



香港聯合交易所
The Stock Exchange of Hong Kong

NEWS RELEASE

March 6, 2000

**The Stock Exchange of Hong Kong becomes subsidiary of
Hong Kong Exchanges and Clearing Limited**

The Stock Exchange of Hong Kong (SEHK) today (Monday) became a subsidiary of Hong Kong Exchanges and Clearing Limited (HKEx) together with the Hong Kong Futures Exchange and the Hong Kong Securities Clearing Company.

Effective today, all Council and Committee members of SEHK immediately before the merger retired. A new board of SEHK comprising of the Chairman, Mr Lee Hon-chiu (a director of the HKEx Preparatory Board), and board members Mr Kwong Ki-chi (Chief Executive of HKEx) and Mr Alec Tsui Yiu-wa (Chief Operating Officer of HKEx and Chief Executive of SEHK) was appointed. New SEHK Committees will be formed.

As a result of the merger, ownership of shares in SEHK has been separated from access to its trading facilities. With immediate effect, SEHK shareholders become holders of trading rights and trading members before the merger are now deemed as exchange participants. Holders of a trading right are eligible to trade on SEHK subject to requirements.

SEHK has transferred several of its regulatory functions to the Securities and Futures Commission. SFC has assumed the duties of front-line regulator of exchange participants. It is also responsible for all new investigations and disciplinary matters under the various ordinances, subsidiary legislation, codes of conduct and conduct involving clients. This includes complaints about exchange participants, disputes between them and their clients and their professional standard in handling their clients' accounts.

The rules and regulations of SEHK have been amended with immediate effect to reflect the above changes.

It is envisaged that the SEHK rules will be further reviewed in order to implement the market reforms and make HKEx one of the world's leading exchanges.

Despite the rule changes, the current trading and settlement arrangements of SEHK remain unchanged.

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Corporate Communications Department

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