

FUNDAMENTAL CONSULTANTS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

17th March 2003

URGENT, BY HAND

The Secretary
(Mr MAU Kam Shing, Joseph)
Hong Kong Exchanges and Clearing Limited
12th Floor
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Dear Sir,

In accordance with Article 90 of the Memorandum and Articles of Association (“M&A”) of Hong Kong Exchanges and Clearing Limited (“HKEx”), Fundamental Consultants Limited, being a member of HKEx entitled to vote at the Annual General Meeting to be held on 15th April 2003 (the “AGM”), hereby gives notice of its intention to propose a resolution at the AGM for the appointment of Mr WEBB, David Michael, as a director of HKEx at the AGM.

The proposed text of the resolution is:

“That Mr WEBB, David Michael, hereby be appointed as a director”.

We note that Article 90 of the M&A requires that this nomination notice be given to the Secretary of HKEx not less than seven nor more than 28 clear days before the date appointed for the meeting. There are 28 clear days between the date of this notice and the date of the AGM. However, you have published notice of the AGM in the newspapers on 13th March 2003, which was more than 28 clear days before the AGM, at which point we could not have nominated our candidate.

Your annual report for the year ended 31st December 2002, the notice of AGM and the form of proxy have not yet been posted to shareholders of HKEx. Therefore in the interests of natural justice, we expect you to ensure that our candidate’s name is placed on the form of proxy with equal standing to any other candidates nominated by the board and without discrimination of any kind.

In accordance with Article 90 of the M&A, we attach a notice executed by Mr WEBB, David Michael of his willingness to be appointed as a director of HKEx.

We note that as the inaugural directors are required to retire by rotation, there will be 6 vacancies on the board of directors to be filled at the AGM either with new directors or by re-election of existing directors. If you propose to publish biographies of any candidates nominated by the board (including existing directors), then in the interests of natural justice, we expect you also to publish at the same time a biography of any person nominated by a member of the company. The wording of our candidate’s biography is:

“WEBB, David Michael, aged 37, is the Editor of Webb-site.com, a non-profit publication he established in 1998 to promote better corporate and economic governance in Hong Kong. He has published wide-ranging articles on the regulatory framework of Hong Kong’s securities markets. He is a member of the Shareholders Sub-Committee of the Standing Committee on Company Law Reform, the SFC’s Takeovers and Mergers Panel, the Takeover Appeals Committee and the SFC Shareholders Group.

Mr Webb has over 16 years’ experience of the securities markets, including five years as a corporate financier in London before moving in 1991 to Hong Kong. From 1993 to 1994, he was a director of BZW Asia Limited, and from 1994 to 1998, he was a director of Wheelock Capital Limited, both of which were registered investment advisers.

In 2000, he was named by BusinessWeek magazine as a “Star of Asia” in the “Opinion Shapers” category. In 2001 the World Economic Forum named him a “Global Leader for Tomorrow”. In 2002 CFO Magazine named him one of the “Global 100” who shape finance.

He gained an honours degree in Mathematics from Oxford University in 1986 and prior to that was a best-selling author of games and books for the first generation of home computers. He is a full member of the Hong Kong Securities Institute and was Chairman of Hong Kong Mensa from 1998-2000.”

The above biographical text has a word-count of 227 words, which is less than the word count of the longest biography in your 2001 annual report. Should you propose to use a lower word-count limit for the biographies in this year’s report, please let us know and we will provide a fresh version within that limit.

Should you have any questions, please do not hesitate to contact us.

Yours faithfully

Fundamental Consultants Limited

17th March 2003

URGENT, BY HAND

The Secretary
(Mr MAU Kam Shing, Joseph)
Hong Kong Exchanges and Clearing Limited
12th Floor
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Dear Sir

Acceptance of Nomination as Director

I hereby confirm my willingness to be appointed as a director of Hong Kong Exchanges and Clearing Limited.

Yours faithfully

WEBB, David Michael