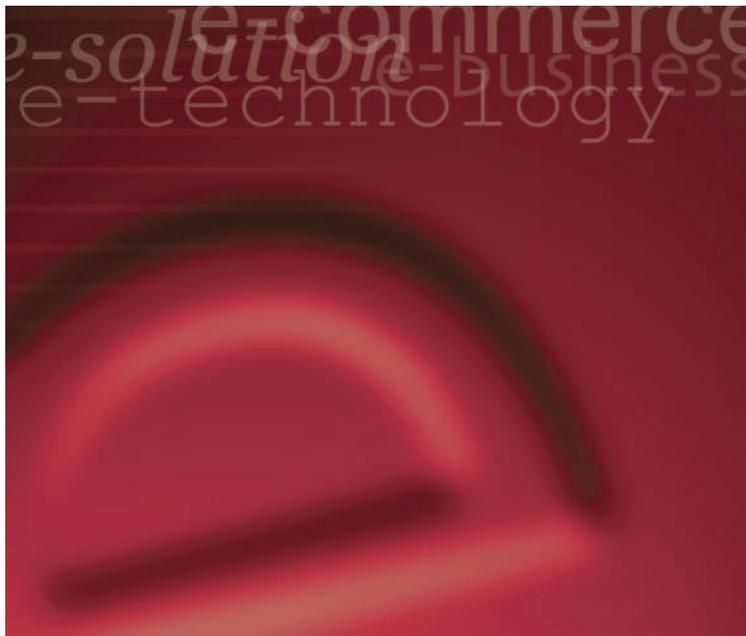
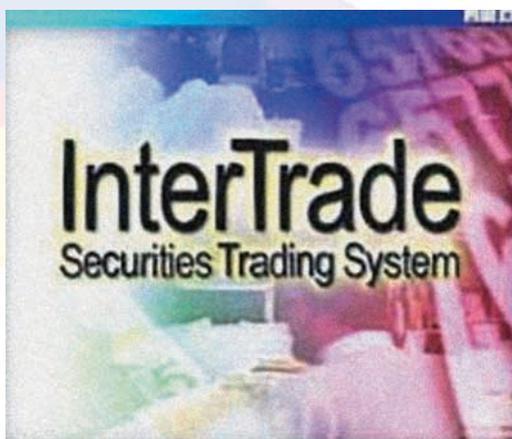


# InterTrade

## Integrated Securities Trading System



Can your computer system today support you in the future of electronic information delivery, internet trading, and integration with other technologies such as mobile phone and palm-top computer ?



InterTrade, developed by Excel Technology, is a new generation securities processing system designed to help securities companies of all sizes to cope with the all-electronic securities processing requirements such as real-time customer position checking, margin monitoring and credit exception alert.

InterTrade is an essential element of a "straight through" processing system in a complete online environment. It accepts orders from different input sources in different forms and it interfaces with other systems which process these orders.

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## Functions & Features Highlights

### Account Opening & Maintenance

InterTrade's account management function supports the business workflow. It allows front-office staff, or even customers themselves, to send in account opening and updating requests, and electronically route them to the responsible departments, e.g. credit control, for verification, credit setting and approval. Subject to the specific approval procedure, a customer can start to trade in minutes after submitting an account opening application.

### Multiple Means of Order Capture

InterTrade offers multiple possible means of capturing a buy / sell order via:

- ◆ Account Executive Workstation (PC)
- ◆ Internet
- ◆ Interactive Voice Response Unit
- ◆ Mobile Phone
- ◆ Self Service Kiosk

InterTrade will examine any incoming buy / sell order automatically for credit control to ensure cash and margin positions are properly checked and earmarked. InterTrade will also perform compliance checks to ensure no rules or limits are being violated before the orders are distributed to any InterTrade dealing agents if the orders get executed. If any of the checks fails, the failing orders will be routed to credit control for exception processing.

### Order Queuing & Distribution

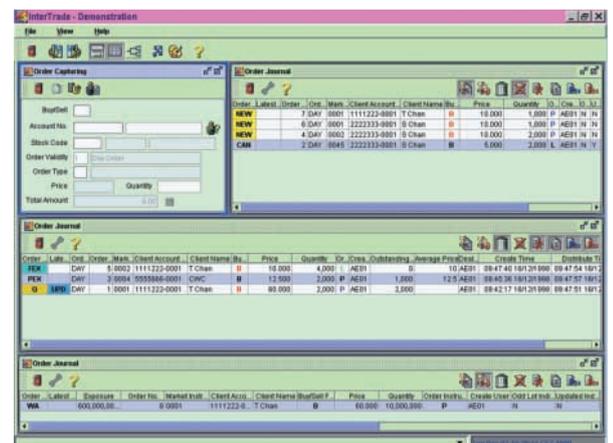
Electronic orders are queued based on pre-configured rules, e.g. by market type, order type, priority, etc. and distributed to the appropriate dealing agents.

An InterTrade dealing agent can be a dealer working with a foreign market broker agent; a dealer working with an AMS/3 terminal and the InterTrade Dealer Workstation; the electronic gateway to an exchange such as AMS/3 OG, or even a FIX protocol software interface.

### Order Monitoring

Whether the orders sent in are being checked, queued, sent to the exchange, or confirmed, they can be monitored through InterTrade by the customers at home (using Internet) or the account executives at the branches.

Confirmation returned from exchange can be sent to users through different media. For example, an internet customer can choose to have his confirmation sent to his mobile phone or electronic mail, while an order input by an account executive at the branch can be confirmed directly through the InterTrade Order Journal or customer's electronic mail.



A typical Account Executive workstation with "Order Capture" to accept order input and 3 instances of Order Journal to monitor orders of different status

### Investment Compliance

To ensure the financial soundness of a brokerage firm, there are often investment rules defined for individual equities, accounts, and the entire company. These rules are to control the risk of the company so that any financial exposure can be spotted immediately.

InterTrade provides facilities to define these investment rules and exposure limits, and to interface with the order capturing function to ensure that any orders received comply with these rules. If these investment rules are violated or any of the exposure limits are exceeded, the orders will be either rejected or sent to management for exception processing.

## Margin Monitoring

InterTrade's Margin Monitoring module provides facilities to define flexible business rules for monitoring the exposure of margin clients. The margin parameters that can be configured are shown in the diagram.



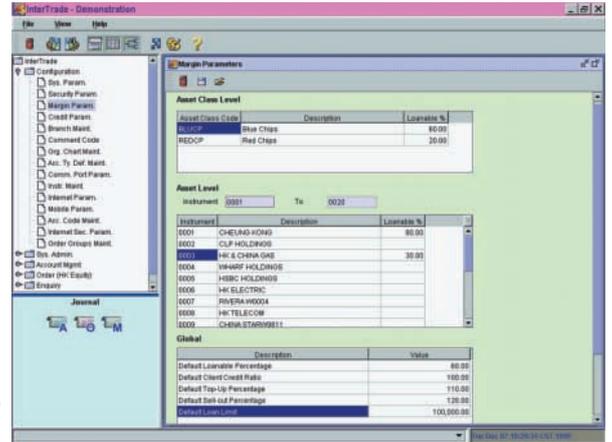
Margin Control Parameters

With these margin parameters, along with a real-time instrument price feed service (if available from the brokerage house), the real-time Margin Monitor will periodically alert you of any necessary margin calls.

## Collateral Monitoring

The Collateral Monitoring module provides configuration of different types of collateral for margin accounts.

For each collateral type configured, a loanable percentage and loanable value ceiling can be defined.



Margin Parameters

## Customer Communication

According to the preference of customers, information can be delivered to customers by InterTrade through different media, including mail, electronic mail, fax, mobile phone message and paging service.

Examples of information that could be sent are:

- ◆ Price Alert
- ◆ Execution of a Standing Order
- ◆ Advice
- ◆ Statement
- ◆ Corporation Action Announcement
- ◆ Investment / Product Information

## What-If Analysis

The What-If Analysis module is an intelligent simulator to predict a result, at account or company level, based on specific conditions.

For example, an account executive can find out, for his client, what the impact will be if the price of a stock drops to a certain level. A manager of Credit Control, on the other hand, will be interested in knowing the number of margin accounts that will be affected by a particular price change.

## Integration with Settlement System

InterTrade is designed to easily integrate with any existing settlement system, and will be tightly coupled with the InterTrade Settlement module, so that the traditional deal ticket input can be avoided. This does not only save resources but also avoid human errors.

The following events are available in the front (InterTrade) and back office (InterTrade Settlement) systems.

- ◆ Executed trades are captured from InterTrade and sent to Settlement module for real time processing. Charges will be calculated and updated to InterTrade real time.
- ◆ Settlement module also allows InterTrade to feed executed trades by batches. Charges will be calculated and updated to InterTrade real time.
- ◆ Cash movement transactions are entered in Settlement module and updated to InterTrade client position real time.
- ◆ Stock movement transactions are entered in Settlement module and update to InterTrade client position real time.

The above events will be stored as messages passing through between InterTrade and Settlement modules for recovery and acknowledgement.

## Online / Internet Trading

InterTrade is designed with Internet trading in mind. The Internet Trading module, basically an Internet browser, is just another form of input workstation in InterTrade. Orders coming in from this interface are subject to the same control and checking as if they are received from an Account Executive workstation.

Depending on the availability of live data feed and other sources of information, the Internet Trading module can be tailored to provide the following to the internet customers:

- ◆ Real-time stock quotation and financial information
- ◆ Account management functions
- ◆ Order management (buying, selling, tracking etc.)
- ◆ Online order execution for Hong Kong stocks with the support of AMS/3 OG of SEHK
- ◆ Portfolio, position and margin enquiries
- ◆ Investment strategy modeling
- ◆ Investment / Product information

The screenshot shows the InterTrade web application running in Microsoft Internet Explorer. The browser address bar displays a URL: http://localhost:8080/Servlet/Navigator/Servlet/Login/DEALING=NL/LANG=english/CHANNEL=NET/NAVIGATOR=HE. The main content area is divided into several sections:

- Stock Code Table:** Lists stock codes, names, and various financial metrics. Example rows: 0001 CHEUNG KWONG, 0003 HK & CHINA GAS.
- Bid Queue:** Shows bid orders with columns for price, quantity, and time.
- Ask Queue:** Shows ask orders with columns for price, quantity, and time.
- Trade Report:** Displays a list of executed trades.
- Order Journal:** A table showing order details including order ID, date, time, status, and quantity.

Internet Real-Time Quote and Order Journal

## Technical Information

InterTrade employs the latest software development approach of multiple-tier architecture. That is, the graphical presentation, the application logic and the database functions can be separately run on different machines, if necessary (to increase performance, security and ease of maintenance). InterTrade is developed using Java and CORBA design and uses any relational database management system with JDBC compatibility.

The basic requirement for InterTrade is:

- ◆ An UNIX or MS Windows NT server, running
  - ◆ A relational database such as Oracle 8
  - ◆ Visibroker from Inprise
- ◆ PC clients as user workstations
  - ◆ Pentium-based PC with 128MB memory