HO Yau Lung, Lawrence
3. Dr LOH Kung Wai, Christine

The biographies of the proposed candidates are set out in Section B of the Appendix of this supplemental circular for Shareholders' information.

As explained in the Circular, the terms of office of two Elected Directors, Mr Dannis J H Lee and Mr David M Webb, will expire at the conclusion of the AGM, however, they are eligible for re-election. The Nomination Committee has nominated and the Board has recommended both of them to stand for re-election at the AGM. The biographical details of both Mr Lee and Mr Webb were included in the Circular and are now set out in Section A of the Appendix of this supplemental circular for Shareholders' ease of reference.

Including Mr Chu, Mr Ho and Dr Loh, there are a total of five candidates standing for election as Directors at the AGM. Shareholders may, if thought fit, appoint up to two candidates as Elected Directors at the AGM. In order to select which two candidates as the 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 information of the voting arrangements.

3. SECOND PROXY FORM

Since the proxy form ("First Proxy Form") sent together with the Circular and 2005 Annual Report of the Company does not contain the proposed resolutions for the appointment of the additional candidates as set out in this supplemental circular, a new proxy form ("Second Proxy Form") has been prepared and is enclosed with this supplemental circular.

LETTER FROM THE BOARD OF DIRECTORS

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 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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 Monday, 24 April 2006 ("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

LIST OF CANDIDATES

A. RETIRING DIRECTORS WHO STAND FOR RE-ELECTION AT THE AGM

The personal particulars of the two candidates nominated by the Nomination Committee and recommended by the Board are set out below in alphabetical order:

1. Mr LEE Jor Hung, Dannis, *Independent Non-executive Director* (aged 51)

Director of HKEx since	HKEx or its subsidiaries' Committee/Panel Memberships	Director's Fee (2005/2006)	Interests in shares of HKEx under Part XV of the SFO as at 10 April 2006 (No. of shares)
3 April 2000	HKEx– <ul style="list-style-type: none"> • Executive Committee • Remuneration Committee • Cash Market Consultative Panel (Chairman) 	HK\$240,000	1,610,000 (Corporate interests) <i>(Note)</i>
Other major offices	DL Brokerage Limited – chairman CIG Yangtze Ports PLC – non-executive director		
Past offices	Stockmartnet Holdings Limited – non-executive director (2000-2005) SEHK – council member (1991-1997) and vice-chairman (1994-1995) Hong Kong Securities Clearing Company Limited – director (1992-1997) and vice-chairman (1995-1997)		
Government appointments	Barristers Disciplinary Tribunal Panel – member Securities and Futures Appeals Panel – member Advisory Committee of SFC – member (1999-2001)		
Community appointments and others	Hong Kong Securities Institute – director Disciplinary Panel A of Hong Kong Institute of Certified Public Accountants – member Hong Kong Stockbrokers Association Limited – permanent honorable president, and chairman (1997-1999)		
Professional qualification and experience	Bachelor of Business Administration and Commerce (University of Alberta, Canada) Master of Business Administration (University of East Asia, Macau) Fellow (The Hong Kong Institute of Directors)		
	Mr Lee has over 20 years of experience in the securities industry.		

Note:

1,610,000 Shares were owned by DL Brokerage Limited, a private company beneficially wholly-owned by Mr Lee.

2. Mr WEBB, David Michael, *Independent Non-executive Director* (aged 40)

Director of HKEx since	HKEx or its subsidiaries' Committee/Panel Memberships	Director's Fee (2005/2006)	Interests in shares of HKEx under Part XV of the SFO as at 10 April 2006 (No. of shares)
15 April 2003	HKEx– <ul style="list-style-type: none"> Investment Advisory Committee Nomination Committee SEHK– <ul style="list-style-type: none"> Listing Nominating Committee 	HK\$240,000	10 (Personal, family and corporate interests) <i>(Note)</i>
Other major office	Webb-site.com – editor		
Past offices	Wheelock Capital Limited – director (1994-1998) BZW Asia Limited – director (1993-1994)		
Government appointments	Takeovers and Mergers Panel of SFC – member Takeovers Appeal Committee of SFC – member Public Shareholders Group of SFC – member		
Community appointment and others	Hong Kong Mensa – chairman (1998-2000)		
Professional qualification and experience	<p>Honours degree in Mathematics (University of Oxford, UK) Full member (Hong Kong Securities Institute) Established and funded “Project Poll” which successfully required blue chip companies to count their votes on a poll and stop using the show-of-hands system (2003) Established “Project Vampire” (Vote Against Mandate for Placings, Issues by Rights Excepted) (2003) Named as “Star of Asia” in the “Opinion Shapers” category (Business Week magazine, 2000) Named as “Global Leader for Tomorrow” (World Economic Forum, 2001) Named as one of the “Global 100” who shape finance (CFO Magazine, 2002) Named as a member of the “Young Global Leaders” (World Economic Forum, 2005)</p> <p>From 1986 to 1991, Mr Webb was a corporate financier in London. Prior to 1986, he was a best-selling author of games and books for the first generation of home computers. He has published wide-ranging articles on the regulatory framework of Hong Kong's securities markets.</p>		

Note:

2 Shares were held by Mr Webb as beneficial owner, 2 Shares were owned by the spouse of Mr Webb, and 6 Shares were owned by Fundamental Consultants Limited, Member One Limited and Member Two Limited which are under the control of Mr Webb.

B. ADDITIONAL CANDIDATES

The biographies of the candidates proposed by Shareholders in accordance with Article 90(2)(b) of the Articles of Association subsequent to the despatch of the Circular are set out below in alphabetical order:

3. Mr CHU Kwok Tsu, Gilbert (aged 49)

Director of HKEx since	HKEx or its subsidiaries' Committee/Panel Memberships	Director's Fee (2005/2006)	Interests in shares of HKEx under Part XV of the SFO as at 10 April 2006 (No. of shares)
–	–	–	–
Major office	Shougang Concord Century Holdings Limited – non-executive director		
Past offices	Sun Hung Kai Securities Limited – executive director and head of institutional sales and research (1997-2001) SocGen-Crosby Securities (HK) Limited – director and head of research (1996-1997) Crosby Securities (HK) Limited – director and head of sales (1994-1996) Prudential Asia Fund Management Limited – director and fund manager (1989-1993) County Natwest Securities Asia Limited – director and head of sales for Japan equities and warrants (1986-1989)		
Community appointment and others	The Institute of Securities Dealers Limited – director		
Professional qualification and experience	Master of Business Administration, Marketing (University of California at Berkeley, USA) Bachelor of Science in Industrial Engineering & Operations Research (University of California at Berkeley, USA) Registered Dealer and/or Investment Adviser (1989-2001)		

4. Mr HO Yau Lung, Lawrence (aged 29)

Director of HKEx since	HKEx or its subsidiaries' Committee/Panel Memberships	Director's Fee (2005/2006)	Interests in shares of HKEx under Part XV of the SFO as at 10 April 2006 (No. of shares)
–	–	–	–
Major offices	<p>Melco International Development Limited – chairman and chief executive officer</p> <p>Value Convergence Holdings Limited – president and vice-chairman</p>		
Government appointments	<p>The Chinese People's Political Consultative Conference, Shanghai Committee – member</p> <p>Macau SAR Government Science and Technology Council – member</p> <p>Macau Basic Law Promotional Association – member</p>		
Community appointments and others	<p>The Chamber of Hong Kong Listed Companies – chairman</p> <p>Campaign Committee of The Community Chest of Hong Kong – member</p> <p>The Chinese General Chamber of Commerce – honorary lifetime director</p> <p>Hong Kong General Chamber of Commerce – member</p> <p>The American Chamber of Commerce in Hong Kong – member</p> <p>The Canadian Chamber of Commerce in Hong Kong – board of governors</p> <p>The Macau Youth Entrepreneur Association – member</p> <p>Macau Canadian Chamber of Commerce – president</p>		
Professional qualification and experience	<p>Bachelor of Arts, majoring in commerce (University of Toronto, Canada)</p> <p>Member (The Hong Kong Institute of Directors)</p> <p>Member (Corporate Advisory Council of Hong Kong Securities Institute, 2004)</p> <p>Awarded the "Outstanding Youth Entrepreneur Award" (The 3rd Outstanding Information Technology and Financial Enterprise Awards by Capital Magazine, 2003)</p> <p>Awarded the "Directors of the Year 2005" (The Hong Kong Institute of Directors)</p> <p>Awarded the "Best Chief Executive Officer Conglomerates Sell-side View – 2005 Asia Equities Investor Relations" (The Institutional Investor, 2005)</p> <p>Awarded the "Leader of Tomorrow" (Hong Kong Tatler, 2005)</p> <p>Mr Ho has over 6 years of business and management experience and formerly worked with multi-national financial institutions. The business of the listed companies he is now working for involving investment banking, brokerage, information technology, entertainment and gaming.</p>		

5. Dr LOH Kung Wai, Christine (aged 50)

Director of HKEx since	HKEx or its subsidiaries' Committee/Panel Memberships	Director's Fee (2005/2006)	Interests in shares of HKEx under Part XV of the SFO as at 10 April 2006 (No. of shares)
–	–	–	–
Major offices	Civic Exchange – chief executive officer and co-founder		
Past offices	Philipp Brothers HongKong Limited – managing director (1980-1990) Phibro Energy Hong Kong Limited – managing director (1990-1991)		
Government appointments	Legislative Council – member (1992-1997 and 1998-2000)		
Community appointments and others	Council of The Hong Kong University of Science and Technology – member Advisory Committee of SFC – member Association for Sustainable and Responsible Investment in Asia – non-executive director Community Business Limited – director Asia Society's International Council (USA) – member		
Professional qualification and experience	Bachelor of Law (University of Hull, UK) Master of Law, Chinese and Comparative Law (City University of Hong Kong) Doctor of Law, honoris causa (University of Hull, UK) Author of the book, "Getting Heard: A Hong Kong Citizen's Handbook" (2002) Co-author and editor of the books, "Building Democracy: Creating Good Government in Hong Kong" (2003) and "At the Epicentre: Hong Kong and the SARS Outbreak" (2004) Named as "Global Leader for Tomorrow" (World Economic Forum, 1994) Named as "Star of Asia" (Business Week magazine, 1998 and 2000) Named as "Entrepreneur of the Year" (Women of Influence, Amcham Hong Kong, 2003) Won the Peter Bryce award for civic work (Pacific Circle Consortium, 2004)		
	Dr Loh has over 25 years of experience in a wide range of industries from commodities trading, strategic planning and politics.		

Relationship with other Directors, senior management and substantial/controlling shareholders

Mr Lawrence Y L Ho is the chairman and chief executive officer of Melco International Development Limited, in which Dr Lo Ka Shui, an Independent Non-executive Director of HKEx, also acts as an independent non-executive director.

Save for the relationship as disclosed above, none of the above candidates is related to other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of HKEx.

Should the proposed resolution regarding the payment of remuneration of HK\$240,000 to each non-executive Directors in office from time to time for services provided to the Company during the period from the conclusion of each annual general meeting of the Company to the conclusion of the annual general meeting to be held in the immediately following year be approved at the AGM, the elected candidate(s) shall be remunerated by HKEx for services provided to HKEx for being a non-executive Director in accordance therewith.

In addition, the candidate(s), if elected, will be appointed as a Director with effect from the conclusion of the AGM for a term of approximately three years expiring at the conclusion of the Company's annual general meeting to be held in 2009.

Save for the information disclosed above, the candidates as mentioned above have indicated that there is no other information required to be disclosed pursuant to any of the requirements of the Rule 13.51(2) of the Listing Rules.

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 will be treated as a valid proxy form lodged by him if correctly completed.** 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 a Director.

- (ii) **If the Second Proxy Form is lodged with the Company's registrar before the Closing Time, the Second Proxy Form will revoke and supersede the First Proxy Form previously lodged by him. The Second Proxy Form will be treated as a valid proxy form lodged by the Shareholder if correctly completed.**

- (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 in person at the AGM or at any adjourned meeting should they so wish.