

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

WHICH APPLICATION FORM TO USE

Use a **WHITE** Application Form if you want the Public Offer Shares to be issued in your own name.

Use a **YELLOW** Application Form if you want the Public Offer Shares to be issued in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to your CCASS investor participant stock account or the stock account of your designated CCASS participant.

Note: Except in the circumstances permitted under the Listing Rules, the Offer Shares are not available to existing beneficial owners of Shares, the Directors or chief executive of the Company or associates of any of them.

WHERE TO COLLECT THE APPLICATION FORMS

You can collect a **WHITE** Application Form and copies of this prospectus from:

Cazenove Asia Limited
5001 One Exchange Square
8 Connaught Place
Central
Hong Kong

First Shanghai Securities Limited
19th Floor
Wing On House
71 Des Voeux Road
Central
Hong Kong

or

or

The Hongkong and Shanghai Banking Corporation Limited
Level 15, 1 Queen's Road Central
Hong Kong

Nomura International (Hong Kong) Limited
20th-21st Floor
Asia Pacific Finance Tower
3 Garden Road, Central
Hong Kong

or

or

China Everbright Capital Limited
40th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

Guotai Junan Securities (Hong Kong) Limited
27th Floor, Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

or

or

Ka Wah Capital Limited
Unit 6310 - 6312, The Center
99 Queen's Road Central
Hong Kong

SinoPac Securities (H.K.) Limited
Suite 1218, Central Building
1 Pedder Street, Central
Hong Kong

or

UOB Asia (Hong Kong) Limited
10th Floor, United Overseas Bank Building
54-58 Des Voeux Road Central
Hong Kong

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or any of the following branches of Bank of China (Hong Kong) Limited:

| Branch Name | Address |
|--|---|
| Hong Kong Island: | |
| Bank of China Tower Branch | 3/F, 1 Garden Road, Central |
| Central District (Li Po Chun Chambers) Branch | Li Po Chun Chambers, 189 Des Voeux Road, Central |
| Wan Chai Branch | 395 Hennessy Road, Wan Chai |
| North Point Branch | G/F., Roca Centre, 464 King's Road, North Point |
| Taikoo Shing (Hoi Sing Mansion) Branch | Shop G1006, Hoi Sing Mansion, Taikoo Shing |
| Kowloon: | |
| Hoi Yuen Road Branch | 55 Hoi Yuen Road, Kwun Tong |
| Tsim Sha Tsui (Houston Centre) Branch | G/F., Houston Centre, 63 Mody Road, Tsim Sha Tsui |
| Yau Ma Tei Branch | 471 Nathan Road, Yau Ma Tei |
| New Territories: | |
| Castle Peak Road (Tsuen Wan) Branch | 167 Castle Peak Road, Tsuen Wan |
| Lucky Plaza Branch | G/F., Lucky Plaza, Wang Pok Street, Shatin |

You can collect a **YELLOW** Application Form and copies of this prospectus from:

**HKSCC's Depository Counter
2nd Floor, Vicwood Plaza
199 Des Voeux Road Central
Hong Kong**

**HKSCC's Customer Service Centre
Upper Ground Floor, V-Heun Building
128-140 Queen's Road Central
Hong Kong**

or your stockbrokers may have forms available.

HOW TO COMPLETE THE APPLICATION FORMS

There are detailed instructions on each Application Form. You should read those instructions carefully. If you do not follow the instructions, your application may be rejected.

If your application is made through a duly authorised attorney, the Company, Cazenove and First Shanghai as its agents, may accept the application at their discretion, and subject to any conditions they think fit, including evidence of the authority of your attorney. Cazenove and First Shanghai in their capacities as agents of the Company has full discretion to reject or accept any application, in full or in part, without assigning any reasons.

In order for the **YELLOW** Application Forms to be valid:

- (a) **If the application is made through a designated CCASS participant (other than a CCASS investor participant):**
 - (i) the designated CCASS participant or its authorised signatories must sign in the appropriate box; and
 - (ii) the designated CCASS participant must endorse the form with its company chop (bearing its company name) and insert its participant I.D. in the appropriate box.
- (b) **If the application is made by an individual CCASS investor participant:**
 - (i) the Application Form must contain the investor participant's name and Hong Kong Identity Card number; and
 - (ii) the investor participant should insert its participant I.D. and sign in the appropriate box in the Application Form.
- (c) **If the application is made by a joint individual CCASS investor participant:**
 - (i) the Application Form must contain all joint investor participants' names and the Hong Kong Identity Card number of at least one of the joint investor participants; and
 - (ii) the participant I.D. must be inserted and the authorised signatory(ies) of the investor participant stock account must sign in the appropriate box in the Application Form.
- (d) **If the application is made by a corporate CCASS investor participant:**
 - (i) the Application Form must contain the investor participant's company name and Hong Kong Business Registration number; and

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(ii) the participant I.D. and company chop (bearing the investor participant's company name) endorsed by its authorised signature(s) must be inserted in the appropriate box in the Application Form.

(e) Signature(s), number of signatories and form of chop, where appropriate, should match with the records kept by HKSCC. Incorrect or incomplete details of the CCASS participant or the omission or inadequacy of authorised signatory(ies) (if applicable), CCASS participant I.D. or other similar matters may render the application invalid.

Nominees who wish to submit separate application in their names on behalf of different owners are requested to designate on each application form in the box marked "For nominees" account numbers or other identification codes for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner.

HOW MANY APPLICATIONS MAY YOU MAKE

There is only one situation where you may make more than one application for Public Offer Shares:

If you are a **nominee**, you may lodge more than one application in your own name on behalf of different owners. In the box on the Application Form marked "For nominees" you must give for each beneficial owner:

- an account number; or
- some other identification code.

If you do not include this information, the application will be treated as being for your benefit.

Otherwise, multiple applications are not allowed.

It will be a term and condition of all applications that by completing and delivering an Application Form, you:

- (if the application is made for your own benefit) **warrant** that the application you made is the only application which will be made for your benefit on a **WHITE** or **YELLOW** Application Form;
- (if you are an agent for another person) **warrant** that reasonable enquiries have been made of that other person that the application you made is the only application which will be made for the benefit of that other person on a **WHITE** or **YELLOW** Application Form, and that you are duly authorised to sign the Application Form as that other person's agent.

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Save as referred to above, **all** of your applications will be rejected as multiple applications if you, or you and joint applicants together:

- make more than one application for the Public Offer Shares on a **WHITE** or **YELLOW** Application Form; or
- apply on one **WHITE** or **YELLOW** Application Form for more than 100% of the Public Offer Shares being initially available in either pool A or pool B to the public.

All of your applications will also be rejected as multiple applications if more than one application is made for your benefit. If an application is made by an unlisted company and

- the only business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be deemed to be made for your benefit.

***Unlisted company** means a company with no equity securities listed on the Stock Exchange.*

***Statutory control** means you:*

- control the composition of the board of directors of that company; or
- control more than half of the voting power of that company; or
- hold more than half of the issued share capital of that company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

HOW MUCH ARE THE PUBLIC OFFER SHARES

The maximum Offer Price of the Public Offer Shares is HK\$1.59 each. You must also pay a brokerage of 1%, a Stock Exchange trading fee of 0.005% and a SFC transaction levy of 0.007%. The proposed board lot for trading in the Shares is 2,000 Shares. This means that for every 2,000 Public Offer Shares you will pay HK\$3,212.18. The Application Forms have tables showing the exact amount payable for multiples of Public Offer Shares.

You must pay the maximum Offer Price, brokerage, the Stock Exchange trading fee and the SFC transaction levy in full when you apply for the Public Offer Shares.

If your application is successful, brokerage is paid to participants of the Stock Exchange, the trading fee is paid to the Stock Exchange and the transaction levy is paid to the SFC.

If the Offer Price as finally determined is less than HK\$1.59 per Public Offer Share, appropriate refund payments (including the brokerage and the Stock Exchange trading fee and the SFC transaction levy attributable to the surplus application monies) will be made to successful applicants, without interest. Details of the procedure for refund are set out in the paragraph headed “Collection/posting of share certificates and/or refund cheques and deposit of share certificates into CCASS” below.

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MEMBERS OF THE PUBLIC — TIME FOR APPLYING FOR PUBLIC OFFER SHARES

Completed **WHITE** and **YELLOW** Application Forms, with payment attached, must be lodged by 12:00 noon on Friday, 21st June, 2002, or, if the application lists are not open on that day, then by 12:00 noon on the day the lists are open.

Your completed Application Form, with payment attached, should be deposited in the special collection boxes provided at any of the branches of Bank of China (Hong Kong) Limited listed in the paragraph headed “Where to collect the application forms” above at the following times:

Tuesday, 18th June, 2002 — 9:00 a.m. to 4:00 p.m.
Wednesday, 19th June, 2002 — 9:00 a.m. to 4:00 p.m.
Thursday, 20th June, 2002 — 9:00 a.m. to 4:00 p.m.
Friday, 21st June, 2002 — 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Friday, 21st June, 2002.

EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not be open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on 21st June, 2002. Instead they will be open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon.

Business day means a day that is not a Saturday, Sunday or public holiday in Hong Kong.

CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED PUBLIC OFFER SHARES

Full details of the circumstances in which you will not be allocated Public Offer shares are set out in the notes attached to the Application Forms and you should read them carefully. You should note in particular the following two situations in which Public Offer Shares will not be allocated to you:

- **Revocation of your application**

You may only revoke your application before the fifth day after the time of the opening of the applications lists (excluding for this purpose any day which is Saturday, Sunday, or public holiday in Hong Kong) if a person responsible for this prospectus under section 40 of the Companies Ordinance gives a public notice under that section which excludes or limits the responsibility of that person for this prospectus.

If your application has been accepted, it cannot be revoked.

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- **If the allocation of Public Offer Shares is void:**

Your allocation of Public Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the date of closing of the application lists; or
- within a longer period of up to six weeks if the Listing Committee of the Stock Exchange notifies the Company of that longer period within three weeks from the date of closing of the application lists.

PUBLICATION OF RESULTS

The Company expects to publish the Offer Price, details of the level of interest in the Placing, basis of allotment and results of applicants of the Public Offer, and the Hong Kong Identity Card/Passport/Hong Kong Business Registration numbers of successful applicants on Tuesday, 25th June, 2002 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).

COLLECTION/POSTING OF SHARE CERTIFICATES AND/OR REFUND CHEQUES AND DEPOSIT OF SHARE CERTIFICATES INTO CCASS

The Company will not issue temporary documents of title. No receipt will be issued for application monies received.

WHITE Application Form:

If you have applied for 1,000,000 Public Offer Shares or more and have indicated on your Application Form that you will collect your share certificate(s) and/or refund cheque(s) (if any), you may collect it/them in person from:

Tengis Limited
4th Floor
Hutchison House
10 Harcourt Road
Hong Kong

between 9:00 a.m. and 1:00 p.m. on the date notified by the Company in the newspapers as the date of collection of share certificates and/or refund cheques. The collection date is expected to be on Wednesday, 26th June, 2002.

If you are an individual who opts for personal collection, you must not authorise any other person to make collection on your behalf. If you are a corporate applicant which opts for personal collection, your authorized representative must attend bearing a letter of authorisation from your corporation stamped with your corporation chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection evidence of identity acceptable to Tengis Limited. If you do not collect your share certificate(s) and/or refund cheque (if any) within the specified time available for collection, they will be sent to the address on your Application Form shortly after 1:00 p.m. on Wednesday, 26th June, 2002 by ordinary post at your own risk.

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If you have applied for 1,000,000 Public Offer Shares or more but have not indicated on your Application Form that you will collect your share certificate(s) and/or refund cheque (if any) in person; or if you have applied for less than 1,000,000 Public Offer Shares; or if your application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the initial price per Share (excluding brokerage and Stock Exchange trading fee and SFC transaction levy thereon) paid on application; or if the conditions of the Public Offer are not fulfilled in accordance with the paragraph headed “Conditions of the Share Offer” in the section headed “Structure and conditions of the Share Offer” of this prospectus, or if any application is revoked or any allotment pursuant thereto has become void, then your share certificate(s) and/or refund cheque (if any) in respect of the application monies, or the appropriate portion thereof, together with the related brokerage and Stock Exchange trading fee and SFC transaction levy, if any, (without interest) will be sent to the address on your Application Form on or before Wednesday, 26th June, 2002 by ordinary post at your own risk.

YELLOW Application Form:

Your share certificate(s) will be issued in the name of HKSCC Nominees Limited and deposited into CCASS for credit to your CCASS investor participant stock account or the stock account of your designated CCASS participant as instructed by you at the close of business on Wednesday, 26th June, 2002, or under contingent situation, on any other date as shall be determined by HKSCC or HKSCC Nominees Limited.

The procedures for collection of refund cheques for **YELLOW** Application Forms are the same as those for **WHITE** Application Forms set out in the paragraph headed “**WHITE** Application Form” above.

If you are applying through a designated CCASS participant (other than a CCASS investor participant):

- for Public Offer Shares credited to the stock account of your designated CCASS participant (other than a CCASS investor participant), you can check the number of Public Offer Shares allotted to you with that CCASS participant.

If you are applying as a CCASS investor participant:

- the Company expects to publish the results of CCASS investor participants' applications together with the results of the Public Offer in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on Tuesday, 25th June, 2002. You should check the announcement published by the Company and report any discrepancies to HKSCC before 12:00 noon on Wednesday, 26th June, 2002 or such other date as shall be determined by HKSCC or HKSCC Nominees Limited. On Thursday, 27th June, 2002 (the next day following the credit of the Public Offer Shares to your stock account) you can check your new account balance via the CCASS Phone System and CCASS internet system (under the procedures contained in HKSCC's “An Operating Guide for Investor Participants” in effect from time to time). HKSCC will also mail to you an activity statement showing the number of Public Offer Shares credited to your stock account.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the main board of the Stock Exchange is expected to commence on Thursday, 27th June, 2002. Shares will be traded on the Stock Exchange in board lots of 2,000 each. The Stock Exchange stock code for the Shares is 249.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of and permission to deal in the Shares and the Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transaction between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.