
DEFINITIONS

In this document, the following expressions have the following meanings, unless the context requires otherwise:

“AMS”	the Stock Exchange’s Automatic Order Matching and Execution System
“AMS/2”	an upgraded version of AMS introduced in January, 1996
“AMS/3”	an upgraded version of AMS/2 that it is intended will be introduced by the end of 2000
“Asia”	for the purposes of this document, Bangladesh, mainland China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Pakistan, the Philippines, Singapore, Sri Lanka, Taiwan and Thailand
“associate”	<p>in relation to a person entitled to exercise, or control the exercise of, voting power in relation to, or holding shares in, a company:</p> <p>(a) subject to paragraph (c), means any other person in respect of whom that first-mentioned person has an agreement or arrangement, whether oral or in writing, express or implied, with respect to the acquisition, holding or disposal of shares or other interests in that company or under which they act together in exercising their voting power in relation to it;</p> <p>(b) subject to paragraph (c), includes, in relation to such provisions of the Merger Ordinance as are specified in Part 1 of Schedule 1 to the Merger Ordinance, a person, or a person belonging to a class of persons, specified in that Part to be an associate;</p> <p>(c) excludes, in relation to such provisions of the Merger Ordinance as are specified in Part 2 of Schedule 1 to the Merger Ordinance, a person, or a person belonging to a class of persons, specified in that Part, not to be an associate</p>
“ASX”	Australian Stock Exchange Limited
“ATS”	the Futures Exchange’s Automated Trading System
“Board”	the board of Directors
“Broker Participant”	a Stock Exchange Participant admitted to participate in CCASS as a broker participant

DEFINITIONS

“CCASS”	the Central Clearing and Settlement System operated by HKSCC
“CCASS Participant”	a person admitted for the time being by HKSCC as a participant of CCASS
“Clearing Houses”	HKSCC, SEOCH and HKCC
“Clearing Houses Ordinance”	the Securities and Futures (Clearing Houses) Ordinance, Chapter 420 of the Laws of Hong Kong
“Clearing Participants”	CCASS Participants (other than Investor Participants), HKCC Participants and SEOCH Participants
“Clearnet”	Clearnet SBF SA, a wholly-owned subsidiary of ParisBourse SBF SA
“CME”	Chicago Mercantile Exchange
“CNS System”	the Continuous Net Settlement system operated by CCASS
“Commodities Trading Ordinance”	the Commodities Trading Ordinance, Chapter 250 of the Laws of Hong Kong
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company” or “HKEx”	Hong Kong Exchanges and Clearing Limited, a public company incorporated under the laws of Hong Kong with limited liability
“Compensation Fund”	the Unified Exchange Compensation Fund
“controller”	in relation to a company, means any person who is: (a) a shareholder controller of the company; or (b) an indirect controller of the company
“Deutsche Börse”	Deutsche Börse AG
“Deutschemark”	the lawful currency of Germany
“Directors”	the directors of the Company
“DTB”	Deutsche Terminbörse
“EUREX”	the computerised derivatives trading and clearing platform operated by DTB and SOFFEX

DEFINITIONS

“Europe”	for the purposes of this document, Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the UK
“Exchange Fund Notes”	Hong Kong-dollar notes issued by the Government under the Exchange Fund Ordinance (Chapter 66 of the Laws of Hong Kong)
“Exchange Participant”	a Stock Exchange Participant or a Futures Exchange Participant, as the case may be
“Exchanges”	the Stock Exchange and the Futures Exchange
“Financial Secretary”	the Financial Secretary of Hong Kong
“Futures Exchange”	Hong Kong Futures Exchange Limited, a company incorporated with limited liability under the laws of Hong Kong and a wholly owned subsidiary of the Company
“Futures Exchange Group”	the Futures Exchange and its subsidiaries
“Futures Exchange Participant”	a person (natural or legal) who is authorised by the Futures Exchange under its rules to trade on or through the Futures Exchange and whose name is entered in the register of exchange participants kept by the Futures Exchange as a person who may trade on or through the Futures Exchange
“Futures Exchange Trading Right”	a right to be eligible to trade on or through the Futures Exchange and entered as such a right in the register of trading rights kept by the Futures Exchange
“GDP”	gross domestic product
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Government”	the government of Hong Kong
“Group”	the Company and its subsidiaries or, where the context so requires in respect of the period before the Company became the holding company of its current subsidiaries, the Company’s current subsidiaries
“Hang Seng China-Affiliated Corporations Index”	the index introduced by HSI Services Limited in June, 1997 utilising a base value of 1,000 as at 4th January, 1993 to provide a common point of reference for investors in mainland China related shares. Its constituent stocks must not be H-share companies and should have at least 35 per cent. of their issued shares held, directly or indirectly, by mainland China entities

DEFINITIONS

“Hang Seng Index”	the index introduced by HSI Services Limited in November, 1969 utilising a base value of 100 as at 31st July, 1964, and which currently comprises 33 constituent stocks which are representative of the stock market of the Stock Exchange as a whole. The prescribed criteria for inclusion in the index include the company’s market capitalisation and its total turnover on the Stock Exchange over a prescribed period
“Hang Seng 100”	the index introduced by HSI Services Limited in April, 1998 utilising a base value of 100 as at 2nd January, 1998, and which comprises the 100 companies listed on the Stock Exchange with the largest average market capitalisation over a 12-month period and the highest aggregate turnover over a 24-month period
“Hang Seng Properties Sub-Index”	a sub-index introduced by HSI Services Limited in January, 1985 to reflect the overall performance of listed companies whose businesses are mainly related to the property market in Hong Kong
“HIBOR”	the Hong Kong Interbank Offered Rate, the rate on which Hong Kong dollar-denominated money market instruments are traded between banks in Hong Kong
“HKATS”	an upgraded version of ATS introduced in April, 1999
“HK\$” and “Hong Kong dollar(s)”	the lawful currency of Hong Kong
“HKCC”	HKFE Clearing Corporation Limited, a company incorporated with limited liability under the laws of Hong Kong and a wholly owned subsidiary of the Futures Exchange
“HKCC Participant”	a Futures Exchange Participant who has been duly registered as a clearing participant of HKCC
“HKSCC”	Hong Kong Securities Clearing Company Limited, a company incorporated with limited liability under the laws of Hong Kong and a wholly owned subsidiary of the Company
“HKSCC Group”	HKSCC and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“implied overnight hibid rate”	the rate of interest which is currently adopted by HKCC as the basis for calculating interest payable to HKCC Participants on HK\$ margin deposited with HKCC and which is set at the overnight HIBOR minus 50 basis points

DEFINITIONS

“implied overnight repo offer rate”	the rate of interest which is currently adopted by HKCC as the basis for calculating interest payable to HKCC Participants on US\$ margin deposited with HKCC and which is set at the overnight repo rate at the close of the New York market on the previous day minus 35 basis points
“indirect controller”	in relation to a company: (a) subject to paragraph (b), means any person in accordance with whose directions or instructions the directors of the company or of another company of which it is a subsidiary are accustomed to act; (b) excludes a person, or a person belonging to a class of persons, specified in Part 3 of Schedule 1 to the Merger Ordinance not to be an indirect controller
“Introduction”	the listing of the Shares in issue (and any Shares to be issued pursuant to the Share Option Schemes) on the Stock Exchange by way of introduction
“Investor Participant(s)”	a person or group of persons (natural or legal) admitted to participate in CCASS as an investor participant
“Isolated Trades System”	the Isolated Trades system used by CCASS to settle Stock Exchange trades on a trade-for-trade basis
“iX”	iX-International Exchanges plc
“Latest Practicable Date”	15th June, 2000, being the latest practicable date prior to the printing of this document for ascertaining certain information for inclusion in this document
“Lifeboat Fund”	the fund established by the Government after the stock market crash in 1987 to settle liabilities of defaulting Futures Exchange Participants in respect of unsettled open positions and outstanding settlement monies. The Lifeboat Fund was subsequently recovered from defaulters and through the introduction of a special levy on transactions on the Exchanges
“LIFFE”	the London International Financial Futures and Options Exchange, operated by LIFFE (Holdings) plc
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“London Clearing House”	The London Clearing House Limited
“LSE”	London Stock Exchange Limited

DEFINITIONS

“mainland China”	the People’s Republic of China excluding, for the purposes of this document, Hong Kong, Macau and Taiwan
“Merger Ordinance”	the Exchanges and Clearing Houses (Merger) Ordinance, Chapter 555 of the Laws of Hong Kong
“NASDAQ”	National Association of Securities Dealers Automated Quotation
“non-Japan Asia”	Asia excluding Japan
“NYSE”	New York Stock Exchange, Inc.
“OM”	OM Gruppen AB
“Options Exchange Participant”	a Stock Exchange Participant who is admitted by, and registered as such with, the Stock Exchange to conduct options trading business on the Stock Exchange
“Options Trading Rules”	the rules governing the trading of options on the Stock Exchange
“Position Paper”	the paper entitled “Hong Kong Exchanges and Clearing Limited: Reinforcing Hong Kong’s Position as a Global Financial Centre” issued by the Government in July, 1999
“Post-Listing Scheme”	the share option scheme adopted by the Company on 31st May, 2000 under which share options will only be granted by the Company after the listing of the Shares, the principal terms of which are summarised in Appendix IV to this document
“Pound(s) Sterling”	the lawful currency of the UK
“Pre-Listing Scheme”	the share option scheme adopted by the Company on 31st May, 2000 under which share options have been offered by the Company prior to the listing of the Shares, the principal terms of which are summarised in Appendix IV to this document
“Protection of Investors Ordinance”	the Protection of Investors Ordinance, Chapter 335 of the Laws of Hong Kong
“SCEFI”	the Steering Committee on the Enhancement of the Financial Infrastructure in Hong Kong
“SDI Ordinance”	the Securities (Disclosure of Interests) Ordinance, Chapter 396 of the Laws of Hong Kong

DEFINITIONS

“Securities and Futures Commission Ordinance”	the Securities and Futures Commission Ordinance, Chapter 24 of the Laws of Hong Kong
“Securities Ordinance”	the Securities Ordinance, Chapter 333 of the Laws of Hong Kong
“SEOCH”	The SEHK Options Clearing House Limited, a company incorporated with limited liability under the laws of Hong Kong and a wholly owned subsidiary of the Stock Exchange
“SEOCH Participant”	an Options Exchange Participant who has been duly registered as a clearing participant of SEOCH
“SES”	Stock Exchange of Singapore Limited
“SFC”	the Securities and Futures Commission
“SFE”	Sydney Futures Exchange Limited
“Share Option Schemes”	the Pre-Listing Scheme and the Post-Listing Scheme
“Shares”	shares of HK\$1.00 each in the share capital of HKEx
“shareholder controller”	in relation to a company, means any person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, more than 35 per cent. of the voting power at any general meeting of the company or of another company of which it is a subsidiary
“SIMEX”	Singapore International Monetary Exchange Limited
“SOFFEX”	Swiss Options and Financial Futures Exchange AG
“Sponsors”	HSBC Investment Bank Asia Limited, Merrill Lynch Far East Limited and Morgan Stanley Dean Witter Asia Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a company incorporated with limited liability under the laws of Hong Kong and a wholly owned subsidiary of the Company
“Stock Exchange Group”	the Stock Exchange and its subsidiaries
“Stock Exchange Participant”	a person (natural or legal) who is authorised by the Stock Exchange under its rules to trade on or through the Stock Exchange and whose name is entered in the register of exchange participants kept by the Stock Exchange as a person who may trade on or through the Stock Exchange

DEFINITIONS

“Stock Exchange Trading Right”	a right to be eligible to trade on or through the Stock Exchange and entered as such a right in the register of trading rights kept by the Stock Exchange
“Stock Exchanges Unification Ordinance”	the Stock Exchanges Unification Ordinance, Chapter 361 of the Laws of Hong Kong
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“TOPS”	the Stock Exchange’s Traded Options System
“Trading Right”	a Stock Exchange Trading Right and/or a Futures Exchange Trading Right, as applicable
“UK”	the United Kingdom of Great Britain and Northern Ireland
“USA” or “US”	the United States of America
“US\$” and “US dollar(s)”	the lawful currency of the US
“Yen”	the lawful currency of Japan