

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 TUESDAY, 12 APRIL 2005 AT 4:30 P.M.

Directors	:	Present:	
		Mr Charles Y K Lee	(Chairman)
		Mr Paul M Y Chow	
		Mr Fong Hup	
		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:	
		Mr Henry H L Fan	
		Mr Tim Freshwater	
		Dr K S Lo	
Shareholders	:	As per the attached shareholders' attendance sheet	
In Attendance	:	Ms Karen Lee	(Chief Financial Officer)
		Mr Joseph Mau	(Company Secretary)
		Mr Stanley Chow	(Allen & Overy)
		Mr Humphrey Choi	(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 9 March 2005 ("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 on the resolutions set out in the Notice. With no objection from the floor, the Shareholders were invited to propose and second the resolutions set out in the Notice, and raise questions relating to the proposed resolutions, if any, before casting their votes. KPMG were retained as the scrutineer.

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

At the request of the Chairman, Mr Humphrey Choi, representative of PricewaterhouseCoopers, auditors of HKEx (“Auditors”) 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 2004 were included in the 2004 Annual Report which had been sent to HKEx’s shareholders, and tabled at the meeting.

The following resolution, designated as the 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 2004 be received, as presented.”

The Chairman 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 47 cents per share. Including the interim dividend of 43 cents per share paid on 13 September 2004, total dividend for the year ended 31 December 2004 amounted to 90 cents per share.

The following resolution, designated as the 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 47 cents per share for the year ended 31 December 2004 be paid to shareholders whose names appeared in the register of members of the Company on 12 April 2005.”

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

5. Appointment of Directors

The Chairman noted that two candidates were standing for election by the Shareholders to fill two available vacancies. The two candidates, Dr KWOK Chi Piu, Bill and Mr LEE Kwan Ho, Vincent Marshall were existing Directors who would, in accordance with the Article 93(1) and 93(3) of the Articles, retire after the conclusion of this annual general meeting. Pursuant to Article 93(5) of the Articles, retiring Directors were eligible for re-appointment. Relevant information of the two candidates was included in the circular to

shareholders dated 9 March 2005 (“Circular”) that had been sent to HKEx’s shareholders, and tabled at the meeting. The two candidates were proposed by the Board in accordance with Article 90(2)(a) of the Articles. After the poll was taken, 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 resolution, designated as the ordinary resolution 3(1) in the Notice, was proposed by the Chairman, and seconded by Mrs Choi Chen Po Sum of Wai Tak Po Company 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 annual general meeting to be held on 12 April 2005 (“AGM”), Dr KWOK Chi Piu, Bill be and is hereby appointed as a Director of the Company 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 2008, 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 following resolution, designated as the ordinary resolution 3(2) in the Notice, was proposed by the Chairman, and seconded by Mr Francis Ka of RBC Investment Services (Asia) 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 annual general meeting to be held on 12 April 2005 (“AGM”), Mr LEE Kwan Ho Vincent Marshall be and is hereby appointed as a Director of the Company 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 2008, 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 invited questions from the floor, and no questions were raised.

6. Re-appointment of Auditors

The Chairman noted that the Company’s accounts for the year ended 31 December 2004 were audited by PricewaterhouseCoopers who would retire after the conclusion of this annual general meeting and had expressed their willingness to continue in office.

The following resolution, designated as the ordinary resolution 4 in the Notice, was proposed by Mr Hamon Cheung of Tai Fook Securities Company Limited, and seconded by Mrs Chu Ho Miu Hing of Good Harvest Securities Company Limited -

“THAT PricewaterhouseCoopers be re-appointed Auditors 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 invited questions from the floor, and no questions were raised.

7. General Mandate to Repurchase Shares

The Chairman referred the Shareholders to the ordinary resolution 5 in the Notice, which was a proposed request for a general mandate to be given by HKEx’s shareholders to the Board 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 HKEx’s shareholders, and tabled at the meeting. He further stated that the Directors had no immediate plan to exercise the mandate to repurchase any shares.

The following resolution, designated as the ordinary resolution 5 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 5 in the Notice be approved.”

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

8. Remuneration of Non-executive Directors

The Chairman referred the Shareholders to the ordinary resolution 6 in the Notice, which was a proposal of paying a remuneration of HK\$240,000 to each of the Non-executive Directors for their services rendered during the period from the conclusion of this meeting to the conclusion of the next annual general meeting of the Company. The Chairman noted that Non-executive Directors who were shareholders would abstain from voting on the ordinary resolution 6 in the Notice.

The following resolution, designated as the ordinary resolution 6 in the Notice, was proposed by Mr Francis Ka of RBC Investment Services (Asia) Limited, and seconded by Ms Audrey Chow of Audrey Chow Securities Limited -

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

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

9. Service Term of Non-Government Appointed Directors

The Chairman referred the Shareholders to the ordinary resolution 7 in the Notice, which was a proposal of fixing the term of office of four Non-executive Non-Government Appointed Directors. The Chairman noted that, pursuant to the Code of Corporate Governance Practices, as set out in Appendix 14 of the Listing Rules, Non-executive Directors should be appointed for specific terms subject to retirement by rotation at least once every three years. Currently, only Government Appointed Directors were having specific term of two or three years. In order to ensure stricter compliance with the Code of

Corporate Governance Practices, HKEx's shareholders were recommended to consider fixing the term of service of all Non-Government Appointed Directors at approximately three years. The two Directors to be elected by the Shareholders at this annual general meeting would have a term of approximately three years until the conclusion of the annual general meeting to be held in 2008. Since Mr LEE Jor Hung, Dennis and Mr David Michael WEBB were elected by HKEx's shareholders at the 2003 annual general meeting, they should retire, according to the existing Articles, at the conclusion of the annual general meeting to be held in 2006. Hence, it was proposed that they both should continue in office until the conclusion of the annual general meeting to be held in 2006. As Mr John Estmond STRICKLAND and Mr WONG Sai Hung, Oscar were elected by HEKx's shareholders at the 2004 annual general meeting, they should retire, according to the Articles, at the conclusion of the annual general meeting to be held in 2007. Hence, it was proposed that they both should continue in office until the conclusion of the annual general meeting to be held in 2007. The four Non-executive Directors namely, Mr LEE Jor Hung, Dennis, Mr John Estmond STRICKLAND, Mr David Michael WEBB, and Mr WONG Sai Hung, Oscar had agreed to the proposed arrangement. They would retire at the expiration of their respective term of service, but should, pursuant to Article 93(5) of the Articles, be eligible for re-appointment under a service term of approximately three years. The approval of the proposed ordinary resolution 7 was conditional on the passing of the special resolution 8 in the Notice that was proposed for amending the Articles, which amendments included, inter alia, the fixing of the term of service of Non-executive Directors.

The following resolution, designated as the ordinary resolution 7 in the Notice, was proposed by Mr Christopher Cheung of Christfund Securities Limited, and seconded by Mr Hamon Cheung of Tai Fook Securities Company Limited -

“THAT the ordinary resolution 7 in the Notice be approved.”

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

10. Amendments to the Articles

The Chairman referred the Shareholders to the special resolution 8 in the Notice, which was a proposal of amending the Articles. The amendments mainly served to ensure stricter compliance with the Code of Corporate Governance Practices, as set out in Appendix 14 of the Listing Rules, and included other housekeeping matters. The proposed amendments were included in the Circular that had been sent to HKEx's shareholders, and tabled at the meeting. Subject to the approval of the proposed amendments by the Shareholders, 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”).

The following resolution, designated as the special resolution 8 in the Notice, was proposed by the Chairman, and seconded by Mrs Chu Ho Miu Hing of Good Harvest Securities Company Limited -

“THAT the special resolution 8 in the Notice be approved subject to the written approval of the SFC under Section 67 of the SFO.”

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

11. 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 and seconded resolutions, the Chairman declared that the poll was closed at 5:15 p.m. He then declared a short break of the meeting for 45 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 13 April 2005, and be posted on the HKEx website for public information.

12. Poll Results

After noting that a quorum was present, the meeting was resumed at 6:00 p.m.

The Chairman announced the following poll results -

- (i) there were 333,703,342 votes in favour of, and 0 vote against, the ordinary resolution 1 in the Notice of receiving the Audited Accounts, the Directors' Report, and the Auditors' Report for the year ended 31 December 2004. The net positive votes were 333,703,342. The Chairman declared that the said ordinary resolution was carried unanimously;
- (ii) there were 349,621,946 votes in favour of, and 0 vote against, the ordinary resolution 2 in the Notice of approving the final dividend of 47 cents per share. The net positive votes were 349,621,946. The Chairman declared that the said ordinary resolution was carried unanimously;
- (iii) there were 349,998,944 votes in favour of, and 0 vote against, the ordinary resolution 3(1) in the Notice of appointing Dr KWOK Chi Piu, Bill as a Director. The net positive votes were 349,998,944. The Chairman declared that the said ordinary resolution was carried unanimously, and Dr KWOK Chi Piu, Bill was elected as a Director;
- (iv) there were 348,546,944 votes in favour of, and 268,000 votes against, the ordinary resolution 3(2) in the Notice of appointing Mr LEE Kwan Ho, Vincent Marshall as a Director. The net positive votes were 348,278,944. The Chairman declared that the said ordinary resolution was carried by the majority, and Mr LEE Kwan Ho, Vincent Marshall was elected as a Director;
- (v) there were 348,810,146 votes in favour of, and 86,800 votes against, the ordinary resolution 4 in the Notice of appointing PricewaterhouseCoopers as the Auditors. The net positive votes were 348,723,346. The Chairman declared that the said ordinary resolution was carried by the majority;

- (vi) there were 346,090,946 votes in favour of, and 0 vote against, the ordinary resolution 5 in the Notice of granting the general mandate to repurchase shares. The net positive votes were 346,090,946. The Chairman declared that the said ordinary resolution was carried unanimously;
- (vii) there were 330,066,944 votes in favour of, and 3,976,000 votes against, the ordinary resolution 6 in the Notice of approving the payment of HK\$240,000 as remuneration to each of the Non-executive Directors. The net positive votes were 326,090,944. The Chairman declared that the said ordinary resolution was carried by the majority;
- (viii) there were 348,474,944 votes in favour of, and 0 vote against, the ordinary resolution 7 in the Notice of fixing the term of service of four Non-executive Directors. The net positive votes were 348,474,944. The Chairman declared that the said ordinary resolution was carried unanimously; and
- (ix) there were 348,064,946 votes in favour of, and 0 vote against, the special resolution 8 in the Notice of approving the amendments to the Articles. The net positive votes were 348,064,946. The Chairman declared that the said special resolution was carried unanimously.

13. Close of meeting

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



Chairman