

**1. THE COMPANY****Incorporation**

The Company was incorporated on 8th July, 1999 in Hong Kong under the Companies Ordinance as a private limited company. On 6th March, 2000, the Company was converted into a public limited company.

**Share capital of the Company**

As at the date of incorporation, the authorised share capital of the Company was HK\$1,000 divided into 1,000 shares of HK\$1.00 each of which two were allotted and issued fully paid at par.

On 6th March, 2000, the authorised share capital was increased from HK\$1,000 to HK\$2,000,000,000 by the creation of 1,999,999,000 additional shares of HK\$1.00 each ranking *pari passu* with the existing shares.

Save as disclosed in this Appendix, there has been no alteration in the share capital of the Company within the two years immediately preceding the date of this document.

**Resolutions passed at extraordinary general meeting on 31st May, 2000**

On 31st May, 2000, resolutions were passed by the shareholders of the Company pursuant to which, *inter alia*:

- (a) subject to and conditional upon the SFC granting approval of the Post-Listing Scheme and any options which may be granted thereunder and the listing of and permission to deal in any Shares falling to be issued pursuant to the exercise of any such options, the rules of the Post-Listing Scheme were approved and adopted (subject to such amendments as may be approved by the SFC) and the Directors were authorised to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any options which may be granted under the Post-Listing Scheme and to do all acts and things as they may consider necessary or expedient to implement the rules of the Post-Listing Scheme and to vote on any matter connected therewith notwithstanding that they or any of them may be interested in the same;
- (b) subject to and conditional upon the SFC granting approval of the Pre-Listing Scheme and any options which may be granted thereunder and the listing of and permission to deal in any Shares falling to be issued pursuant to the exercise of any such options, the rules of the Pre-Listing Scheme were approved and adopted (subject to such amendments as may be approved by the SFC) and the Directors were authorised to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any options which may be granted under the Pre-Listing Scheme and to do all acts and things as they may consider necessary or expedient to implement the rules of the Pre-Listing Scheme and to vote on any matter connected therewith notwithstanding that they or any of them may be interested in the same;

- (c) subject to and conditional upon the SFC granting the listing of, and permission to deal in, the Shares in issue, a general mandate was given to the Directors to allot, issue and deal with, otherwise than by way of rights or any Shares allotted in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company or pursuant to the exercise of any options which may be granted under any share option scheme or similar arrangement, unissued Shares with an aggregate nominal amount not exceeding 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on 31st May, 2000, such mandate to remain in effect until whichever is the earlier 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; or
  - (iii) the date of the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors;
- (d) subject to and conditional upon the SFC granting the listing of, and permission to deal in, the Shares in issue, a general mandate was given to the Directors authorising them to exercise all powers of the Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, the aggregate nominal amount of such Shares not exceeding 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on 31st May, 2000, such mandate to remain in effect until whichever is the earlier 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; or
  - (iii) the date of the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors; and
- (e) subject to and conditional upon the SFC granting the listing of, and permission to deal in, the Shares in issue, the general mandate referred to in paragraph (c) above was extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to the general mandate to repurchase shares referred to in paragraph (d) above provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company on 31st May, 2000.

**2. SCHEMES OF ARRANGEMENT AND CONVERSION OF HKSCC**

- (a) Pursuant to the scheme of arrangement (the “Stock Exchange Scheme”) dated 3rd September, 1999 under section 166 of the Companies Ordinance between the Stock Exchange and the holders of Stock Exchange Scheme Shares (as defined in the Stock Exchange Scheme) relating to the proposal for the Stock Exchange to become a wholly owned subsidiary of the Company, which became effective on 6th March, 2000:
- (i) the authorised and issued share capital of the Stock Exchange were reduced by cancelling and extinguishing the Stock Exchange Scheme Shares;
  - (ii) forthwith upon such reduction of capital taking effect, the authorised share capital of the Stock Exchange was increased to its former amount of HK\$1,200 by the creation of 929 “A” shares of HK\$1.00 each; and
  - (iii) the Stock Exchange applied the credit arising in its books of account as a result of the reduction of share capital in paying up in full at par the 929 “A” shares of HK\$1.00 each created as aforesaid, which new shares were allotted and issued, credited as fully paid, to the Company and its nominee, HKEC Nominees Limited, on 6th March, 2000.
- (b) Pursuant to the scheme of arrangement (the “Futures Exchange Scheme”) dated 3rd September, 1999 under section 166 of the Companies Ordinance between the Futures Exchange and the holders of Futures Exchange Scheme Shares (as defined in the Futures Exchange Scheme) relating to the proposal for the Futures Exchange to become a wholly owned subsidiary of the Company, which became effective on 6th March, 2000:
- (i) the authorised and issued share capital of the Futures Exchange were reduced by cancelling and extinguishing the Futures Exchange Scheme Shares;
  - (ii) forthwith upon such reduction of capital taking effect, the authorised share capital of the Futures Exchange was increased to its former amount of HK\$70,000,000 by the creation of 196 ordinary shares of HK\$100,000 each and 34 standard shares of HK\$25,000 each; and
  - (iii) the Futures Exchange applied the credit arising in its books of account as a result of the reduction of share capital in paying up in full at par the 196 ordinary shares of HK\$100,000 each and 34 standard shares of HK\$25,000 each created as aforesaid, which new shares were allotted and issued, credited as fully paid, to the Company and its nominee, HKEC Nominees Limited, on 6th March, 2000.

- (c) Upon the Stock Exchange Scheme and the Futures Exchange Scheme becoming effective and the redemption of one non-voting redeemable share of HK\$10,000 in the Futures Exchange on 6th March, 2000, the Company became the holding company of the Stock Exchange Group and the Futures Exchange Group.
- (d) In consideration of the cancellation of the Stock Exchange Scheme Shares and Futures Exchange Scheme Shares and the allotment and issue to the Company and its nominee of the 929 "A" shares in the Stock Exchange and the 196 ordinary shares and 34 standard shares in the Futures Exchange, a total of 1,040,664,844 Shares were allotted and issued, credited as fully paid, (and a total cash consideration of approximately HK\$107,418,405 was paid) to holders of Stock Exchange Scheme Shares and holders of Futures Exchange Scheme Shares on 6th March, 2000 in accordance with the terms of the Stock Exchange Scheme and the Futures Exchange Scheme.
- (e) The members of HKSCC passed a special resolution on 28th February, 2000 to amend the constitution of HKSCC for the purposes of converting HKSCC from a company limited by guarantee to a company limited by shares with effect from the date on which the Stock Exchange Scheme and the Futures Exchange Scheme became effective. Such amendment was approved by the SFC on 1st March, 2000 and became effective on 6th March, 2000. Pursuant to section 21 of the Merger Ordinance, HKSCC ceased to be a company limited by guarantee and was deemed to be a company limited by shares on 6th March, 2000 in accordance with its constitution as amended. In addition, pursuant to section 21 of the Merger Ordinance, the Company gave an undertaking on 6th March, 2000 in favour of HKSCC to contribute an amount not exceeding HK\$50 million in the event of HKSCC being wound up while it is a wholly owned subsidiary of the Company or within one year after HKSCC ceases to be a wholly owned subsidiary of the Company, for payment of the debts and liabilities of HKSCC contracted before HKSCC ceases to be a wholly owned subsidiary of the Company, and for the costs, charges and expenses of winding up. Upon conversion, the authorised share capital of HKSCC was HK\$1,000,000 divided into 1,000,000 ordinary shares of HK\$1.00 each. Two ordinary shares of HK\$1.00 each in the share capital of HKSCC were issued at par to the Company and its nominee, HKEC Nominees Limited, on 6th March, 2000 and the Company became the holding company of the HKSCC Group.

### **3. SUBSIDIARIES**

The Company's subsidiaries are referred to in the accountants' report, the text of which is set out in Appendix I to this document.

Save as disclosed in this Appendix, there has been no alteration in the share capital of any subsidiary of the Company within the two years immediately preceding the date of this document.

### **4. DISCLOSURE OF INTERESTS**

- (a) Immediately following the completion of the Introduction, the interests of the Directors in the share capital of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) which will have to be notified to the

Company, the Stock Exchange and, in the case of the Company, the SFC pursuant to section 28 of the SDI Ordinance (including interests in which they are taken or deemed to have taken under section 31 of, or Part 1 of the Schedule to, the SDI Ordinance) once the Shares are listed, or which will be required, pursuant to section 29 of the SDI Ordinance, to be entered in the register required to be kept therein once the Shares are listed, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company, the Stock Exchange and the SFC once the Shares are listed, will be as follows:

<b>Name</b>	<b>Type of interest</b>	<b>Number of Shares</b>
Fan Chor Ho, Paul	Corporate ( <i>Note 1</i> )	4,397,000
Lee Jor Hung, Dannis	Corporate ( <i>Note 2</i> )	1,610,000

*Notes:*

1. 2,787,000 Shares and 1,610,000 Shares are respectively owned by Compu-Chart Investment Adviser Limited and Paul Fan Securities Limited, both of which are private companies in which Fan Chor Ho, Paul holds a 99.99 per cent. interest.
  2. 1,610,000 Shares are owned by DL Brokerage Limited, a private company beneficially wholly owned by Lee Jor Hung, Dannis.
- (b) No Director has any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (c) No remuneration was paid by the Group to the Directors for the year ended 31st December, 1999.
- (d) Under the arrangements currently in force, the aggregate remuneration payable by the Group to the Directors for the year ending 31st December, 2000 is expected to be approximately HK\$7,800,000.
- (e) Save as disclosed herein:
- (i) none of the Directors has for the purposes of section 28 of the SDI Ordinance, nor is any of them taken to or deemed to have under section 31 of, or Part 1 of the Schedule to, the SDI Ordinance, any interest in the shares of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) or any interests which will have to be entered in the register to be kept by the Company pursuant to section 29 of the SDI Ordinance or which will be required to be notified to the Company, the Stock Exchange and, in the case of the Company, the SFC pursuant to the Model Code for Securities Transactions by Directors of Listed Companies once the Shares are listed on the Stock Exchange;
  - (ii) no Director or expert whose name is listed under the heading "Consents and qualifications" in this Appendix is interested in the promotion of, or in any assets

which have been in the two years immediately preceding the issue of this document acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;

- (iii) no Director or expert whose name is listed under the heading “Consents and qualifications” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group;
- (iv) none of the experts whose names are listed under the heading “Consents and qualifications” in this Appendix has any shareholding in any member of the Group; and
- (v) the Directors are not aware of any person who will, immediately following completion of the Introduction, be directly or indirectly interested in 5 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

## **5. SHARE OPTION SCHEMES**

### **Summary of terms of the Post-Listing Scheme**

The following is a summary of the principal terms of the Post-Listing Scheme, which was approved by the shareholders of the Company in an extraordinary general meeting on 31st May, 2000.

#### **(a) Who may participate**

The Board may, in its discretion, offer any employees or executive directors of the Company or of any of its subsidiaries, options to subscribe for such number of Shares as the Board may determine at a subscription price determined in accordance with paragraph (b) below. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

#### **(b) Subscription price**

The subscription price of a Share in respect of any particular option granted under the Post-Listing Scheme shall be such price as the Board may in its absolute discretion determine, save that such price will not be less than the higher of (i) the nominal value of a Share and (ii) 80 per cent. of the average of the closing prices of the Shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the option.

#### **(c) Maximum number of Shares**

The maximum number of Shares in respect of which options may be granted under the Post-Listing Scheme, when aggregated with the maximum number of Shares in respect of which options may be granted under any other executive and/or employee

share option scheme of the Company, shall be such number which shall represent 10 per cent. of the issued share capital of the Company from time to time, excluding for this purpose Shares issued on the exercise of options granted pursuant to the Post-Listing Scheme or any such other scheme.

**(d) Maximum number of options to any one individual**

No option may be granted to any one person which if exercised in full would result in the total number of Shares already issued and issuable to him under all the options previously granted to him and the said option exceeding 25 per cent. of the aggregate number of Shares issued and issuable under all the options which may be granted under the Post-Listing Scheme at the time it is proposed to grant the relevant option to that person.

**(e) Time of exercise of option**

An option may be exercised in accordance with the terms of the Post-Listing Scheme at any time during a period to be notified by the Board to each grantee. Such period may commence on the second anniversary of the date upon which the option is offered (at the earliest) and in any event shall end not later than 10 years from the date upon which the option is granted and accepted, subject to the provisions for early exercise and/or termination contained in the Post-Listing Scheme.

Subject to any early vesting of options described in paragraphs (j), (k) and (l) below, options granted under the Post-Listing Scheme will vest as follows:

<b>Date</b>	<b>Percentage of Shares comprised in an option which is exercisable</b>
Before the 2nd anniversary of the date on which the option is offered to the employee (the "Offer Date")	Zero
From the 2nd anniversary to the date immediately before the 3rd anniversary of the Offer Date	25 per cent.
From the 3rd anniversary to the date immediately before the 4th anniversary of the Offer Date	50 per cent.
From the 4th anniversary to the date immediately before the 5th anniversary of the Offer Date	75 per cent.
From the 5th anniversary of the Offer Date and thereafter	100 per cent.

**(f) Rights are personal to grantee**

An option is personal to the grantee and shall not be assignable, and no grantee may in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option.

**(g) Rights on death/ceasing employment**

If the grantee of an option ceases to be an employee of the Company or any subsidiary of the Company for any reason other than his death or the termination of his employment by reason of misconduct or certain other grounds, the grantee may exercise the option up to the grantee's vested entitlement at the date of cessation of his employment (to the extent vested and not already exercised) within the period of one month from the date of such cessation, which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

If the grantee of an option ceases to be an employee of the Company or the relevant subsidiary by reason of his death, his personal representative(s) may exercise the option in full (to the extent vested and not already exercised) within a period of 12 months from the date of death, or such longer period as the Board may determine, failing which it will lapse.

**(h) Rights on dismissal**

If the grantee of an option leaves the service of the Company or the relevant subsidiary by reason of misconduct or on certain other grounds, his option (to the extent not already exercised) will thereupon lapse.

**(i) Effect of alterations to capital**

In the event of any alteration in the capital structure of the Company while any option remains exercisable, such corresponding adjustments (if any) shall be made to the number or nominal amount of Shares in respect of which options may be granted subject to outstanding options so far as unexercised; and/or the aggregate number of Shares subject to outstanding options; and/or the subscription price per Share of each outstanding option; and/or the method of exercise of the option, as the auditors of the Company shall certify in writing to the Board to be in their opinion fair and reasonable. Any such alterations will be made on the basis that the proportion of the issued share capital of the Company to which a grantee is entitled after such adjustment shall remain as nearly as possible the same as but no greater than that to which he was entitled before such adjustment. No such adjustment will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of Shares as consideration in a transaction is not to be regarded as a circumstance requiring any such adjustments.

**(j) Rights on a general offer**

If a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares, the Company shall use its best endeavours to procure that such offer is extended to all the grantees (on the same terms *mutatis mutandis*, and assuming that they will become, by the exercise in full of the options granted to them, shareholders of the Company). If such offer, having been approved in accordance with applicable laws and regulatory requirements becomes, or is declared unconditional, the grantee shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional.



**(k) Rights on winding up**

In the event of an effective resolution being passed for the voluntary winding-up of the Company or an order of the court is made for the winding-up of the Company, the Company shall give notice thereof ("winding-up notice") to all grantees on the same day as such resolution is passed or order is made. The grantee may by notice in writing to the Company within 21 days after the date of the winding-up notice elect to be treated as if the option (to the extent not already exercised) had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the grantee's notice, such notice to be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon the grantee will be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election.

**(l) Rights on a compromise or arrangement**

If, pursuant to the Companies Ordinance, a compromise or arrangement between the Company and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all grantees on the same date as it despatches to each shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each grantee shall be entitled to exercise all or any of his options in whole or in part at any time prior to 12:00 noon on the day immediately preceding the date of the meeting directed to be convened by the court for the purposes of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine.

**(m) Ranking of Shares**

The Shares to be allotted upon the exercise of an option shall be subject to all the provisions of the articles of association of the Company and will rank *pari passu* with the other fully-paid Shares in issue on the date of issue, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of issue.

**(n) Period of Post-Listing Scheme**

Subject to earlier termination by the Company in general meeting, the Post-Listing Scheme shall be valid and effective for a period of 10 years after the date of adoption of the Post-Listing Scheme by shareholders of the Company.

**(o) Alteration of Post-Listing Scheme**

The provisions of the Post-Listing Scheme relating to, among other things, the following matters cannot be altered to the advantage of the participants without the prior approval of shareholders of the Company in general meeting:

- (i) the participants;
- (ii) the total amount of the securities subject to the Post-Listing Scheme;
- (iii) the fixed maximum entitlement for participants;
- (iv) the period within which the securities must be taken up;
- (v) the basis for determining the subscription price;
- (vi) the voting, dividend, transfer and other rights, including those arising on liquidation of the Company, attaching to the securities and to any options (if appropriate);
- (vii) the duration of the Post-Listing Scheme; and
- (viii) the provisions for the adjustment of the subscription price or the number or amount of securities subject to options already granted and to the Post-Listing Scheme, in the event of a capitalisation issue, rights issue, sub-division, consolidation of Shares or reduction of capital.

Any alterations to the terms and conditions of the Post-Listing Scheme which are of a material nature shall be subject to the approval of the SFC save where the alterations take effect automatically under the existing terms of the Post-Listing Scheme.

**(p) Condition of the Post-Listing Scheme**

The Post-Listing Scheme is conditional on the SFC granting approval of such scheme and the grant of options thereunder and granting the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of options granted pursuant thereto.

**(q) Present status of the Post-Listing Scheme**

As at the date of this document, no option has been granted or agreed to be granted under the Post-Listing Scheme.

Application has been made to the SFC for the approval of the Post-Listing Scheme and the subsequent granting of options thereunder and for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of the options granted under the Post-Listing Scheme.

**Summary of terms of the Pre-Listing Scheme**

The principal terms of the Pre-Listing Scheme, conditionally approved by the shareholders of the Company in an extraordinary general meeting on 31st May, 2000, are the same as the terms of the Post-Listing Scheme except that:

**(a) Subscription price**

The subscription price for a Share in respect of any particular option granted shall be determined by the Board based on the following formula

$$P = 80\% (A \times B)$$

where:

P is the subscription price;

A is 18.81, a price/earnings multiple determined by reference to the price/earning multiples of various financial companies listed on the Stock Exchange and/or overseas; and

B is the earnings of the Group, based on its audited combined results for the year ended 31st December, 1999 as if the current Group structure had been in existence throughout the year, divided by 1,040,664,846 Shares in issue.

Based on this formula and the audited combined results of the Group for the year ended 31st December, 1999, the subscription price for a Share is HK\$7.52.

**(b) Maximum number of Shares**

The maximum number of Shares in respect of which options may be granted (together with options exercised and options then outstanding) subject to the Pre-Listing Scheme shall be such number which shall represent 3.5 per cent. of the issued share capital of the Company from time to time.

**(c) When options may be granted**

The Directors may offer to grant options under the Pre-Listing Scheme between 31st May, 2000 and the date on which dealings commence in the Shares on the Stock Exchange (including the former but excluding the latter). No offer to grant any options under the Pre-Listing Scheme will be made on or after the date on which dealings commence in the Shares on the Stock Exchange.

**(d) Time of exercise of option**

An option may be exercised in accordance with the terms of the Pre-Listing Scheme at any time during a period to be notified by the Board to each grantee. Such period may commence on the second anniversary of 6th March, 2000 (at the earliest) and in any event shall end not later than the 10 years from the date upon which the option is granted and accepted, subject to the provisions for early exercise and/or termination contained in the Pre-Listing Scheme.

Subject to any early vesting of options described in paragraphs (j), (k) and (l) under the heading "Share Option Schemes - Summary of terms of the Post-Listing Scheme" in this Appendix, options granted under the Pre-Listing Scheme will vest as follows:

<b>Date</b>	<b>Percentage of Shares comprised in an option which is exercisable</b>
Before the 2nd anniversary of 6th March, 2000	Zero
From the 2nd anniversary to the date immediately before the 3rd anniversary of 6th March, 2000	25 per cent.
From the 3rd anniversary to the date immediately before the 4th anniversary of 6th March, 2000	50 per cent.
From the 4th anniversary to the date immediately before the 5th anniversary of 6th March, 2000	75 per cent.
From the 5th anniversary of 6th March, 2000 and thereafter	100 per cent.

#### **Outstanding options under the Pre-Listing Scheme**

As at the date of this document, options to subscribe for an aggregate of 36,423,269 Shares at an exercise price of HK\$7.52 have conditionally been offered by the Company under the Pre-Listing Scheme. The relevant employees have until 18th July, 2000 to accept the offer of the options. All these options have a duration of 10 years from 31st May, 2000. The business address of the grantees is 12/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong. Particulars of the options offered are set out below:

<b>Grantee</b>	<b>No. of people in the group</b>	<b>Number of options</b>
Group 1		
Kwong Ki Chi, Chief Executive of HKEx	3	1,454,126
Frederick John Grede, Chief Executive of the Futures Exchange		1,211,079
Shing Shin Cheung, Stewart, Chief Executive of HKSCC		934,795
Group 2		
Business, functional unit heads and certain Executive and Senior Directors	17	8,320,000
Group 3		
Department Heads, Assistant Directors and above	64	15,488,000
Group 4		
Senior Managers	59	9,015,269
<b>Total</b>	<b>143</b>	<b>36,423,269</b>

Save as disclosed above, no other options have been offered, granted or agreed to be granted by the Company under the Pre-Listing Scheme or the Post-Listing Scheme.

## 6. REPURCHASE OF THE COMPANY'S SECURITIES

This section includes information required by the Listing Rules to be included in this document concerning the repurchase by the Company of its own securities.

### (a) Listing Rules

The Listing Rules permit a company with a primary listing on the Stock Exchange to repurchase its securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

#### (i) *Shareholders' approval*

The Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

*Note: At an extraordinary general meeting of the Company held on 31st May, 2000, a general mandate was given to the Directors authorising any repurchase by the Company on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of such number of Shares not exceeding 10 per cent. of the share capital of the Company in issue on 31st May, 2000, such mandate to remain in effect until whichever is the earlier 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 date of the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying such mandate (the "repurchase mandate").*

#### (ii) *Source of funds*

Repurchases must be funded out of funds legally available for such purpose. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

#### (iii) *Trading restrictions*

The shares proposed to be repurchased by a company must be fully paid up. A maximum of 10 per cent. of the existing issued share capital may be repurchased on the Stock Exchange. A company may not issue or announce an issue of new shares for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange (or in the case of the Company, the SFC). In addition, all repurchases of securities on the Stock Exchange in any calendar month are limited to a maximum of 25 per cent. of the trading volume of such securities on the Stock Exchange in the immediately preceding calendar month. The Listing Rules also prohibit a company from repurchasing its own securities on the Stock Exchange if the repurchase would result in the number of that company's listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Listing Rules. A

company shall procure that any broker appointed by the company to effect the repurchase of securities shall disclose to the Stock Exchange (or in the case of the Company, the SFC) such information with respect to repurchases made on behalf of that company as the Stock Exchange (or in the case of the Company, the SFC) may request.

(iv) *Status of repurchased securities*

The Listing Rules provide that the listing of all repurchased securities is automatically cancelled and that the certificates for those securities must be cancelled and destroyed.

(v) *Suspension of repurchases*

The Listing Rules prohibit any repurchase of securities at any time after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information is made publicly available. A company (other than an investment company listed pursuant to the provisions of Chapter 21 of the Listing Rules) may not repurchase securities on the Stock Exchange, unless the circumstances are exceptional, during the period of one month immediately preceding either the preliminary announcement of the company's annual results or the publication of the company's interim report. In addition, the Stock Exchange (or in the case of the Company, the SFC) reserves the right to prohibit repurchases of securities on the Stock Exchange if a company has committed a breach of the Listing Rules.

(vi) *Reporting requirements*

Under the Listing Rules, repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange (or in the case of the Company, the SFC and the Stock Exchange) by not later than 9:30 a.m. (Hong Kong time) on the following business day. In addition, a company's annual report is required to disclose details regarding repurchases of securities made during the year including the number of securities repurchased each month, the repurchase price for each such security or the highest and lowest price paid for each repurchase where relevant, and the aggregate price paid for such purchases and the reasons of the directors of the company for making such repurchases.

(vii) *Connected parties*

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or an associate (as defined in the Listing Rules) of any of them and a connected person is prohibited from knowingly selling his securities in the Company back to the Company.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the repurchase mandate is exercised.

**(b) Share capital**

Exercise in full of the repurchase mandate, on the basis of 1,040,664,846 Shares in issue on 31st May, 2000, would accordingly result in up to 104,066,484 Shares being repurchased by the Company during the period prior to (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, or (iii) the date of the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the repurchase mandate, whichever occurs first.

**(c) Reasons for repurchases**

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earning per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

**(d) Funding of repurchases**

In repurchasing securities, the Company may only apply funds legally available for such purchase in respective accordance with its memorandum and articles of association, the laws of Hong Kong and the Listing Rules.

There might be a material adverse effect on the working capital or gearing position of the Company, as compared with the position disclosed in this document, in the event that the repurchase mandate is exercised in full at any time. However, the Directors do not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

**(e) General**

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), have any present intention, if the repurchase mandate is exercised, to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the SFC that, so far as the same may be applicable, they will exercise the repurchase mandate only in accordance with the Listing Rules and the applicable laws of Hong Kong.

If as a result of a repurchase of securities pursuant to the repurchase mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a shareholder or a group of shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the shareholders' interest, could obtain or consolidate control of the Company and thereby

become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchases of securities pursuant to the repurchase mandate.

## **7. ESTATE DUTY**

The Directors have been advised that no material liability for estate duty under Hong Kong law would be likely to fall upon any member of the Group.

## **8. MATERIAL CONTRACTS**

The following contracts, not being contracts in the ordinary course of business, have been entered into by the Company and/or its subsidiaries within the two years immediately preceding the date of this document and are or may be material:







- (i) a banking facility agreement dated 28th July, 1999 between the Company (as borrower) and The Hongkong and Shanghai Banking Corporation Limited (as lender) in respect of a credit facility of up to HK\$200,000,000 to finance part of the Company's cash requirements in relation to the schemes of arrangement referred to in section 2 of this Appendix;
- (ii) a banking facility agreement dated 28th July, 1999 between the Company (as borrower) and the Bank of China, Hong Kong branch (as lender) in respect of a credit facility of up to HK\$200,000,000 to finance part of the Company's cash requirements in relation to the schemes of arrangement referred to in section 2 of this Appendix;
- (iii) a banking facility agreement dated 28th July, 1999 between the Company (as borrower) and Standard Chartered Bank (as lender) in respect of a credit facility of up to HK\$200,000,000 to finance part of the Company's cash requirements in relation to the schemes of arrangement referred to in section 2 of this Appendix;
- (iv) a funding letter dated 30th July, 1999 between the Company (as borrower) and the Stock Exchange (as lender) in respect of a credit facility of HK\$669,000,000 to finance part of the Company's cash requirements in relation to the schemes of arrangement referred to in section 2 of this Appendix;
- (v) a funding letter dated 30th July, 1999 between the Company (as borrower) and the Futures Exchange (as lender) in respect of a credit facility of up to HK\$77,000,000 to finance part of the Company's cash requirements in relation to the schemes of arrangement referred to in section 2 of this Appendix; and
- (vi) a deed of undertaking dated 6th March, 2000 by the Company in favour of HKSCC to contribute to the assets of HKSCC on its winding-up up to the amount of HK\$50,000,000.



## 9. INTELLECTUAL PROPERTY

As at the Latest Practicable Date, the Group owned the following registered trademarks:





## Registered owner - Stock Exchange





Trademark	Country	Registration Date	Registration No.	Class
大利市	China	21 Dec 1994	774131	36
	China	14 Jan 1995	775983	42
	China	21 Jan 1995	776048	35
	China	14 Feb 1995	777648	38
EMSIS	China	21 Dec 1994	774132	36
	China	14 Jan 1995	775984	42
	China	21 Jan 1995	776050	35
	China	14 Feb 1995	777649	38
	China	28 Dec 1994	774570	36
	China	14 Jan 1995	775610	38
	China	14 Jan 1995	775980	42
	China	21 Jan 1995	776044	35
大利市	Hong Kong	02 Mar 1992	02914/94	42
	Hong Kong	02 Mar 1992	04500/94	38
EMSIS	Hong Kong	02 Mar 1992	00246/94	36
	Hong Kong	02 Mar 1992	00247/94	35
	Hong Kong	02 Mar 1992	01439/93	42
	Hong Kong	02 Mar 1992	01440/93	38
 STOCK EXCHANGE OF HONG KONG	Hong Kong	02 Mar 1992	04581/99	42
	Hong Kong	02 Mar 1992	04582/99	38
	Hong Kong	02 Mar 1992	04583/99	36
	Hong Kong	02 Mar 1992	04584/99	35
	Hong Kong	13 Jan 1993	04657/94	36
	Hong Kong	13 Jan 1993	04658/94	38
	Hong Kong	13 Jan 1993	04659/94	35
	Hong Kong	13 Jan 1993	04660/94	42
 STOCK EXCHANGE INFORMATION SERVICES	Hong Kong	02 Mar 1992	07041/99	42
	Hong Kong	02 Mar 1992	07042/99	38
	Hong Kong	02 Mar 1992	07043/99	36
	Hong Kong	02 Mar 1992	07044/99	35
	Macau	10 Apr 1995	13698-M	42
	Macau	10 Apr 1995	13699-M	35
	Macau	10 Apr 1995	13700-M	36
	Macau	10 Apr 1995	13701-M	38
	Taiwan	16 Nov 1994	72844	36
	Taiwan	16 Nov 1994	72901	35
	Taiwan	16 Nov 1994	73162	42
	Taiwan	16 Dec 1994	73798	35
	Taiwan	01 Jan 1995	73840	38

## Registered owner - Futures Exchange

Trademark	Country	Registration Date	Registration No.	Class
	Hong Kong	14 Oct 1993	04267/97	16
	Hong Kong	14 Oct 1993	04268/97	36


## Registered owner - HKSCC


Trademark	Country	Registration Date	Registration No.	Class
<b>CCASS</b>	Hong Kong	14 Jul 1992	01932/94	16
	Hong Kong	14 Jul 1992	02248/95	35
	Hong Kong	14 Jul 1992	02249/95	36
	Hong Kong	14 Jul 1992	05429/94	41
	Hong Kong	14 Jul 1992	05430/94	42
	Hong Kong	14 Jul 1992	07592/94	38
	Hong Kong	02 Mar 1992	02982/95	42
	Hong Kong	02 Mar 1992	05462/95	35
	Hong Kong	02 Mar 1992	06110/94	38
	Hong Kong	02 Mar 1992	06111/94	41
	Hong Kong	14 Jul 1992	06112/94	16
	Hong Kong	02 Mar 1992	07927/94	36
結算 縱橫	Hong Kong	02 Nov 1993	B06746/97	41
	Hong Kong	02 Nov 1993	B09073/95	16
<b>ClearTalk</b>	Hong Kong	15 Nov 1996	B08037/98	41
	Hong Kong	15 Nov 1996	B08038/98	16
	Hong Kong	31 Aug 1994	07691/96	42
	Hong Kong	31 Aug 1994	07692/96	41
	Hong Kong	31 Aug 1994	07693/96	35
	Hong Kong	31 Aug 1994	07694/96	16
	Hong Kong	31 Aug 1994	07695/96	38
	Hong Kong	31 Aug 1994	08765/96	36
	Hong Kong	09 Mar 1995	B08774/96	36
	Hong Kong	09 Mar 1995	B08775/96	35
	Hong Kong	09 Mar 1995	B08776/96	16
	Hong Kong	09 Mar 1995	B08777/96	41
	Hong Kong	09 Mar 1995	B08778/96	38
	Hong Kong	09 Mar 1995	B08779/96	42
	Hong Kong	09 Mar 1995	B10368/96	16
	Hong Kong	09 Mar 1995	B10369/96	41
	Hong Kong	09 Mar 1995	B10370/96	35
	Hong Kong	14 Nov 1996	B10371/96	36

Trademark	Country	Registration Date	Registration No.	Class
 	Hong Kong	09 Mar 1995	B10364/96	16
	Hong Kong	09 Mar 1995	B10365/96	41
	Hong Kong	09 Mar 1995	B10366/96	35
	Hong Kong	09 Mar 1995	B10367/96	36
	China	07 Jun 1996	845943	38
	China	07 Jul 1996	853985	42
	China	07 Aug 1996	861906	41
	China	21 Sept 1996	873398	16
	China	21 Sept 1996	873815	35
	China	14 Jan 1997	931684	36
	China	21 Dec 1994	774010	35
	China	21 Dec 1994	774179	38
	China	21 Dec 1994	774397	42
	China	28 Dec 1994	774629	41
	China	21 Jan 1995	776102	36
	China	07 Aug 1997	1069549	16
	結算 縱橫	China	21 May 1995	746846
China		28 Dec 1994	774712	41
<b>ClearTalk</b>	China	21 May 1995	746849	16
	China	28 Dec 1994	774713	41
<b>CCASS</b>	China	21 May 1995	746768	16
	China	14 Dec 1994	773501	35
	China	14 Dec 1994	773910	42
	China	21 Dec 1994	774180	38
	China	28 Dec 1994	774630	41
	China	21 Jan 1995	776105	36

As at the Latest Practicable Date, the Group has applied for registration of the following trademarks:

#### Applicant - HKEx

Trademark	Country	Application Date	Application No.	Class
	Hong Kong	10 Apr 2000	2000/07678	35
	Hong Kong	10 Apr 2000	2000/07679	36
	Hong Kong	10 Apr 2000	2000/07680	38
	Hong Kong	10 Apr 2000	2000/07681	42

Trademark	Country	Application Date	Application No.	Class
 Hong Kong Exchanges and Clearing Limited 香港交易所有限公司	Hong Kong	10 Apr 2000	2000/07682	35
	Hong Kong	10 Apr 2000	2000/07683	36
	Hong Kong	10 Apr 2000	2000/07684	38
	Hong Kong	10 Apr 2000	2000/07685	42

## Applicant - Stock Exchange

Trademark	Country	Application Date	Application No.	Class
大利网	China	12 Feb 2000	20000 16816	36
	China	12 Feb 2000	20000 16815	35
	China	12 Feb 2000	20000 16817	38
	China	12 Feb 2000	20000 16818	42
TELENET	China	12 Feb 2000	20000 16819	35
	China	12 Feb 2000	20000 16820	36
	China	12 Feb 2000	20000 16821	38
	China	12 Feb 2000	20000 16822	42
GROWTH ENTERPRISE MARKET	Hong Kong	26 Jan 1999	99/00872	35
	Hong Kong	26 Jan 1999	99/00873	36
	Hong Kong	26 Jan 1999	99/00874	38
	Hong Kong	26 Jan 1999	99/00875	42
GEM	Hong Kong	26 Jan 1999	99/00876	35
	Hong Kong	26 Jan 1999	99/00877	36
	Hong Kong	26 Jan 1999	99/00878	38
	Hong Kong	26 Jan 1999	99/00879	42
TELENET	Hong Kong	09 Aug 1999	99/10605	35
	Hong Kong	09 Aug 1999	99/10606	36
	Hong Kong	09 Aug 1999	99/10607	38
	Hong Kong	09 Aug 1999	99/10608	42
大利網 大利网	Hong Kong	09 Aug 1999	99/10609	35
	Hong Kong	09 Aug 1999	99/10610	36
	Hong Kong	09 Aug 1999	99/10611	38
	Hong Kong	09 Aug 1999	99/10612	42
	Hong Kong	30 May 2000	2000/12038	41
大利市	Hong Kong	30 May 2000	2000/12037	41
	Macau	19 Aug 1999	N/004934	35
	Macau	19 Aug 1999	N/004935	36
	Macau	19 Aug 1999	N/004936	38
	Macau	19 Aug 1999	N/004937	42
	Macau	02 Jun 2000	N/006165	41

Trademark	Country	Application Date	Application No.	Class
TELENET	Macau	19 Aug 1999	N/004930	35
	Macau	19 Aug 1999	N/004931	36
	Macau	19 Aug 1999	N/004933	42
大利網	Macau	19 Aug 1999	N/004926	35
	Macau	19 Aug 1999	N/004927	36
	Macau	19 Aug 1999	N/004928	38
	Macau	19 Aug 1999	N/004929	42
	Macau	02 Jun 2000	N/006166	41
大利市	Singapore	20 Aug 1999	9031/99	35
	Singapore	20 Aug 1999	9032/99	36
	Singapore	20 Aug 1999	9033/99	38
	Singapore	20 Aug 1999	9034/99	42
TELENET	Singapore	20 Aug 1999	9035/99	35
	Singapore	20 Aug 1999	9036/99	36
	Singapore	20 Aug 1999	9037/99	38
	Singapore	20 Aug 1999	9038/99	42
大利網 大利网	Singapore	20 Aug 1999	9039/99	35
	Singapore	20 Aug 1999	9040/99	36
	Singapore	20 Aug 1999	9041/99	38
	Singapore	20 Aug 1999	9042/99	42
大利市	Taiwan	13 Aug 1999	88039948	42
	Taiwan	13 Aug 1999	88039949	38
	Taiwan	13 Aug 1999	88039950	36
	Taiwan	13 Aug 1999	88039951	35
	Taiwan	21 Jan 2000	89003582	41
TELENET	Taiwan	13 Aug 1999	88039932	35
	Taiwan	13 Aug 1999	88039952	42
	Taiwan	13 Aug 1999	88039953	38
	Taiwan	13 Aug 1999	88039954	36
	Taiwan	21 Jan 2000	89003584	41
大利網	Taiwan	13 Aug 1999	88039933	42
	Taiwan	13 Aug 1999	88039934	38
	Taiwan	13 Aug 1999	88039935	36
	Taiwan	13 Aug 1999	88039936	35
	Taiwan	21 Jan 2000	89003583	41

**Applicant - Futures Exchange**

<b>Trademark</b>	<b>Country</b>	<b>Application Date</b>	<b>Application No.</b>	<b>Class</b>
HKFE TAIWAN INDEX	Hong Kong	06 May 1998	98/05868	16
	Hong Kong	06 May 1998	98/05869	36
	Hong Kong	15 May 1998	98/06304	16
	Hong Kong	15 May 1998	98/06305	36
HONG KONG FUTURES EXCHANGE	Hong Kong	24 May 1999	99/06596	16
	Hong Kong	24 May 1999	99/06597	36
香港期貨交易所	Hong Kong	24 May 1999	99/06594	16
	Hong Kong	24 May 1999	99/06595	36

As at the Latest Practicable Date, the Group has registered the following domain names or has entered into a transfer agreement pursuant to which the following domain names shall be transferred to it:

<b>Domain name</b>	<b>Registration date</b>
hkex.com.hk	03 Jan 2000
ccass.com	12 Nov 1999
hkclearing.com	26 Jan 2000
hkeipo.com	23 Feb 2000
hksc.com	17 Feb 2000
hksc.com	26 Jan 2000
hongkongclearing.com	17 Feb 2000
ccass.com.hk	10 Sep 1999
hkclearing.com.hk	18 Nov 1997
hksc.com.hk	03 Mar 2000
hkfe.com	30 Nov 1995
hkgem.com	23 Nov 1998
sehk.com.hk	01 Apr 1997
18trading.com	24 Mar 2000
7trading.com	24 Mar 2000
asia-ex.com	16 Jan 2000
asiaexch.com	16 Jan 2000
asiaexchange.org	14 Jan 2000
asiaexchanges.net	14 Jan 2000
asiaexchanges.org	14 Jan 2000
asiax.net	14 Jan 2000
asiax.org	14 Jan 2000
china-exchanges.com	05 Oct 1999
ehkex.com	23 Mar 2000
esehk.com	24 Mar 2000
gemhk.com	19 Nov 1998
gemhk.org	19 Dec 1998
hkec.com.hk	16 Jul 1999
hkecl.com	12 Jul 1999

<b>Domain name</b>	<b>Registration date</b>
hkexch.com	08 Nov 1999
hk-exch.com	08 Nov 1999
hk-exchanges.com	08 Nov 1999
hkexh.com	08 Nov 1999
hkgem.org	19 Dec 1998
hknetrading.com	15 Jun 1999
hkse.com	19 Aug 1995
hkse.com.hk	01 Apr 1997
hkse.org	26 Dec 1995
hk-xchange.com	08 Nov 1999
ihkex.com	23 Mar 2000
isehk.com	24 Mar 2000
netradinghk.com	15 Jun 1999
sehk.com	19 Aug 1995
sehk.org	26 Dec 1995
sehkemail.com	20 Feb 1998
sino-exchanges.com	05 Oct 1999
sino-markets.com	05 Oct 1999

Other than the trademarks and domain names as listed above, the Group has proprietary rights in relation to certain of its trading, clearing and settlement systems, as well as copyright over the publications it issues from time to time.

## **10. LITIGATION**

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance, and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

## **11. SPONSORS**

HSBC Investment Bank Asia Limited, Merrill Lynch Far East Limited and Morgan Stanley Dean Witter Asia Limited acting as joint sponsors have made an application on behalf of the Company to the SFC for the listing of, and permission to deal in, the Shares in issue and any Shares which may fall to be issued upon the exercise of options granted under the Share Option Schemes.

## **12. MATERIAL CHANGE**

Save as disclosed in this document, the Directors believe that there has been no material adverse change in the financial or trading position of the Company or of its subsidiaries since 31st December, 1999. In addition, no change in the nature of the business of the Group is in contemplation.

**13. MISCELLANEOUS**

- (a) Save as disclosed in this document:
  - (i) within the two years immediately preceding the date of this document, no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash; and
  - (ii) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (b) no founder, management or deferred shares of the Company or any of its subsidiaries have been issued or agreed to be issued;
- (c) within the two years immediately preceding the date of this document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of the Company or any of its subsidiaries;
- (d) the preliminary expenses of the Company are approximately HK\$15,000 and are payable by the Company;
- (e) the expenses of the Company incurred or proposed to be incurred in connection with the Introduction are estimated to be approximately HK\$12 million and are payable by the Company;
- (f) the Company does not have any promoter;
- (g) none of PricewaterhouseCoopers and Jones Lang LaSalle Limited:
  - (i) is interested beneficially or non-beneficially in any shares in the Company or any of its subsidiaries; or
  - (ii) has any right or option to subscribe for or nominate persons to subscribe for any shares in the Company or any of its subsidiaries;
- (h) dealings in the Shares on the Stock Exchange are expected to commence on 27th June, 2000 and the board lot is expected to be 2,000 Shares.

**14. CONSENTS AND QUALIFICATIONS**

Each of PricewaterhouseCoopers and Jones Lang LaSalle Limited has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters and/or valuation certificates and/or the references to their names included herein in the form and context in which they are respectively included.



The following are the qualifications of the experts who have given an opinion or advice which is contained in this document:

<b>Name</b>	<b>Qualification</b>
PricewaterhouseCoopers	Certified Public Accountants
Jones Lang LaSalle Limited	Property valuers

## **15. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of the Company at 12th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong and at the offices of Allen & Overy at 9th Floor, Three Exchange Square, Central, Hong Kong during normal business hours on any business day up to and including 6th July, 2000:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts of the Company referred to under the heading "Material contracts" in this Appendix;
- (c) the letters of consent referred to under the heading "Consents and qualifications" in this Appendix;
- (d) the accountants' report prepared by PricewaterhouseCoopers, the text of which is set out in Appendix I to this document;
- (e) the letter and valuation certificates relating to the property interests of the Group prepared by Jones Lang LaSalle Limited, the texts of which are set out in Appendix II to this document;
- (f) the audited financial statements which have been prepared for each of the subsidiaries of the Company for each of the three financial years immediately preceding the issue of this document;
- (g) the audited financial statements of the Company for the period ended 31st December, 1999;
- (h) the statement of adjustments for the accountants' report mentioned in (d) above; and
- (i) the rules of the Share Option Schemes.