

DEFINITIONS

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

“affiliated company”	has the meaning ascribed thereto in the GEM Listing Rules
“associate”	has the meaning ascribed thereto in the GEM Listing Rules
“Audit Committee”	the audit committee of the Board
“BNP Prime Peregrine”	BNP Prime Peregrine Capital or BNP Prime Peregrine Securities, as the context requires
“BNP Prime Peregrine Capital” or “Sponsor”	BNP Prime Peregrine Capital Limited, the sponsor of the Placing and an investment adviser registered under the Securities Ordinance
“BNP Prime Peregrine Option”	the option granted by the Company to BNP Prime Peregrine Securities under the Underwriting Agreement pursuant to which the Company may be required to issue and allot up to an aggregate of 2,976,000 additional new Shares at the Offer Price to BNP Prime Peregrine Securities (or its nominee(s)) in lieu of payment of all or part of the underwriting and management fee (but not the selling concessions) payable by the Company to BNP Prime Peregrine Securities under the Underwriting Agreement in respect of the New Shares (but excluding any underwriting and management fee payable to BNP Prime Peregrine Securities as a result of the exercise of the Over-allotment Option)
“BNP Prime Peregrine Securities” or “Bookrunner” or “Global Coordinator” or “Lead Underwriter”	BNP Prime Peregrine Securities Limited, the global coordinator, bookrunner and lead manager of the Placing and a securities dealer registered under the Securities Ordinance
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“Capitalisation Issue”	the capitalisation issue referred to in paragraph (b)(iii) headed “Written resolutions of the shareholders of the Company dated 15th March, 2000” of appendix IV to this prospectus

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“CCASS”	the Central Clearing and Settlement System established and operated by Hongkong Clearing
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	iMerchants Limited (菱控電子商業有限公司), a company incorporated on 25th October, 1999 in Hong Kong with limited liability
“Despatch Date”	the date for despatch of share certificate(s) to, or for credit of Shares into the CCASS participants’ stock accounts of, the placees pursuant to the Placing
“Director(s)”	the director(s) of the Company
“First Relevant Lock-up Period”	a period of six months from the date on which the Shares commence dealings on the GEM
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the Board of the Stock Exchange with responsibility for the GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hongkong Clearing”	Hong Kong Securities Clearing Company Limited
“iMerchants Asia”	iMerchants Asia Limited, formerly known as Motif International Holdings Limited, a wholly-owned subsidiary of the Company incorporated in the BVI
“iMerchants Consulting”	iMerchants Consulting Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong
“iMerchants Group”	iMerchants Group Limited and its subsidiaries (excluding the Group)
“iMerchants Services”	iMerchants Services Limited, formerly known as Motif Asia Limited, a wholly-owned subsidiary of the Company incorporated in the BVI

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“Interactive Merchants”	The Interactive Merchants Limited, a wholly-owned subsidiary of the Company incorporated in the BVI
“iSteelAsia”	iSteelAsia.com Limited, a company incorporated in Bermuda, which officially launched the first Internet vertical portal for steel products in Asia in December 1999 and which will be owned as to a maximum of 12.8% by iMerchants Group Limited upon completion of iSteelAsia.com Limited’s proposed listing on the GEM but taking no account of any shares which may be issued upon the exercise of the over-allotment option in connection with such listing
“iSteelAsia Acquisition”	the proposed acquisition by the Company from iMerchants Group Limited of its entire interest in iSteelAsia pursuant to a conditional sale and purchase agreement dated 15th March, 2000
“JETCO”	Joint Electronic Teller Services Ltd., a company incorporated in April 1982 providing a network of more than 50 licensed banks in Hong Kong with automated-teller-machine and other linked banking services covering Hong Kong and Macau or, where the context required, the network operated by that company
“JETCO Online”	a cooperative joint venture established in Hong Kong among the Company, iMerchants Group Limited and JETCO on 15th March, 2000
“Latest Practicable Date”	21st March, 2000, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of the GEM (excluding the options market) and which continues to be operated by the Stock Exchange in parallel with the GEM
“Mr. Kung”	Mr. Leroy Kung Lin Yuen, the Chairman, the Chief Executive Officer and one of the two founders of the Group
“Ms. Foo”	Ms. Lena Foo, an executive Director, the Chief Operating Officer and one of the two founders of the Group

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“New Shares”	the 232,500,000 new Shares being offered by the Company at the Offer Price under the Placing together, where relevant, with any additional Shares to be issued pursuant to the exercise of the Over-allotment Option, as described in the section headed “Structure and conditions of the Placing” in this prospectus
“Offer Price”	the final offer price per Placing Share (exclusive of brokerage fee and Stock Exchange transaction levy but, in the case of the Sale Shares, inclusive of all stamp duty payable) of not more than HK\$1.48 and expected to be not less than HK\$1.23 to be determined on or before the Price Determination Time, as described in the section headed “Structure and conditions of the Placing” in this prospectus
“Over-allotment Option”	the option granted by the Company to the Underwriters (exercisable by the Global Co-ordinator for and on behalf of the Underwriters) under the Underwriting Agreement pursuant to which the Company may be required to issue and allot up to an aggregate of 43,590,000 additional new Shares at the Offer Price to cover over-allocations in the Placing
“PCCW”	Pacific Century CyberWorks Limited, a company incorporated in Hong Kong with limited liability, and the securities of which are listed on the Main Board, which is controlled by PCRD
“PCRD”	Pacific Century Regional Developments Limited, a company incorporated in Singapore with limited liability, the shares of which are listed on The Stock Exchange of Singapore Limited
“Placing”	the conditional placing of the Placing Shares to professional, institutional and other investors, as described in the section headed “Structure and conditions of the Placing” in this prospectus
“Placing Shares”	the New Shares and the Sale Shares
“PRC”	the People’s Republic of China, which, for the purposes of this prospectus, excludes Hong Kong, Macau and Taiwan

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“Pre-IPO Share Option Plan”	the share option plan conditionally approved and adopted by the Company on 15th March, 2000, the principal terms of which are summarised in the paragraph headed “Share Options” in appendix IV to this prospectus
“Price Determination Time”	12:00 noon on 28th March, 2000 (or such later time or date as agreed by the Company and the Global Coordinator (for and on behalf of the Underwriters), but in any event not later than 12:00 noon on 29th March, 2000), on which the Offer Price will be fixed for the purposes of the Placing
“Reorganisation”	the corporate and business reorganisation which the Group underwent prior to the issue of this prospectus, details of which are set out in the paragraph headed “Corporate reorganisation” in appendix IV to this prospectus
“Reuters”	Reuters Group PLC, a company incorporated in England and Wales and the securities of which are listed on the London Stock Exchange and NASDAQ
“Sale Shares”	the 58,130,000 existing Shares offered for sale by iMerchants Group Limited under the Placing
“SDI Ordinance”	the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)
“Second Relevant Lock-up Period”	a period of six months from the expiry of the First Relevant Lock-up Period
“Securities Ordinance”	the Securities Ordinance (Chapter 333 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme conditionally approved and adopted by the Company on 15th March, 2000, the principal terms of which are summarised in the paragraph headed “Share Option Scheme” in appendix IV to this prospectus
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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“Team Mate”	Team Mate International Limited, an international business company incorporated in the BVI and was wound up voluntarily on 16th March, 2000 pursuant to the Reorganisation
“Underwriters”	BNP Prime Peregrine Securities, Credit Lyonnais Securities (Asia) Limited, Prudential-Bache Securities (Hong Kong) Limited, BOCI Asia Limited, Jardine Fleming Securities Limited, Kim Eng Securities (Hong Kong) Limited, Nomura International (Hong Kong) Limited and TIS Taiwan International Securities (HK) Limited
“Underwriting Agreement”	the conditional underwriting and placing agreement dated 27th March, 2000 and entered into among, inter alia, the Company, the Global Coordinator and the Underwriters as described under the section headed “Underwriting” in this prospectus
“US” or “United States”	the United States of America
“US Securities Act”	the US Securities Act of 1933 (as amended), and the rules and regulations promulgated thereunder
“VSC”	Van Shung Chong Holdings Limited, a company incorporated in Bermuda, the securities of which are listed on the Main Board
“HK\$”, “\$” or “HK dollars” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“US\$” or “US Dollars”	US dollars, the lawful currency of the United States

Unless otherwise specified in this prospectus, amounts denominated in US\$ have been translated, for the purpose of illustration only, into Hong Kong dollars at a rate of HK\$7.75 = US\$1.00. No representation is made that any amounts in US\$ or HK\$ could have been or could be converted at the above rate or at any other rates or at all.