

Confidential

HONG KONG EXCHANGES AND CLEARING LIMITED

MINUTES OF THE ANNUAL GENERAL MEETING OF HONG KONG EXCHANGES AND CLEARING LIMITED HELD AT THE TRADING HALL OF THE STOCK EXCHANGE OF HONG KONG LIMITED AT 1ST FLOOR, ONE AND TWO EXCHANGE SQUARE, CENTRAL, HONG KONG ON WEDNESDAY, 31 MARCH 2004 AT 4:30 P.M.

Directors	:	Present:	
		Mr Charles Y K Lee (Chairman)	
		Mr Paul M Y Chow	
		Mr Henry H L Fan	
		Mr Fong Hup	
		Mr Tim Freshwater	
		Dr Bill C P Kwok	
		Mr Dannis J H Lee	
		Mr Vincent K H Lee	
		Mr K C Leong	
		Mr John E Strickland	
		Mr David M Webb	
		Mr Oscar S H Wong	
		Absent:	
		Dr K S Lo	
Shareholders	:	As per the attached shareholders' attendance sheet	
In Attendance	:	Ms Karen Lee	(Chief Financial Officer)
		Mr Joseph K S Mau	(Company Secretary)
		Mr Stanley Chow	(Allen & Overy)
		Mr Colin Shaftesley	(PricewaterhouseCoopers)
		Mr Bernard Ho	(PricewaterhouseCoopers)
Scrutineer	:	KPMG	

1. Quorum and Notice

The Chairman welcomed the shareholders present at the meeting ("Shareholders"), and after noting that a quorum for the meeting was present, called the meeting to order. As the Notice of Annual General Meeting dated 26 February 2004 ("Notice") had been served, and with the consent of the Shareholders, the Notice was taken as read.

2. Poll Voting

Pursuant to Article 70(1)(a) of the Articles of Association ("Articles) of Hong Kong Exchanges and Clearing Limited ("Company" or "HKEx"), the Chairman demanded poll voting in respect of the resolutions set out in the Notice. The Chairman noted that each of the resolutions set out in the Notice would first be proposed and seconded, and the Shareholders were invited to raise questions on the proposed resolutions and cast their votes on the resolutions thereafter. KPMG were retained as the scrutineer.

3. Audited Accounts, Directors' Report, and Auditors' Report

At the request of the Chairman, Messrs Colin Shaftesley and Bernard Ho, representatives of PricewaterhouseCoopers, auditors of HKEx read the Auditors' Report, in English and in Cantonese respectively.

The Audited Accounts, the Directors' Report, and the Auditors' Report for the year ended 31 December 2003 were included in the Annual Report which had been sent to all shareholders, and tabled at the meeting for identification.

The following resolution, designated as ordinary resolution 1 in the Notice, was proposed by the Chairman, and seconded by Ms Audrey Chow of Audrey Chow Securities Limited -

“THAT the Audited Accounts, the Directors' Report, and the Auditors' Report for the year ended 31 December 2003 be received, as presented.”

The Chairman then invited questions from the floor, and no questions were raised.

4. Final Dividend

The Chairman noted that the Board had recommended payment of a final dividend of 42 cents per share. Including the interim dividend of 18 cents per share paid on 15 September 2003, total dividend for the year ended 31 December 2003 amounted to 60 cents per share.

The following resolution, designated as ordinary resolution 2 in the Notice, was proposed by the Chairman, and seconded by Mr Christopher Cheung of Christfund Securities Limited -

“THAT a final dividend of 42 cents per share for the year ended 31 December 2003 be paid to shareholders whose names appeared on the register of members of the Company on 31 March 2004.”

The Chairman then invited questions from the floor, and no questions were raised.

5. Special Cash Dividend

The Chairman noted that the Board had recommended payment of a special cash dividend of HK\$1.68 per share.

The following resolution, designated as ordinary resolution 3 in the Notice, was proposed by the Chairman, and seconded by Mrs Choi Chen Po Sum of Wai Tak Po Company Limited -

“THAT a special cash dividend of HK\$1.68 per share be paid to shareholders whose names appeared on the register of members of the Company on 31 March 2004.”

The Chairman then invited questions from the floor, and no questions were raised.

6. Appointment of Directors

The Chairman noted that two candidates were standing for election by the Shareholders to fill two available vacancies. The two candidates, Messrs John E Strickland and Oscar S H Wong were existing Directors who retired according to the Articles. Pursuant to Article

93(5) of the Articles, retiring Directors were eligible for re-appointment. Relevant information about the two candidates was included in the circular to shareholders dated 2 March 2004 (“Circular”) that had been sent to all shareholders, and tabled at the meeting for identification. The two candidates were proposed by the Board in accordance with Article 90(2)(a) of the Articles. After casting the votes, the candidate who could have the net positive votes cast on the resolution proposing his appointment would become a Director. If less than two candidates could have net positive votes, the Board would, pursuant to Article 92 of the Articles, consider appointing an appropriate person to fill the casual vacancy.

The following resolutions, designated as ordinary resolutions 4(I) and 4(II) respectively were separately proposed by the Chairman, and seconded by Mr Francis Ka of RBC Investment Services Limited -

“THAT subject to the number of net votes cast in relation to this resolution (net votes being votes cast in favour minus votes cast against this resolution) being among the two highest number of net votes cast on each of the resolutions for the appointment of a person as a director of the Company at the AGM to be held on 31 March 2004 (“AGM”), Mr John E Strickland be and is hereby appointed as a director of the Company with effect from the conclusion of the AGM, provided that if any two or more of such resolutions record the same number of net votes (the “tied resolutions”), the ranking of the tied resolutions from highest to lowest number of net votes shall be determined by the drawing of lots by the chairman of the meeting.”

“THAT subject to the number of net votes cast in relation to this resolution (net votes being votes cast in favour minus votes cast against this resolution) being among the two highest number of net votes cast on each of the resolutions for the appointment of a person as a director of the Company at the AGM to be held on 31 March 2004 (“AGM”), Mr Oscar Sai Hung Wong be and is hereby appointed as a director of the Company with effect from the conclusion of the AGM, provided that if any two or more of such resolutions record the same number of net votes (the “tied resolutions”), the ranking of the tied resolutions from highest to lowest number of net votes shall be determined by the drawing of lots by the chairman of the meeting.”

The Chairman then invited questions from the floor, and no questions were raised.

7. Re-appointment of Auditors

The Chairman noted that the Company’s accounts for the year ended 31 December 2003 were audited by PricewaterhouseCoopers who had expressed their willingness to continue in office.

The following resolution, designated as ordinary resolution 5 in the Notice, was proposed by Mr Christopher Cheung of Christfund Securities Limited, and seconded by Ms Audrey Chow of Audrey Chow Securities Limited -

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

The Chairman then invited questions from the floor, and no questions were raised.

8. General Mandate to Issue New Shares

The Chairman referred the Shareholders to the proposed ordinary resolution 6(I), as set out in the Notice, in relation to the request for a general mandate to be given by shareholders to the Board of 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, as at the date of this resolution. He further stated that the Directors had no immediate plan to issue new shares pursuant to the said general mandate, in particular for cash.

The following resolution, designated as ordinary resolution 6(I) in the Notice, was proposed by the Chairman, and seconded by Mrs Choi Chen Po Sum of Wai Tak Po Company Limited -

“THAT the ordinary resolution 6(I) in the Notice be approved.”

The Chairman then invited questions from the floor, and no questions were raised.

9. General Mandate to Repurchase Shares

The Chairman referred the Shareholders to the ordinary resolution 6(II), as set out in the Notice, in relation to the request for a general mandate to be given by shareholders to the Board of Directors for the repurchase of not exceeding 10 per cent of the aggregate nominal amount of the issued share capital of the Company, as at the date of this resolution. Relevant information of the proposed repurchase mandate was included in Circular that 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.

The following resolution, designated as ordinary resolution 6(II) in the Notice, was proposed by the Chairman, and seconded by Mr Francis Ka of RBC Investment Services Limited -

“THAT the ordinary resolution 6(II) in the Notice be approved.”

The Chairman then invited questions from the floor, and no questions were raised.

10. Extension of General Mandate to Issue New Shares

The Chairman referred the Shareholders to the ordinary resolution 6(III), as set out in the Notice, 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 requested from shareholders, as described in resolution 6(II). The passing of the ordinary resolution 6(III) would only become unconditional after the ordinary resolutions 6(I) and 6(II) in the Notice had been passed by the Shareholders.

The following resolution, designated as ordinary resolution 6(III) in the Notice, was proposed by the Chairman, and seconded by Mr Christopher Cheung of Christfund Securities Limited -

“THAT the ordinary resolution 6(III) in the Notice be approved subject to the passing of the resolutions 6(I) and 6(II) in the Notice.”

The Chairman then invited questions from the floor, and no questions were raised.

11. Remuneration of Non-executive Directors

The Chairman referred the Shareholders to the ordinary resolution 6(IV), as set out in the Notice, in relation to the proposal of paying a remuneration of HK\$100,000 to each of the Non-executive Directors for the period from the conclusion of this meeting to the conclusion of the next annual general meeting. Relevant information of the proposed remuneration to Non-executive Directors was included in the Circular that had been sent to shareholders, and tabled at the meeting for identification.

The following resolution, designated as ordinary resolution 6(IV) in the Notice, was proposed by Ms Audrey Chow of Audrey Chow Securities Limited, and seconded by Mrs Choi Chen Po Sum of Wai Tak Po Company Limited -

“THAT the ordinary resolution 6(IV) in the Notice be approved.”

The Chairman then invited questions from the floor, and no questions were raised.

12. Adjustments to Subscription Price and Contract Size of the Unexercised Employees' Share Options

The Chairman referred the Shareholders to the ordinary resolution 6(V), as set out in the Notice, in relation to the proposed adjustments to the subscription price and contract size of the unexercised employees' share options granted under the Pre-Listing Share Option Scheme or the Post-Listing Share Option Scheme. The passing of the proposed ordinary resolution 6(V) would only become unconditional after the ordinary resolution 3 in the Notice had been passed by the Shareholders.

The following resolution, designated as ordinary resolution 6(V) in the Notice, was proposed by the Chairman, and seconded by Mr Francis Ka of RBC Investment Services Limited -

“THAT the ordinary resolution 6(V) in the Notice be approved.”

The Chairman then invited questions from the floor, and no questions were raised.

13. Amendments to the Articles

The Chairman referred the Shareholders to the special resolution 6(VI), as set out in the Notice, in relation to the amendments to the Articles, which amendments mainly served to align the Articles with the changes to the Listing Rules that became effective on 31 March 2004 and the amendments to the Companies Ordinance effective on 13 February 2004. The proposed amendments were included in the Circular that had been sent to all shareholders, and tabled at the meeting for identification. Pursuant to Section 67 of the Securities and Futures Ordinance (“SFO”), written approval of the proposed amendments would be sought from the Securities and Futures Commission (“SFC”) if the proposed amendments to the Articles were approved by the Shareholders.

The following resolution, designated as special resolution 6(VI) in the Notice, was proposed by the Chairman, and seconded by Mr Christopher Cheung of Christfund Securities Limited -

“THAT the special resolution 6(VI) in the Notice be approved subject to the written approval of the SFC pursuant to Section 67 of the SFO.”

The Chairman then invited questions from the floor, and no questions were raised.

14. Casting of Votes

As all resolutions had been proposed and seconded by the Shareholders, the Chairman declared the poll was open. The Shareholders might cast their votes on the proposed and seconded resolutions by completing and depositing their voting slips into the ballot boxes placed at the back of the Trading Hall. Voting time allowed was twenty minutes.

After confirming that no Shareholders would further cast vote on the proposed resolutions, the Chairman declared that the poll was closed at 5:30 p.m. He then declared temporary adjournment of the meeting for 30 minutes until 6:00 p.m. for the scrutineers to count the votes, by then the poll results would be announced. The Chairman further noted that the poll results would be published as an announcement in the South China Morning Post and the Hong Kong Economic Times on 1 April 2004, and be placed on HKEx's website for shareholders' information.

15. Poll Results

After noting that a quorum of shareholders was present, the Chairman reconvened the meeting at about 6:00 p.m.

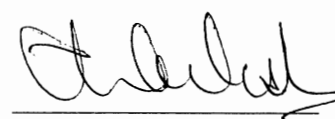
The Chairman announced the poll results of the resolutions considered at the AGM -

- (i) there were 295,727,186 votes in favour of, and 744,000 votes against, the proposed ordinary resolution 1 of receiving the Audited Accounts, the Directors' Report, and the Auditors' Report for the year ended 31 December 2003. The net positive votes were 294,983,186. The Chairman declared that the said ordinary resolution was carried by the majority;
- (ii) there were 312,636,320 votes in favour of, and 250,000 votes against, the proposed ordinary resolution 2 of approving the final dividend of 42 cents per share. The net positive votes were 312,386,320. The Chairman declared that the said ordinary resolution was carried by the majority;
- (iii) there were 312,636,320 votes in favour of, and 250,000 votes against, the proposed ordinary resolution 3 of approving the special cash dividend of HK\$1.68 per share. The net positive votes were 312,386,320. The Chairman declared that the said ordinary resolution was carried by the majority;
- (iv) there were 304,711,320 votes in favour of, and 724,000 votes against the proposed ordinary resolution 4(II) of appointing Mr Oscar S H Wong as a Director. The net positive votes were 303,987,320. The Chairman declared that the said ordinary resolution was carried by the majority, and Mr Oscar S H Wong was elected as a Director;

- (v) there were 303,704,320 votes in favour of, and 724,000 votes against the proposed ordinary resolution 4(I) of appointing Mr John E Strickland as a Director. The net positive votes were 302,980,320. The Chairman declared that the said ordinary resolution was carried by the majority, and Mr John E Strickland was elected as a Director;
- (vi) there were 304,987,320 votes in favour of, and 250,000 votes against the proposed ordinary resolution 5 of appointing PricewaterhouseCoopers as the auditors of HKEx. The net positive votes were 304,737,320. The Chairman declared that the said ordinary resolution was carried by the majority;
- (vii) there were 161,783,065 votes in favour of, and 144,954,569 votes against, the proposed ordinary resolution 6(I) of granting the general mandate to issue new shares. The net positive votes were 16,828,496. The Chairman declared that the said ordinary resolution was carried by the majority;
- (viii) there were 311,835,320 votes in favour of, and 278,000 votes against, the proposed ordinary resolution 6(II) of granting the general mandate to repurchase shares. The net positive votes were 311,557,320. The Chairman declared that the said ordinary resolution was carried by the majority;
- (ix) there were 308,848,415 votes in favour of, and 2,302,805 votes against, the proposed ordinary resolution 6(III) of extending the general mandate to issue new shares to include the repurchased shares. The net positive votes were 306,545,610. The Chairman declared that the said ordinary resolution was carried by the majority;
- (x) there were 312,424,316 votes in favour of, and 294,000 votes against, the proposed ordinary resolution 6(IV) of approving the payment of remuneration to each of the Non-executive Directors. The net positive votes were 312,130,316. The Chairman declared that the said ordinary resolution was carried by the majority;
- (xi) there were 159,996,009 votes in favour of, and 156,515,632 votes against, the proposed ordinary resolution 6(V) of making adjustments to the subscription price and contract size of the unexercised employees' share options. The net positive votes were 3,480,377. The Chairman declared that the said ordinary resolution was carried by the majority; and
- (xii) there were 290,024,419 votes in favour of, and 23,552,901 votes against, the proposed special resolution 6(VI) of approving the amendments to the Articles. The net positive votes were 266,471,518. The Chairman declared that the said special resolution was carried by more than three-quarters of the majority.

16. Close of meeting

There being no other business, the Chairman declared the meeting closed at about 6:30 p.m.


Chairman