

**HONG KONG AIRCRAFT ENGINEERING COMPANY LIMITED**

**MINUTES OF THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS  
HELD AT PACIFIC PLACE CONFERENCE CENTRE, LEVEL 5,  
ONE PACIFIC PLACE, 88 QUEENSWAY, HONG KONG  
ON TUESDAY, 10TH MAY 2005 AT 4:30 P.M.**

**Present:** 14 shareholders personally present or by proxy as per list attached.

**Attending:**

David Turnbull	(Chairman)
P.K. Chan	(Deputy Chairman and Chief Executive Officer)
Charles Bremridge	(Director and Chief Operating Officer)
Marven Bowles	(Director – Finance)
Mark Hayman	(Director – Engineering)
Robert Adams	(Director)
Derek Cridland	(Director)
Dinty Dickson Leach	(Director)
Davy Ho	(Director)
Peter Johansen	(Director)
Tony Tyler	(Director)
Margaret Yu	(Secretary)
Katy Spooner	(Representing the Auditors)
Robert Kwok	(Representing the Auditors)
Pamela Chung	(Representing Computershare Hong Kong Investor Services Limited, Registrars)

**Quorum:** The Chairman reported that a quorum was present.

**Notice of Meeting:** With the approval of the shareholders, the Notice convening the Meeting, a copy of which is attached to and forms part of these minutes, was taken as read.

The Chairman advised that all the resolutions proposed at the Meeting would be voted on by a show of hands in accordance with Article 72 of the Company's Articles of Association unless a poll had been validly demanded. It was noted that a poll might be demanded by at least three members present in person or by proxy and entitled to vote at the meeting, or by any member or members present in person or by proxy holding in aggregate not less than 10% of the paid up share capital of the Company or the total voting rights of all members.

**Auditors' Report:** The Report of the Auditors was read by Katy Spooner, representing the Auditors, PricewaterhouseCoopers.

**Final Dividend  
for 2004:**

The Chairman noted that the Report of the Directors and the Accounts for the year ended 31<sup>st</sup> December 2004 had been in the hands of the shareholders for the prescribed time. There being no questions from the shareholders, the Chairman proposed that:

“The recommended final dividend of HK\$0.77 per ordinary share be and is hereby declared payable.”

The proposal was seconded by Alice Loo and carried.

**Election of  
Directors:**

The Chairman advised that the Directors retiring in accordance with Article 93 were Derek Cridland, Dinty Dickson Leach and Mark Hayman and, being eligible, they offered themselves for re-election. In addition, Robert Adams and Charles Bremridge who were appointed to the Board since the last annual general meeting, also retired under the provision of Article 91 and offered themselves for election.

The Chairman proposed that Robert Adams be elected as a Director. The proposal was seconded by David Fu and carried.

The Chairman proposed that Charles Bremridge be elected as a Director. The proposal was seconded by Eric Chan and carried.

The Chairman proposed that Derek Cridland be re-elected as a Director. The proposal was seconded by David Fu and carried.

The Chairman proposed that Dinty Dickson Leach be re-elected as a Director. The proposal was seconded by Christoph De Buys Roessingh and carried.

The Chairman proposed that Mark Hayman be re-elected as a Director. The proposal was seconded by Alice Loo and carried.

**Re-  
appointment  
of Auditors:**

The Chairman advised that the accounts for the year ended 31<sup>st</sup> December 2004 had been audited by PricewaterhouseCoopers who retired and, being eligible, offered themselves for re-appointment.

He then proposed that PricewaterhouseCoopers be re-appointed Auditors to hold office until the conclusion of the next annual general meeting and that the Directors be authorised to fix their remuneration.

The proposal was seconded by Christoph De Buys Roessingh and carried.

**General**  
**Mandate for**  
**Share**  
**Repurchase:**

The Chairman said that the next item was special business to consider and, if thought fit, to pass an Ordinary Resolution granting a general mandate to the Directors to repurchase up to 10 per cent of the issued shares of the Company on the Stock Exchange. The explanatory statement required by the Listing Rules to be sent to shareholders in this connection was set out in the Appendix to his letter to shareholders dated 8<sup>th</sup> April 2005.

He advised that since the last Annual General Meeting the Company had not repurchased any of its shares. He further advised that the Directors would consider the repurchase of shares if they felt it to be in the interest of the Company.

Eric Chan proposed the following Ordinary Resolution:

THAT

- “(a) subject to paragraph (b), the exercise by the Directors during the Relevant Period of all the powers of the Company to make on-market share repurchases (within the meaning of the Code on Share Repurchases) be approved;
- (b) the aggregate nominal amount of the Company’s shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of shares in issue at the date of passing this Resolution; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

references to “shares” include securities which carry a right to subscribe for or purchase shares.”

Christoph De Buys Roessingh seconded the proposal and the Ordinary Resolution was carried.

**General  
Mandate to  
Issue and  
Dispose of  
Additional  
Shares:**

The Chairman advised that the next item of special business was to consider and, if thought fit, to pass an Ordinary Resolution giving the Directors a new general mandate to issue additional shares in the Company up to 20 per cent of the existing issued share capital of the Company plus the nominal amount of any shares repurchased by the Company, provided that the aggregate nominal amount of shares allotted wholly for cash would be restricted to 5 per cent of the aggregate nominal amount of the shares then in issue. It was noted that, under the Listing Rules, the inclusion of repurchased shares in the general mandate to issue and dispose of additional shares required a separate Ordinary Resolution, which would be proposed later.

Alice Loo proposed the following Ordinary Resolution:

THAT

- “(a) subject to paragraph (b), the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares and to make or grant offers, agreements and options which will or might require the exercise of such powers during or after the end of the Relevant Period be approved;
- (b) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares, shall not exceed the aggregate of (aa) 20 per cent of the aggregate nominal amount of the shares in issue at the date of passing this Resolution plus (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any shares repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent of the aggregate nominal amount of the shares in issue at the date of passing this Resolution) provided that the aggregate nominal amount of the shares so allotted (or so agreed conditionally or unconditionally to be allotted)

pursuant to this Resolution wholly for cash shall not exceed 5 per cent. of the aggregate nominal amount of the shares in issue at the date of passing this Resolution; and

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares to holders of shares thereof on the register on a fixed record date in proportion to their then holdings of such shares thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to 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).”

Eric Chan seconded the proposal and the Ordinary Resolution was carried by a majority on a show of hands.

**Add Shares  
Repurchased  
to the General  
Mandate to  
Issue and  
Dispose of  
Shares:**

The Chairman advised that under the Listing Rules, a separate Ordinary Resolution was required to add repurchased shares to the general mandate to issue and dispose of additional shares granted earlier.

David Fu proposed the following Ordinary Resolution:

“THAT the Directors be authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as Resolution 5 in the notice convening this meeting in respect of the shares referred to in sub-paragraph (bb) of paragraph (b) of such resolution.”

Christoph De Buys Roessingh seconded the proposal and the Ordinary Resolution was carried.

This concluded the business of the Meeting and the Chairman thanked members for their attendance.

**Chairman**

**HONG KONG AIRCRAFT ENGINEERING COMPANY LIMITED**

**2005 ANNUAL GENERAL MEETING**  
**ATTENDANCE RECORD**

1. Cathay Pacific Airways Limited represented by Fu Yat Hung, David
2. Cazenove & Co. (Overseas) Nominees Limited represented by Eric K.W. Chan
3. Cheng Fook Ding represented by Au Wai Hung
4. Chung Kwok Shing
5. Fung Man Fai
6. HKSCC Nominees Limited represented by Poon Wai Kuen
7. HSBC Nominees (Hong Kong) Limited represented by Christoph de Buys Roessingh
8. Lee Shing Tai
9. Roms Nominees Limited represented by James Seymour Dickson Leach
10. So Oi Har, Eva represented by David Muir Turnbull
11. Swire Pacific Limited represented by Loo Sau Ming, Alice
12. Wavoff Nominees Limited represented by James Seymour Dickson Leach
13. Wong Tao Bor, Lorence
14. Yee Kam Ball