

MTR Corporation Limited

Minutes of the 7th Annual General Meeting (the “AGM” or the “Meeting”) of MTR Corporation Limited (the “Company”) held at Universal Plaza (6/F), Hongkong International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Thursday, 7 June 2007 at 11:30 a.m.

Present (Shareholders list had been prepared by Computershare Hong Kong Investor Services Limited)

Apologies were received from Mr. Alan Wong Chikong, Dr. Sarah Liao Sau-tung and Mr. Frederick Ma Si-hang

In attendance Mr. Andrew Weir (representative of KPMG – Company Auditors), Mr. James Wong, Ms. Romy Cheng and Mr. P.C. Wong (representatives of Computershare Hong Kong Investor Services Limited – Company Registrar), Mr. Jason Webber and Miss Lisa Chung (representatives of Slaughter & May – Company Solicitors)

Facilitator Mrs. Miranda Leung welcomed everyone to the Meeting. She informed that (i) the Meeting would be conducted in English with simultaneous Chinese interpretation provided by the interpreter; (ii) Shareholders who would like to ask questions should move to a designated microphone position such that they could be seen and heard; (iii) only Shareholders, representatives of corporate Shareholders and proxies would be invited to ask questions at the Meeting; and (iv) the Chairman would answer questions in the language in which they were asked, and that translations of both the questions and answers would be provided by the interpreter. She then introduced the Chairman.

Chairman Opening Remarks The Chairman said he had invited the Company's advisers and others to attend the Meeting in accordance with Article 61 of the Company's Articles of Association (the "Articles").

Notice The Chairman proposed and, with permission from the Shareholders present at the Meeting, the notice convening the Meeting, which had been distributed to all Shareholders for the prescribed period, was taken as read.

Chairman's Statement The Chairman updated Shareholders on the proposed Rail Merger with Kowloon-Canton Railway Corporation ("KCRC") (the "Merger") and other steps required to be taken for completion of the Merger (including the holding of an Extraordinary General Meeting ("EGM") to approve the transaction).

The Chairman then highlighted the good financial results achieved by the Company in 2006 with steady growth in the rail and non-fare businesses and good results in the property businesses. In addition, he gave a brief account of the Company's development as well as the performance of its various businesses in 2006.

The Chairman said the Board of Directors had proposed, after considering the funding requirements for the Merger, a final dividend of HK\$0.28 per share which, combined with the interim dividend of HK\$0.14 per share, would bring the total dividends for 2006 to HK\$0.42 per share. He also mentioned that the Government had a standing scrip dividend arrangement with the Company through the financial year ending 31 December 2009.

Voting
Procedures

The Chairman started the formal business by outlining the categories of persons who were entitled to demand a poll in accordance with Article 67 of the Articles, on any resolution to be proposed at the Meeting.

The Chairman then exercised his right as the Chairman of the Meeting under Article 67 of the Articles to call a poll on all the resolutions to be proposed at the Meeting.

The Chairman further exercised his right as the Chairman of the Meeting under Article 68 of the Articles to decide that an electronic voting system be used to conduct the poll on all the resolutions to be proposed at the Meeting in order to minimize the time spent on counting the votes.

The Chairman said same as before, Computershare Hong Kong Investor Services Limited (“Computershare”) had been appointed as the scrutineers to count and certify the poll results. He advised that as the electronic voting system would be used to count the votes, it was expected that the results of the poll would be displayed on the screen before the end of the Meeting. In addition, the poll results would be published in The Standard, the Sing Tao Daily and on the Company’s website on 8 June 2007.

Mr. James Wong of Computershare then gave a demonstration on how electronic poll voting would work.

Directors’
Report and
audited
Statement of
Accounts

The Directors’ Report and the audited Statement of Accounts for the year ended 31 December 2006 were taken as read with permission of all Shareholders present at the Meeting.

Auditors’
Report

The Auditors’ Report set out in the Company’s 2006 Annual Report was read out by Mr. Andrew Weir of KPMG.

The Chairman thanked Mr. Weir and asked whether there were any questions about the audited Statement of Accounts and the Reports of the Directors and the Auditors of the Company for the year ended 31 December 2006.

Mr. David Webb, a Shareholder, a proxy and the representative of a corporate shareholder, asked whether the Chairman agreed to the statement, i.e. “from its inception, fare autonomy has been the cornerstone of MTR’s business model and success”. He said it was stated in the Company’s 2003 Annual Report. He then asked why the Chairman and his fellow directors were supporting the proposed removal of the fare autonomy under the Merger.

The Chairman replied that the Meeting today was not to discuss the details of the Merger. He said recommendation of Independent Board Committee (“IBC”) to Shareholders would take relevant matters into consideration, including the fare autonomy. He mentioned that times changed. However, whatever the Company would do must benefit our Shareholders and any recommendation would follow that principle.

Mr. Webb said Dr. Liao, Secretary for the Environment, Transport and Works, had mentioned at a Legislative Council’s meeting about a month ago that the Government would not direct the Company and KCRC on how to set fares because fare adjustment was a commercial decision to be approved by board of directors, but now she supported the removal of the fare autonomy of this Company.

The Chairman proposed to reserve Mr. Webb’s questions for discussion at the EGM as the purpose of the Meeting was mainly to deal with the AGM matters. He reiterated that each Shareholder would have to make

his/her own decision on whether to support the Merger or not, based on recommendations of the IBC and/or the Independent Financial Advisers. He said he could assure that the IBC would not recommend something that would be detrimental to the financial interests of Shareholders in a long run.

In reply to Mr. Webb's further question on whether he was supporting the removal of fare autonomy or he felt that the fare autonomy was important, the Chairman reiterated that fare autonomy was historically important but things had moved on. Going forward, he said the Board had to make a decision on what it considered to be in the best interest of the Company and Shareholders in terms of creating financial value in a long run.

Mr. Webb said he noted that the Company recently agreed to further extend the fare freezes for one year and asked the reason for it. He said if the Fare Adjustment Mechanism (the "FAM") was to be approved at the EGM for the Merger, future fares under the FAM would not include the 2007 inflation and therefore would be lower. He then asked why this was a better arrangement for Shareholders.

The Chairman said the fare freeze was part of the whole package of the Merger and the Company had explained on different occasions that this was a balanced package and the Company would ensure that it would be a win-win situation for all the important stakeholders including Shareholders. The Chairman added that it was for the IBC to recommend and suggested Mr. Webb to wait.

Mr. Webb said the Meeting was the last occasion for the Board to hear Shareholders' views on the Merger before the EGM. He appealed to the Board to think what kind of proposal that Shareholders would support. He added that it was not too late for the Company to reach a proposal that would retain the fare autonomy which was the cornerstone of success, otherwise the Merger would be voted down at the EGM.

The Chairman thanked Mr. Webb for his advice and suggested him to write a letter to the Board and the IBC to state all his views again.

Mr. C. Chiu, a Shareholder, said access to the AGM venue was difficult for him and suggested the Company use more green arrows to guide Shareholders if the 2008 annual general meeting would be held in the same venue.

The Chairman apologized for any inconvenience that Mr. Chiu had encountered and said the Company would take his suggestion into consideration for the next annual general meeting.

Mr. Leung Kwok Keung, a Shareholder, said Ngong Ping 360 Cable Car had a number of incidents since the commencement of its operation. He said it had affected the reputation of the Hong Kong tourist industry and would have an impact on Shareholders' financial interests. He then asked Management how they would address this.

Mr. C. K. Chow, Chief Executive Officer, thanked Mr. Leung for his question. He said there were some Cable Car incidents occurred in the early days of its operation, some of which were due to bad weather and some were components related. He said each time after the incident, the Company had worked with Skyrail, Operator of Ngong Ping 360, together to investigate the background and follow up actions. Up to May 2007, he said over approximately 1.4 million visitations had been recorded and this exceeded the original forecast.

Mr. Leung, a Shareholder, said the Company should consider improving its efficiency in railway operations. He said the current headway was not enough, and MTR daily patronage at around 2.4 million was even lower than Kowloon Motor Bus's. Further, he said the Ngong Ping 360 incidents might have been attributable to over streamlining of manpower resources. He was of the

view that the Secretary for the Environment, Transport and Works only focused on asking profitable companies to reduce price. In summary, he suggested Management increase the Company's efficiency, and improve the headway as this would reduce passengers' waiting time and help solve road conditions in a most environmental friendly manner.

The Chairman thanked Mr. Leung for his suggestions. He added that Mr. Chow had just explained the current performance of Ngong Ping 360. Regarding efficiency, the Chairman said this was always a key item to Management. He said patronage would increase following the expansion of the MTR network (currently, the MTR network had not been extended to the New Territories) as this would improve travellers' convenience.

Another Shareholder who had not identified herself said Kowloon Motor Bus offered a \$2 concession fare to elderly on Sundays for all bus routes. She said the Company also offered a \$2 concession fare to elderly during the 2005 Chinese New Year holidays but it was not extended to 2006. Regarding directors' fees, she questioned why the Company paid directors' fees to Dr. Liao and Mr. Ma who were the Government's representatives. She said she noted that one of the directors who retired had received a package of over HK\$10 million last year. She opined that the level of directors' fees was on the high side and yet the Company only paid a final dividend of HK\$0.28 to Shareholders for 2006.

In the light of the above, the Shareholder asked whether the Company would, after the Merger, not continue with the KCRC's current practice of offering a \$2 concession fare on the West Rail to elderly on Saturdays and Sundays. She also requested the Chairman to (1) reduce directors' fees, and explain why director's fees were paid to Dr. Liao and Mr. Ma, (2) increase dividend payment, and (3) offer concession fare to elderly for travelling on MTR (including Airport

Express) and Ngong Ping 360.

On the question of directors' fees to the Government's officials on the Board, Mr. Turk, Legal Director and Secretary, said, as far as the Company was concerned, each of the non-executive Directors of the Company received the same director's fee and in the case of the Government's officials, the fees were paid to the Government and not to the individual directors. The Chairman added that the directors' fees and remuneration of senior management were determined by the Remuneration Committee of the Board (comprising a majority of independent non-executive Directors) after taking into consideration all relevant market factors. Regarding other questions, the Chairman said Ms. Jeny Yeung, General Manager - Marketing and Station Business would speak to that Shareholder after the Meeting.

A Madam Duen who had not further identified herself said the dividend yield of the Company was around 2% which was lower than that offered by banks. She therefore requested the Company to increase the dividend yield to more than 4%.

The Chairman thanked Madam Duen for her comment.

Mr. Lee, a Shareholder, opined that he quite worried about the Merger because as mentioned by Mr. Webb, if the fare was to be arranged that way, it might affect the Company's future revenue. He said he had confidence in MTR management and hence had also bought a property in Luk Yeung Sun Chuen which was managed by MTR. He said the Company might have outsourced lift maintenance service due to cost saving, or something might have been done to the lifts last year which made his property vibrate. He said he had reported the situation to the Management Office of Luk Yeung, and was dissatisfied with the staff's reply that after all the checking, no abnormality was found.

In reply, the Chairman said the Company always strived

to provide quality services to customers and advised Mr. Lee to discuss with the responsible staff at the Customers' Services Counter outside the AGM Venue after the Meeting. In response to Mr. Lee's comment that there might be problem on the part of middle management, the Chairman said the Company would attend to this as well.

Mr. Leung Kwok Keung followed up Mr. Webb's question and requested the Chairman on behalf of minority Shareholders, to negotiate with the Government before the EGM for protecting their rights and benefits. Regarding directors' fees, he opined that the Company should not pay directors' fees to the Government officials on the Board as the Government was already a major Shareholder and this was notwithstanding that the fees were paid to the Treasury. He urged Management to raise this issue of making no future payment of directors' fees to the Government officials on the Board, with the Government, and further requested the Chairman to revert this issue at the 2008 annual general meeting. The Chairman thanked Mr. Leung for his comments.

Having no further questions from Shareholders, the Chairman proposed Resolution 1, namely the ordinary resolution to receive and consider the audited Statement of Accounts and the Reports of the Directors and the Auditors of the Company for the year ended 31 December 2006.

Mr. James Wong of Computershare then conducted the poll on Resolution 1.

As more than 50% of the votes had been cast in favour of Resolution 1, the Chairman declared Resolution 1 carried.

Final Dividend The Chairman invited questions from Shareholders about Resolution 2, namely the ordinary resolution to declare a final dividend for the year ended 31 December

2006 of HK\$0.28 per ordinary share, as recommended by the Board of Directors.

Mr. Webb said the Company had not increased its dividend since the listing seven years ago and a number of Shareholders had made this point earlier at the Meeting that the dividend yield was only 2.2% which might be the reason for MTR's share price to remain flat in the past year or so. He opined that there was a direct linkage between profits and dividends. He said the Chairman had mentioned earlier that the Company's railway operation service was ranked as the best value for money in public surveys, and this clearly indicated that the Company had the potential to raise its fare and could still be good value for money and appreciated by travelling public. If the Company chose to take away the fare autonomy and freeze fares, the Company would not get enough profits to raise dividends. He also noted that the Company would only manage to maintain the existing level of dividend because the Government had elected to receive its dividend in scrip form instead of cash. Going forward, he opined that the Company would not have enough cash to pay dividend and might even have to cut dividend after the Merger. He said this might be the reason for Shareholders to vote down the Merger and requested therefore, the Board to start considering the implications of Merger as this would be negative to the dividend flow.

The Chairman said the IBC would consider Mr. Webb's views on fare autonomy seriously. He then invited Mr. Lincoln Leong, Finance Director to say a few words on the Company's dividend policy.

Mr. Leong said the Board of Directors examined dividends every year and determined the amount of dividend payment after taking into account a number of factors, including profits and cash flow for the year, as well as future capital expenditure requirements, including the possibility of the Merger and the capital requirements for the Merger. As a result, he said the Board had recommended a final dividend of

HK\$0.28/share for the year ended 31 December 2006 and after adding the interim dividend of HK\$0.14/share, total dividend for the year 2006 would be HK\$0.42/share. Regarding future cash flow and dividend, Mr. Leong said the Board would examine profits, cash flow and dividends of the Company on an annual basis. He concurred with the Chairman's view that the Merger would be value accretive to Shareholders.

Mr. Webb asked Mr. Leong to provide evidence to support his view that the Merger was value accretive. He said that the Company was able to maintain its dividend because the Government had elected to receive scrip dividend. Going forward, he said if the Government elected to receive cash dividends, the Company would not be able to pay 42 cents to everybody. He said the Company was already in negotiations on the West Island Line and if it was not able to identify any property near the West Island Line to support the cost of building it, the Company would have to ask for property a long way from the West Island Line and the business model would not work on this basis. He said the Company could not increase fare and that was why dividend would be under threat if the Merger went ahead.

The Chairman said Mr. Webb had raised a number of interesting points and he hoped that some of them would be addressed in the EGM Circular.

Having no further questions from Shareholders, the Chairman proposed the poll on Resolution 2.

Mr. James Wong of Computershare then conducted the poll on Resolution 2.

As more than 50% of the votes had been cast in favour of Resolution 2, the Chairman declared Resolution 2 carried.

Directors

In accordance with the Company's Articles, Mr. Chow Chung-kong, Mr. David Gordon Eldon and Ms. Christine Fang Meng-sang retired individually from the office of Directors and, being eligible, offered themselves for re-election. The Chairman invited questions from Shareholders about Resolution 3.

Having no questions from Shareholders, the Chairman proposed and conducted the poll on Resolution 3(a) that Mr. Chow Chung-kong be re-elected as a member of the Board of Directors of the Company.

Mr. James Wong of Computershare then conducted the poll on Resolution the poll.

As more than 50% of the votes had been cast in favour of Resolution 3(a), the Chairman declared Resolution 3(a) carried.

The Chairman proposed Resolution 3(b) that Mr. David Gordon Eldon be re-elected as a member of the Board of Directors of the Company.

Mr. Webb said Mr. Eldon had worked for HSBC for 37 years until 2005 and it was assumed that the bank had a large number of banking businesses with the Company. He said Mr. Eldon would be re-elected as a director so long as the Government, being a major Shareholder, would vote in Mr. Eldon's favour. In that case, he asked Mr. Eldon in what way he considered himself to be independent of the Government.

The Chairman noted that Mr. Eldon had been with HSBC for a number of years and the Company did have a banking relationship with HSBC as with many other banks. He said Mr. Eldon was nominated as a Member of the Board based on the strength of his independent character and also his broad business experience, and it was after careful consideration by the Company's Nominations Committee, comprising mostly, of independent non-executive Directors as members,

which came to the decision that Mr. Eldon could make valuable contribution to the Board and the operations of the Company.

Mr. Webb suggested that the Government set an example of corporate governance by agreeing to abstain from voting on resolution regarding re-election of independent non-executive Directors in future.

In reply to the question on voting by the Government, Mr. Turk, Legal Director and Secretary, said the view was taken that every Shareholder, including The Financial Secretary Incorporated, was entitled to vote in matters which in fact, included the appointment of Members of the Board. He added that if there was considered to be a conflict of interests, relevant Directors would declare their interests, and would not take part in the voting on that particular subject. On connected transactions or continuing connected transactions, they would not vote or take part, and that was the reason for the Government to abstain from voting at the EGM on the Merger.

Mr. Eldon said he was disappointed that Mr. Webb felt that perhaps his integrity was questioned and that he would not maintain an independence stance as far as minority Shareholders of the Company were concerned. He added that if he found there were issues which were not in the interest of minority Shareholders in general terms, he would express those concerns. He assured Mr. Webb and other minority Shareholders that he was of independent mind and thought, and would express those thoughts and opinion forcibly whenever he found a need to do so.

In reply to Mr. Webb's further question on whether Mr. Eldon supported fare autonomy, Mr. Eldon said at the end of the day, there would be a set of issues to be considered by the independent non-executive Directors of the Company and FAM was one of them. He said at the time when the Prospectus (for the Company's listing in year 2000) went out where fare autonomy was

considered to be an issue, it was important and he was of the view that it was still something that needed to be taken into account seriously in accordance with other measures that would be put for Shareholders to decide at the EGM. He said all comments that Mr. Webb and others had made would be taken into consideration by independent Shareholders.

Mr. Webb said Ms. Fang had been the Chief Executive of the Hong Kong Council of Social Service for several years and more than half of that organization's revenue was granted by the Government. In that light, he asked Ms. Fang whether (1) she considered herself to be independent of the Government, and (2) she would support the Company having fare autonomy in order to maximize profits for Shareholders, or she would support lower fares for welfare recipients that she largely represented through the welfare bodies.

In reply to Mr. Webb's questions, Ms. Fang said she accepted to stand for re-election as an independent non-executive Director of the Company on a personal basis. She said she came before Shareholders today as an individual on Shareholders' judgement of her as a person with fair judgement and her experience in public service and emphasis on people based management. She said she would represent Shareholders' interests and the long term value of Shareholders and the Company.

Having no further questions from Shareholders, Mr. James Wong of Computershare then conducted the poll on Resolution 3(b).

As more than 50% of the votes had been cast in favour of Resolution 3(b), the Chairman declared Resolution 3(b) carried.

The Chairman then proposed the poll on Resolution 3(c) that Ms. Christine Fang Meng-sang be re-elected as a member of the Board of Directors of the Company.

Mr. James Wong of Computershare conducted the poll.

As more than 50% of the votes had been cast in favour of the Resolution 3(c), the Chairman declared Resolution 3(c) carried.

Auditors

The Chairman proposed Resolution 4, namely the ordinary resolution to re-appoint KPMG as Auditors of the Company and to authorise the Board of Directors to determine their remuneration.

Mr. Leung, a Shareholder, said he had voted against the previous proposed Resolutions at the Meeting but the percentage of votes Against each of the corresponding Resolutions displayed on the screen was zero. He then enquired the reason for that. In answer, Mr. James Wong of Computershare said it was due to the rounding up effect, given the total number of votes cast. He confirmed that all the votes cast had been counted.

Another Shareholder who had not identified himself, asked why the previous poll result on a Resolution still indicated zero under the % Against column on the screen notwithstanding that there were around 190,000 shares voted Against. He mentioned that the number of votes For was only about 4 million. The Chairman responded by pointing out that the number of votes For the Resolution was not 4 million but around 4 billion. The Shareholder agreed to the Chairman's view.

Having no further questions from Shareholders, Mr. James Wong of Computershare conducted the poll on Resolution 4.

As more than 50% of the votes had been cast in favour of the Resolution 4, the Chairman declared Resolution 4 carried.

General

The Chairman proposed Resolution 5, namely the

Mandate

ordinary resolution to grant a general mandate to the Board of Directors to allot, issue, grant, distribute and otherwise deal with additional shares in the Company, in the terms set out in the Notice of the Meeting as follows:

Resolution 5

“THAT:

- (A) subject to paragraph (B) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options, warrants and other securities which will or might require Shares to be allotted, issued, granted, distributed or otherwise dealt with during or after the end of the Relevant Period, be and is hereby generally and unconditionally APPROVED;
- (B) the aggregate nominal amount of share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, conversion or otherwise) by the Board of Directors pursuant to the approval in paragraph (A) above, otherwise than pursuant to:
 - (i) a Rights Issue; or
 - (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the members of the Executive Directorate and/or officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares, including without limitation pursuant to the Rules of the

Company's Pre-Global Offering Share Option Scheme and also the Rules of the Company's New Joiners Share Option Scheme; or

- (iii) the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares; or
- (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the Articles of Association of the Company from time to time,

shall not exceed the aggregate of:

- (a) ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution 5; and
- (b) (if the Board of Directors is so authorised by a separate resolution of the Shareholders of the Company) the aggregate nominal amount of share capital of the Company purchased by the Company subsequent to the passing of this Resolution 5 (up to a maximum equivalent to ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution 5),

and the said approval shall be limited accordingly; and

- (C) for the purpose of this Resolution 5:
 - (i) "Relevant Period" means the period from

(and including) the date of passing this Resolution 5 until the earlier of:

- (a) the conclusion of the next Annual General Meeting of the Company;
 - (b) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or by law to be held; and
 - (c) the revocation or variation of the authority given under this Resolution 5 by an ordinary resolution of the shareholders of the Company in general meeting;
- (ii) “Rights Issue” means an offer of Shares open for a period fixed by the Board of Directors to holders of Shares on the register of members (and, if appropriate, to the holders of warrants and other securities which carry a right to subscribe or purchase shares in the Company on the relevant register) on a fixed record date in proportion to their then holdings of such Shares (and, if appropriate, such warrants and other securities) (subject to such exclusions or other arrangements as the Board of Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory applicable to the Company); and
- (iii) “Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to

subscribe or purchase shares in the Company.”

Having no questions from Shareholders, Mr. James Wong of Computershare conducted the poll on Resolution 5.

As more than 50% of the votes had been cast in favour of Resolution 5, the Chairman declared Resolution 5 carried.

Share
Repurchase
Mandate

The Chairman proposed Resolution 6, namely the ordinary resolution to grant a general mandate to the Board of Directors to purchase shares in the Company, in the terms set out in the Notice of the Meeting as follows:

Resolution 6

“THAT:

- (A) subject to paragraph (B) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the Shares may be listed and which is recognised for this purpose by the Securities and Futures Commission and the Stock Exchange, in accordance with all applicable laws, including the Hong Kong Code on Share Repurchases and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time), be and is hereby generally and unconditionally APPROVED;
- (B) the aggregate nominal amount of Shares which may be purchased or agreed conditionally or unconditionally to be purchased pursuant to the approval in paragraph (A) above shall not

exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution 6, and the said approval shall be limited accordingly; and

- (C) for the purpose of this Resolution 6:
 - (i) “Relevant Period” means the period from (and including) the passing of this Resolution 6 until the earlier of:
 - (a) the conclusion of the next Annual General Meeting of the Company;
 - (b) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or by law to be held; and
 - (c) the revocation or variation of the authority given under this Resolution 6 by an ordinary resolution of the shareholders of the Company in general meeting; and
 - (ii) “Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company.”

Mr. James Wong of Computershare then conducted the poll on Resolution 6.

As more than 50% of the votes had been cast in favour of Resolution 6, the Chairman declared Resolution 6 carried.

Addition of the Aggregate Nominal Amount of the Shares Repurchased to the Aggregate Nominal Amount of the Shares which may be issued under the General Mandate

The Chairman proposed Resolution 7, namely the ordinary resolution to authorise the Board of Directors to exercise the powers to allot, issue, grant, distribute and otherwise deal with additional shares in the Company in respect of the aggregate nominal amount of share capital in the Company purchased by the Company, in the terms set out in the Notice of the Meeting as follows:

Resolution 7

“THAT, conditional on the passing of Resolutions 5 and 6, the exercise by the Board of Directors of the powers referred to in paragraph (A) of Resolution 5 in respect of the share capital of the Company referred to in sub-paragraph (b) of paragraph (B) of Resolution 5, be and is hereby APPROVED AND AUTHORISED.”

Mr. James Wong of Computershare then conducted the poll on Resolution 7.

As more than 50% of the votes had been cast in favour of the Resolution 7, the Chairman declared Resolution 7 carried.

2007 Share Option Scheme

The Chairman moved on to propose Resolution 8, namely the ordinary resolution to approve and adopt the Rules of the 2007 Share Option Scheme of the Company and to authorise the Company to grant options thereunder, to allot, issue, distribute and deal with ordinary shares in the share capital of the Company pursuant to the exercise of options granted thereunder, and to take all such steps as may be necessary or desirable to implement the 2007 Share Option Scheme in the terms set out in the Notice of the Meeting as follows:

Resolution 8

“THAT, conditional on the Listing Committee of The Stock Exchange of Hong Kong Limited granting

approval of the listing of and of any permission to deal in any ordinary shares in the Company to be issued upon the exercise of options to be granted under the Rules of the 2007 Share Option Scheme (the “2007 Share Option Scheme”), the Rules of the 2007 Share Option Scheme are hereby APPROVED and ADOPTED and that the Company is hereby authorised to grant options thereunder to subscribe for ordinary shares in the share capital of the Company and to allot, issue, distribute and deal with ordinary shares in the share capital of the Company pursuant to the exercise of options granted under the Rules of the 2007 Share Option Scheme and to take all such steps as may be necessary or desirable to implement the 2007 Share Option Scheme.”

The Chairman then invited questions from Shareholders about the resolution.

[Mr. Webb made the following comment on Resolution 8 during Resolution 6 was being considered.]

Mr. Webb said he noted that the total number of options to be granted under the 2007 Share Option Scheme would be five times more than the number of options granted under the Pre-IPO share option scheme (which, he said, was about 48 million shares) and this represented 5% of the Company’s [issued] shares. In terms of value, he said it would be about 10 times more. He suggested reduce the total number of options to be granted from 5% to 1% of the [issued] shares. The Chairman thanked Mr. Webb for his comments.

Having no further questions from Shareholders, Mr. James Wong of Computershare conducted the poll on Resolution 8.

As more than 50% of the votes had been cast in favour of the Resolution 8, the Chairman declared Resolution 8 carried.

Poll Results The Chairman advised that the results of the poll would be announced in The Standard and the Sing Tao Daily and posted on the Company's Website on the following day.

Conclusion There being no further business, the Chairman declared the Meeting closed at 1:25pm.

(Signed by Dr. Raymond Ch'ien)
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Chairman