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## DEFINITIONS

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

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| “Additional Convertible Note” | the HK\$47,220,278 convertible note due 31st May, 2002 agreed to be issued by the Company to Alps on 15th June, 2000, details of which are set out under “Business — Additional Convertible Note” and the principal terms of which are set out in Appendix V to this prospectus |
| “Alps”                        | Alps Mountain Agent Limited, a wholly-owned subsidiary of Cheung Kong   |
| “APS”                         | Application Processing System, one of the enterprise software that has been developed and implemented by the Group, details of which are set out under “Business — Enterprise software applications”  |
| “ASP Business”                | the ASP business operated by i21 Limited, a joint venture company which is owned as to 37.5 per cent. by the Group and 62.5 per cent. by iService21 Holdings Limited, a wholly-owned subsidiary of iBusiness Corporation  |
| “BVI”                         | the British Virgin Islands  |
| “Capitalisation Issue”        | the issue of Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of the Company as referred to under “Shareholders’ resolutions of the Company passed on 16th June, 2000” in Appendix VI to this prospectus               |
| “CCASS”                       | the Central Clearing and Settlement System established and operated by Hongkong Clearing  |
| “CCASS Broker Participant”    | a person admitted to participate in CCASS as a broker participant   |
| “CCASS Custodian Participant” | a person admitted to participate in CCASS as a custodian participant  |
| “CCASS Investor Participant”  | a person or persons admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation  |
| “CCASS Participant”           | a CCASS Broker Participant or a CCASS Custodian Participant or a CCASS Investor Participant   |
| “Cheung Kong”                 | Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with its shares listed on the Main Board, details of which are set out under “Business — Strategic alliances”   |

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| “ChinaVest”             | ChinaVest V LP, a private equity investment company, details of which are set out under “Business — Strategic alliances”  |
| “ChinaVest Group”       | a series of investment funds managed by ChinaVest Limited, which include ChinaVest  |
| “Cisco”                 | Cisco Systems (Hong Kong) Limited, a company that supplies data networking products to corporate enterprises and public wide area service provider markets, or where the context so requires, its associated or affiliated companies  |
| “Companies Act”         | the Companies Act 1981 of Bermuda   |
| “Companies Ordinance”   | the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)   |
| “Company”               | Excel Technology International Holdings Limited, a company incorporated in Bermuda on 21st January, 2000 with limited liability   |
| “Compaq”                | Compaq Computer Limited, a computer company that develops and markets hardware, software, solutions and services, or where the context so requires, its associated or affiliated companies  |
| “Convertible Notes”     | the US\$13.6 million non-interest bearing convertible notes due 2003 issued by the Company to the Strategic Investors on 2nd March, 2000 and which were fully converted into 422,688 Shares on 15th June, 2000  |
| “CV Software Holdings”  | CV Software Holdings Limited, a wholly-owned subsidiary of ChinaVest  |
| “Designated Employees”  | employees of the Group (140 in total) who have been granted options to purchase existing Shares from Passion under the Share Option Deeds   |
| “Directors”             | the directors of the Company  |
| “Eastman Software Inc.” | Eastman Software Inc., a wholly-owned subsidiary of Eastman Kodak Company and a company that provides business process management solutions that feature workflow, imaging and enterprise report management (ERM) solutions, or where the context so requires, its associated or affiliated companies |
| “EDS”                   | Electronic Data Systems (Hong Kong) Limited, a company that offers systems and technology services, business process management, management consulting and electronic business  |

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| “Employees’ Options”        | the options granted by Passion to each of the Designated Employees under the Share Option Deeds, the details of which are set out under “Directors, senior management and staff”   |
| “EZ-File”                   | Electronic Document Management System, one of the enterprise software that has been developed and implemented by the Group, details of which are set out under “Business — Enterprise software applications”   |
| “GEM”                       | the Growth Enterprise Market operated by the Stock Exchange  |
| “GEM Listing Committee”     | the listing sub-committee of the board of the Stock Exchange with responsibility for GEM   |
| “GEM Listing Rules”         | the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited   |
| “GEM Web-site”              | <a href="http://www.hkgem.com">http://www.hkgem.com</a> , being the Internet web-site operated by the Stock Exchange for the purposes of GEM   |
| “Greater China”             | PRC, Taiwan and Hong Kong  |
| “Group”                     | the Company and its subsidiaries or, when the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the Company’s present subsidiaries or the businesses operated by such subsidiaries or (as the case may be) their predecessors |
| “HKSCC Nominees”            | HKSCC Nominees Limited   |
| “Hong Kong”                 | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Hongkong Clearing”         | Hong Kong Securities Clearing Company Limited  |
| “HRMS”                      | Human Resources Management System, one of the enterprise software that has been developed and implemented by the Group, details of which are set out under “Business — Enterprise software applications”   |
| “HSBC”                      | The Hongkong and Shanghai Banking Corporation Limited  |
| “HSBC Investment Bank Asia” | HSBC Investment Bank Asia Limited  |

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| “Hutchison Global Crossing”       | a joint venture company between Hutchison Whampoa Limited (whose shares are listed on the Main Board) and Global Crossing Ltd., which provides telecommunication, multimedia, data center, facility management and Internet-related services  |
| “iBank”                           | Internet Banking System, one of the enterprise software that has been developed and implemented by the Group, details of which are set out under “Business — Enterprise software applications”  |
| “iBusiness Corporation”           | iBusiness Corporation.com Limited, a joint venture between Cheung Kong, Hutchison Whampoa Limited, HSBC and Hang Seng Bank  |
| “IBM”                             | International Business Machines Corporation, or where the context so requires, its associated or affiliated companies, whose business includes the creation, development and manufacture of information technologies computer systems, software, networking systems storage devices and microelectronics in the information technology industry |
| “IDC”                             | International Data Corporation, a company incorporated in Massachusetts, the United States, which provides information technology market research   |
| “Industry Department”             | the Industry Department of the Hong Kong government   |
| “Initial Management Shareholders” | Ms. Peggy Chan, Passion, Mr. Fung Din Chung, Rickie, Ms. Leung Lucy, Michele, Mossell, Mr. Ng Wai King, Steve, and Mr. Ip Kim Kuen  |
| “Insurance21”                     | Insurance Policy System, one of the enterprise software that the Group intends to develop or upgrade during the year 2000, details of which are set out under “Business — Enterprise software applications”   |
| “InterTrade”                      | Integrated Securities Trading System, one of the enterprise software that has been developed and implemented by the Group, details of which are set out under “Business — Enterprise software applications”   |
| “IPO Pricing Date”                | the date, expected to be on or around 23rd June, 2000 and which in any event will be on or before 27th June, 2000, on which the Offer Price is fixed for the purposes of the Share Offer  |
| “Latest Practicable Date”         | 15th June, 2000 being the latest practicable date for the purposes of ascertaining certain information contained in this prospectus   |
| “Listing Date”                    | the date trading in the Shares commences on GEM   |

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| “LMS”            | Property Leasing Management System, one of the enterprise software that has been developed and implemented by the Group, details of which are set out under “Business — Enterprise software applications”  |
| “LOANS”          | Loans Processing and Management System, one of the enterprise software that has been developed and implemented by the Group, details of which are set out under “Business — Enterprise software applications”  |
| “LOS”            | Loans Origination System, one of the enterprise software that has been developed and implemented by the Group, details of which are set out under “Business — Enterprise software applications”  |
| “Lotus”          | Lotus Development Software (HK) Ltd, a subsidiary of IBM   |
| “Main Board”     | the stock market operated by the Stock Exchange, which excludes GEM and the options market   |
| “MBS”            | Modular Banking System, one of the enterprise software that the Group intends to develop or upgrade during the year 2000, details of which are set out under “Business — Enterprise software applications”   |
| “Microsoft”      | Microsofts Hong Kong Limited, a company that develops, manufactures, licenses, sells and supports software products, or where the context so requires, its associated or affiliated companies  |
| “Mossell”        | Mossell Green Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Ms. Leung Lucy, Michele, who is one of the executive Directors   |
| “Ms. Peggy Chan” | Zee Chan, Mei Chu Peggy, an executive Director   |
| “Nasdaq”         | the National Securities Dealers Automated Quotation in the US  |
| “Offer Price”    | the price per Offer Share (exclusive of brokerage and the Stock Exchange transaction levy) at which the Shares are to be subscribed and issued pursuant to the Share Offer, to be determined as described under “Structure of the Share Offer — Determining the Offer Price” |
| “Offer Shares”   | the Placing Shares and the Public Offer Shares   |

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| “Oracle”                | Oracle Systems Hong Kong Limited, a company that supplies software for enterprise information management, database and relational servers, application development and division support tools, or where the context so requires, its associated or affiliated companies  |
| “Over-allotment Option” | the option granted by the Company to the Underwriters exercisable by HSBC Investment Bank Asia (on behalf of the Underwriters) pursuant to the Underwriting Agreement under which the Company may be required to issue up to 22,500,000 additional new Shares, representing 15 per cent. of the Shares initially available under the Share Offer, to cover over-allocations in the Placing and/or over-subscriptions in the Public Offer                 |
| “Passion”               | Passion Investment (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Ms. Peggy Chan  |
| “Placing”               | the placing of the Placing Shares for cash at the Offer Price with professional, institutional and other investors expected to have a sizeable demand for Shares and with full-time employees of the Group (excluding the Directors) on a preferential basis as to allocation only by the Placing Underwriters on behalf of the Company on and subject to the terms and conditions described in this prospectus and the placing letters relating thereto |
| “Placing Shares”        | the 127,500,000 new Shares (subject to adjustment and reallocation) being offered pursuant to the Placing  |
| “Placing Underwriters”  | HSBC Investment Bank Asia, Bear Stearns Asia Limited, CEF Capital Limited, Advanced Partners Brokerage Limited, Cazenove Asia Limited, CLSA Limited and Vickers Ballas Capital Limited   |
| “PRC” or “China”        | the People’s Republic of China, which, for the purposes of this prospectus, excludes Hong Kong, Macau and Taiwan   |
| “Public Offer”          | the issue of the Public Offer Shares pursuant to an offer for subscription by the Company in Hong Kong on and subject to the terms and conditions described in this prospectus and the application forms relating thereto  |
| “Public Offer Shares”   | the 22,500,000 new Shares (subject to adjustment and reallocation) being offered at the Offer Price for subscription under the Public Offer  |

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| “Public Offer Underwriters”     | HSBC Investment Bank Asia, Bear Stearns Asia Limited, CEF Capital Limited, Advanced Partners Brokerage Limited, Cazenove Asia Limited, CLSA Limited and Vickers Ballas Capital Limited   |
| “Qualified Institutional Buyer” | “qualified institutional buyer” within the meaning of Rule 144A  |
| “Regulation S”                  | Regulation S under the US Securities Act   |
| “Relevant Lock-up Period”       | the period commencing on the date on which dealings in the Shares first commence on GEM and ending six months thereafter   |
| “Relevant Securities”           | the Company’s securities of the types listed in paragraphs (4)(a) to (4)(d) under Rule 13.15 of the GEM Listing Rules in respect of which the relevant Initial Management Shareholder, Significant Shareholder or Strategic Investor (as the case may be) is entitled to exercise or control the exercise of voting power at general meetings of the Company, and, in the case of Ms. Peggy Chan, includes Shares that may be re-transferred to her by the Directors as described under “Further information about the Company — Changes in share capital” in Appendix VI to this prospectus |
| “Reorganisation”                | the reorganisation of the Group in preparation for the listing of the Shares on GEM, the details of which are set out under “Corporate reorganisation” in Appendix VI to this prospectus   |
| “Rule 144A”                     | Rule 144A under the US Securities Act  |
| “SDI Ordinance”                 | the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)  |
| “Share Offer”                   | the Placing and the Public Offer   |
| “Share Option Deeds”            | share option deeds executed by Passion in favour of the Designated Employees on 15th June, 2000, brief particulars of which are set out under “Directors, senior management and staff”   |
| “Share Option Scheme”           | the share option scheme conditionally approved by the shareholders of the Company for the granting of options to subscribe for Shares to full-time employees of the Group, details of which are set out under “Share Option Scheme” in Appendix VI to this prospectus  |
| “Share(s)”                      | share(s) of HK\$0.10 each in the capital of the Company  |
| “Significant Shareholders”      | Cheung Kong and Alps   |

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| “Software Centre”           | the Group’s software development centre in Hong Kong  |
| “Stock Borrowing Agreement” | the stock borrowing agreement entered into on 19th June, 2000 between HSBC Investment Bank Asia and Passion   |
| “Stock Exchange”            | The Stock Exchange of Hong Kong Limited   |
| “subsidiary”                | has the same meaning as provided in section 2 of the Companies Ordinance  |
| “Strategic Investors”       | Cheung Kong (through Alps), ChinaVest (through CV Software Holdings) and the UOB Investors  |
| “Sun Microsystems”          | Sun Microsystems of California Limited, a subsidiary of Sun Microsystems Inc. and a company that provides products, services, and support solutions for building network computing environments and Internet infrastructure, or where the context so requires, its associated or affiliated companies |
| “Sybase”                    | Sybase Hong Kong Limited, a company that delivers end-to-end solutions for mobile and embedded computing, database management system, data warehousing and web computing environments, or where the context so requires, its associated or affiliated companies                                       |
| “Takeovers Code”            | the Hong Kong Code on Takeovers and Mergers as amended from time to time  |
| “Underwriters”              | the Public Offer Underwriters and the Placing Underwriters  |
| “Underwriting Agreement”    | the underwriting and placing agreement dated 19th June, 2000 relating to the Share Offer entered into among the Company, the Underwriters and others named therein  |
| “United States” or “US”     | the United States of America  |
| “UOB”                       | United Overseas Bank Limited, a company with its shares listed on the Singapore Stock Exchange, details of which are set out under “Business — Strategic alliances”   |
| “UOB Investors”             | UOB, UOB Venture Investments Limited, UOB Venture Investments II Limited and UOB Venture Technology Investments Limited   |
| “US Securities Act”         | the US Securities Act of 1933, as amended   |
| “UTS”                       | Unit Trust System, one of the enterprise software that has been developed and implemented by the Group, details of which are set out under “Business — Enterprise software applications”  |

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| “WTO”                          | World Trade Organisation  |
| “HK\$” or “\$” or “HK dollars” | Hong Kong dollars, the lawful currency of Hong Kong             |
| “Renminbi”                     | Renminbi, the lawful currency of the PRC                        |
| “S\$” or “Singapore dollars”   | Singapore dollars, the lawful currency of Singapore             |
| “US\$” or “US dollars”         | United States dollars, the lawful currency of the United States |
| “sq.m.”                        | square metres   |
| “sq.ft.”                       | square feet   |