

HONG KONG EXCHANGES AND CLEARING LIMITED

MINUTES OF THE ANNUAL GENERAL MEETING OF HONG KONG EXCHANGES AND CLEARING LIMITED HELD AT THE MEETING ROOM 201, LEVEL 2, HONG KONG CONVENTION AND EXHIBITION CENTRE (NEW WING), 1 EXPO DRIVE, WANCHAI, HONG KONG ON FRIDAY, 27 APRIL 2001 AT 4:30 P.M.

Present : Directors :
Mr Charles Y K Lee (Chairman)
Mr John C C Chan
Mr Paul C H Fan
Mr Tim Freshwater
Mr Bill C P Kwok
Mr K C Kwong
Mr Dannis J H Lee
Mr Vincent K H Lee
Mr K C Leong
Mr John E Strickland
Mr W K Yue

Shareholders :
As per the attached shareholders' attendance sheet

In Attendance : Mr David Cheung, Chief Financial Officer
Mr Joseph K S Mau, Company Secretary
Mr K M Wong, representative from PricewaterhouseCoopers
Ms Esa Lin, representative from PricewaterhouseCoopers

1. Quorum and Notice

The Chairman welcomed the shareholders and noted that a quorum for the meeting was present and called the meeting to order. As the Notice of Annual General Meeting had been served, and with the consent of shareholders, the Notice of the Annual General Meeting dated 13 March 2001 was taken as read.

2. Voting Procedures

At the request of the Chairman, Mr Joseph K S Mau explained the voting procedures.

3. Audited Accounts and Reports of the Directors and Auditors

At the request of the Chairman, Mr K M Wong and Ms Esa Lin, representatives of PricewaterhouseCoopers, auditors of Hong Kong Exchanges and Clearing Limited ("the

Company” or “HKEx”) read the Report of the Auditors, in English and in Cantonese respectively.

The Audited Accounts and Reports of the Directors and Auditors had been included in the Annual Report and sent to all shareholders, a copy of which was tabled at the meeting for identification.

There being no questions from the floor, and after being proposed by the Chairman, and seconded by Mrs Choi Chen Po Sum, representative of Wai Tak Po Company Limited, it was unanimously resolved by a show of hands,

“THAT the Audited Accounts for the year ended 31 December 2000 together with the Reports of the Directors and the Auditors be adopted as presented.”

4. Final Dividend

The Chairman said that the Board of Directors had recommended a final dividend of 25 cents per share. Including the interim dividend of 8 cents per share paid on 12 October 2000, total dividend for the year ended 31 December 2000 would amount to 33 cents per share.

After being proposed by the Chairman, and seconded by Mr Christopher Cheung, representative of Christfund Securities Limited, it was unanimously resolved by a show of hands,

“THAT a final dividend of 25 cents per ordinary share for the year ended 31 December 2000 be paid to shareholders whose names appeared on the register of members of the Company on 27 April 2001.”

5. Re-appointment of Auditors

The Chairman said that the accounts for the year ended 31 December 2000 were audited by PricewaterhouseCoopers, who had expressed their willingness to continue in office.

After being proposed by Mr Francis Ka, representative of RBC Investment Services (Asia) Limited, and seconded by Mr Peter Wong, representative of Hang Seng (Nominee) Limited, it was unanimously resolved by a show of hands,

“THAT PricewaterhouseCoopers be re-appointed auditors of the Company until the conclusion of the next annual general meeting and the Directors be authorized to fix the remuneration of the Auditors.”

6. General Mandate to issue new shares

The Chairman referred shareholders to the ordinary resolution numbered 4(I) as set out in the Notice of Annual General Meeting, in relation to the request for a general mandate to be given by shareholders to the Directors for the issue of new shares not exceeding 20 per cent of the aggregate nominal amount of the issued share capital of the Company. He further stated that the Directors had no immediate plan to issue new shares pursuant to the said general mandate.

After being proposed by the Chairman, and seconded by Mr Henry Chan, representative of Sanfull Securities Limited, it was unanimously resolved by a show of hands,

“THAT,

- (a) subject to paragraph (c) below and pursuant to section 57B of the Companies Ordinance, the exercise by the Directors of HKEx during the Relevant Period (as hereinafter defined) of all the powers of HKEx to allot, issue and deal with additional shares of HK\$1.00 each in the capital of HKEx and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of HKEx) which would or might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of HKEx during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of HKEx) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of HKEx pursuant to the approval in paragraph (a) above, otherwise than pursuant to:-
 - (i) a Rights Issue (as hereinafter defined),
 - (ii) an issue of shares as scrip dividends pursuant to the articles of association of HKEx from time to time,
 - (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted and approved by the shareholders of HKEx for the grant or issue to employees of HKEx and/or any of its subsidiaries of shares or rights to acquire shares of HKEx,
 - (iv) an issue of shares in HKEx upon the exercise of the subscription rights attaching to any warrants which may be issued by HKEx provided that the issue of such warrants (and the consequent obligation to issue such shares) has been approved by the shareholders of HKEx, either by specific resolution or as part of a general approval, or
 - (v) any adjustment, after the date of grant or issue of any options, rights to subscribe or other securities referred to in (iii) or (iv) above, in the price at which shares in HKEx shall be subscribed, and/or in the number of shares in HKEx which shall be subscribed, on exercise of relevant rights under such options, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities,

shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of HKEx at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of HKEx;
- (ii) the expiration of the period within which the next Annual General Meeting of HKEx is required by law to be held; or
- (iii) the date of the passing of an ordinary resolution by shareholders of HKEx in general meeting revoking or varying the authority given to the Directors of HKEx by this Resolution.

“Rights Issue” means an offer of shares in HKEx, or an offer of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the Directors of HKEx to the holders of shares of HKEx on the register of members of HKEx on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of HKEx may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations, or the expense and delay in determining the extent of any restrictions or obligations, under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, any territory outside Hong Kong which are applicable to HKEx).”

7. General Mandate to repurchase shares

The Chairman referred shareholders to the ordinary resolution numbered 4(II) as set out in the Notice of Annual General Meeting, in relation to the request for a general mandate to be given by shareholders to the Directors for the repurchase of not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company. A circular dated 28 March 2001 containing details of the proposal had been sent to all shareholders and tabled at the meeting for identification. He further stated that the Directors had no immediate plan to repurchase any shares pursuant to the said repurchase mandate.

After being proposed by the Chairman, and seconded by Mr Tong Leung Sang, representative of BOCI Commodities and Futures Limited, it was unanimously resolved by a show of hands,

“THAT,

- (a) subject to paragraph (b) below, the exercise by the Directors of HKEx during the Relevant Period (as hereinafter defined) of all powers of HKEx to repurchase shares of HKEx on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the shares of HKEx may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares which HKEx is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of HKEx at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of HKEx;
- (ii) the expiration of the period within which the next Annual General Meeting of HKEx is required by law to be held; or
- (iii) the date of the passing of an ordinary resolution by shareholders of HKEx in general meeting revoking or varying the authority given to the Directors of HKEx by this Resolution.”

8. Extension of General Mandate to issue new shares

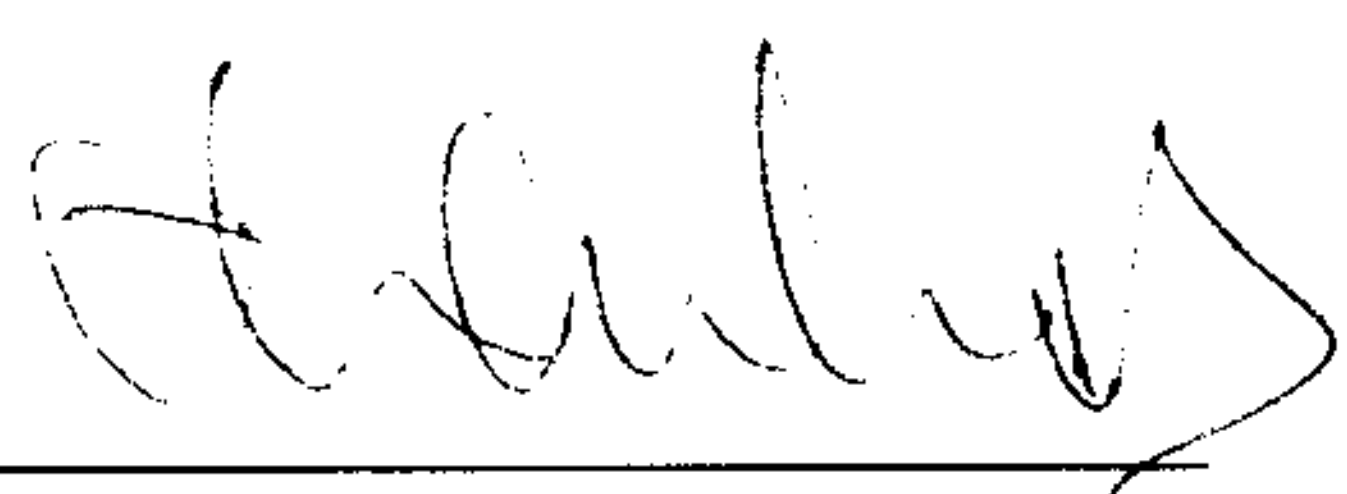
The Chairman referred shareholders to the ordinary resolution numbered 4(III) as set out in the Notice of Annual General Meeting, in relation to the request for an extension of the general mandate to issue new shares by including the shares repurchased pursuant to the share repurchase mandate.

After being proposed by the Chairman, and seconded by Mr Wilfred Wong, representative of Hing Wong Securities Limited, it was unanimously resolved by a show of hands,

“THAT conditional upon the passing of Resolutions 4(I) and 4(II) set out in the notice convening this meeting, the general mandate granted to the Directors of HKEx and for the time being in force to exercise the powers of HKEx to allot, issue and deal with additional shares pursuant to Resolution 4(I) set out in the notice convening this meeting be and it is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of HKEx repurchased by HKEx under the authority granted pursuant to Resolution 4(II) set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of HKEx at the date of the said Resolution.”

9. Close

There being no other business, the Chairman declared the meeting closed.



Chairman