

## HOW TO APPLY FOR THE NEW ISSUE SHARES

### WHICH APPLICATION FORM TO USE

Use a **WHITE** application form if you want the New Issue Shares to be issued in your own name.

Use a **YELLOW** application form if you want the New Issue 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.

Use a **PINK** application form if you are a full-time employee of the Company or its subsidiaries and want the New Issue Shares to be registered in your own name and want your application to be given preferential consideration. Up to 2,000,000 New Issue Shares (being 10% of the New Issue Shares initially available under the New Issue) are available to full-time employees of the Company or its subsidiaries in Hong Kong on this basis. Joint application on a **PINK** application form is not permitted. You may not apply on a **PINK** application form on behalf of other person(s) as a nominee.

*Note: The New Issue Shares offered for public subscription under the New Issue are not available to the directors or chief executive of the Group, or existing beneficial owners of Shares, or associates of any of them.*

### WHERE TO COLLECT THE APPLICATION FORMS FOR THE NEW ISSUE SHARES

You can collect a **WHITE** application form and a prospectus from:

**Emperor Securities Limited**  
23rd and 24th Floors, Emperor Group Centre  
288 Hennessy Road  
Wanchai  
Hong Kong

**Taiwan Concord Capital Securities (Hong Kong) Limited**  
Room 3005-6  
The Center  
99 Queen's Road Central  
Hong Kong

**Tai Fook Securities Company Limited**  
25th Floor, New World Tower  
16-18, Queen's Road Central  
Hong Kong

**Celestial Capital Limited**  
21st Floor, Low Block  
Grand Millennium Plaza  
181 Queen's Road Central  
Hong Kong

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or any of the following branches of Standard Chartered Bank:

<b>Hong Kong Island:</b>	The Landmark Branch	The Landmark, 15 Queen's Road, Central
	Des Voeux Road Branch	Standard Chartered Bank Building, 4-4A Des Voeux Road, Central
	CIG Building Branch	Shop B, G/F, CIG Building, 141 Des Voeux Road Central
	Leighton Centre Branch	Shop 12-16, UG/F Leighton Centre, 77 Leighton Road, Causeway Bay
	Hennessy Road Branch	399 Hennessy Road, Wanchai
	Taikoo Place Branch	G/F, 969 King's Road, Quarry Bay
<b>Kowloon:</b>	Kwun Tong Branch	88-90 Fu Yan Street, Kwun Tong
	Mongkok Bank Centre Branch	Bank Centre, 630-636 Nathan Road, Mongkok
	Tsimshatsui Branch	10 Granville Road, Tsimshatsui
	Cheung Sha Wan Branch	828 Cheung Sha Wan Road, Cheung Sha Wan
<b>New Territories:</b>	Tsuen Wan Branch	Basement 1/F, Emperor Plaza, 263 Sha Tsui Road, Tsuen Wan

You can collect a **YELLOW** application form and a prospectus from:

- the Depository Counter of HKSCC at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong; or
- the Customer Service Centre of HKSCC at Upper Ground Floor, V-Heun Building, 128-140 Queen's Road Central, Hong Kong; or
- your stockbroker may have application forms available.

You can collect a **PINK** application form from Mr. Li Chak Hung, the company secretary of the Company at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, New Territories, Hong Kong.

### 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 and Emperor Securities (on behalf of the Underwriters) as its agent may accept the application at their discretion, and subject to any conditions they think fit, including requiring your attorney to produce evidence of his authority.

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Emperor Securities, in its capacity as agent for the Company, has full discretion to reject or accept any application in full or in part, without assigning any reason.

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 in the application form; and
  - (ii) the designated CCASS participant must endorse the application form with its company chop (bearing its company name) and insert its CCASS 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 CCASS investor participant's name and Hong Kong identity card number; and
  - (ii) the CCASS investor participant should insert his CCASS participant I.D. and sign in the appropriate box in the application form;
- (c) if the application is made by joint individual CCASS investor participants:
  - (i) the application form must contain all joint CCASS investor participants' names and the Hong Kong identity card numbers of all joint CCASS investor participants; and
  - (ii) the CCASS participant I.D. should be inserted and the authorised signatory(ies) of the CCASS investor participant stock account should sign in the appropriate box in the applicant form;
- (d) if the application is made by a corporate CCASS investor participant:
  - (i) the application form must contain the CCASS investor participant's company name and Hong Kong business registration number; and
  - (ii) the CCASS participant I.D. and company chop, bearing the applicant's company name, endorsed with its authorised signature(s) should be inserted in the appropriate box in the application form; and
- (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 investor 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.

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Each **WHITE**, **YELLOW** or **PINK** application form must be accompanied by either one separate cheque drawn on the applicant's Hong Kong dollar bank account in Hong Kong and bearing the account name (either pre-printed by the bank or certified by an authorised signatory of such bank on the reverse of the cheque) which must correspond with the name of the applicant (or, in the case of joint applicants, the name of the first named applicant) on the relevant application form, or one separate banker's cashier order on the reverse of which the bank has certified by an authorised signatory the name of the applicant, which must correspond with the name of the applicant (or, in the case of joint applicants, the name of the first named applicant) on the relevant application form. All such cheques or banker's cashier orders must be made payable to "**Horsford Nominees Limited – PME Group New Issue**" as set out in the application form and crossed "**Account Payee Only**".

### HOW MANY APPLICATIONS MAY YOU MAKE

There are only two situations where you may make more than one application for New Issue Shares:

1. 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 include;

- an account number; or
- some other identification code

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

2. If you are a full-time employee of the Company other than a Director or chief executive of the Company or any of its subsidiaries and apply on a **PINK** application form, you may also apply on a **WHITE** or **YELLOW** application form.

**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 this is the only application which will be made for your benefit on a **WHITE** or **YELLOW** application form; or
- (if you are an agent for another person) warrant that reasonable enquiries have been made of that other person that this 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.

## HOW TO APPLY FOR THE NEW ISSUE SHARES

All of your applications will be rejected as multiple applications if you, or you and joint applicants together:

- make more than one application on a **WHITE** or **YELLOW** application form; or
- make more than one application on a **PINK** application form; or
- apply on one **WHITE** or **YELLOW** application form for more than 100% of the New Issue Shares being offered for public subscription; or
- apply on one **PINK** application form for more than 100% of the New Issue Shares being offered to full-time employees of the Company or its subsidiaries on a preferential basis.

**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 treated as being 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 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 TO APPLY FOR THE NEW ISSUE SHARES**

### **HOW MUCH ARE THE NEW ISSUE SHARES**

The Offer Price is HK\$0.25 each. You must also pay brokerage of 1%, a SFC transaction levy of 0.007% and a Stock Exchange trading fee of 0.005% in full when you apply for the New Issue Shares. This means that for every 10,000 New Issue Shares you will pay HK\$2,525.30. The application forms have tables showing the exact amount payable for certain multiples of New Issue Shares.

You must pay the Offer Price, brokerage, the SFC transaction levy and the Stock Exchange trading fee in full when you apply for the New Issue Shares. Your payment must be by cheque or banker's cashier order and must comply with the terms of the application forms. Your cheque or banker's cashier order will not be presented for payment before 5th November, 2002.

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

### **FULL-TIME EMPLOYEES – TIME FOR APPLYING FOR NEW ISSUE SHARES**

Completed **PINK** application forms, with payment attached, must be returned to Mr. Li Chak Hung, the company secretary of the Company at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, New Territories, Hong Kong by 4:00 p.m. on 4th November, 2002.

### **MEMBERS OF THE PUBLIC – TIME FOR APPLYING FOR NEW ISSUE SHARES**

Completed **WHITE** or **YELLOW** application forms, with payment attached, must be lodged by 12:00 noon on 5th November, 2002, or, if the application lists are not open on that day, then by 12:00 noon on the next Business 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 Standard Chartered Bank listed above at the following times:

**31st October, 2002 – 9:00 a.m. to 4:00 p.m.**  
**1st November, 2002 – 9:00 a.m. to 4:00 p.m.**  
**2nd November, 2002 – 9:00 a.m. to 12:00 noon**  
**4th November, 2002 – 9:00 a.m. to 4:00 p.m.**  
**5th November, 2002 – 9:00 a.m. to 12:00 noon**

The application lists will be opened from 11:45 a.m. to 12:00 noon on 5th November, 2002.

Applications for the New Issue Shares will not be processed, and no allotment of any such New Issue Shares will be made, until the closing of the application lists.

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### EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

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

in force in Hong Kong at any time between **9:00 a.m.** and **12:00 noon** on 5th November, 2002. Instead they will open between **11:45 a.m.** and **12:00 noon** on the next Business Day which does not have either of those warning signals in force in Hong Kong at any time between **9:00 a.m.** and **12:00 noon**.

### CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED NEW ISSUE SHARES

Full details of the circumstances in which you will not be allotted New Issue 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 New Issue Shares will not be allotted to you:

- **Revocation of your application:**

By completing an application form, you agree that you cannot revoke your application before the end of the fifth day after the time of the opening of the application lists, excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong, being 12th November, 2002 unless a person responsible for this prospectus under section 40 of the Companies Ordinance (as applied by section 342E 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. For this purpose, acceptance of applications which are not rejected will be constituted by notification in English in The Standard and in Chinese in the Hong Kong Economic Times of the basis of allotment, and where such basis of allotment is subject to certain conditions or provides for allotment by ballot, such acceptance will be subject to the satisfaction of such conditions or the results of the ballot, respectively.

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— **Circumstances in which allotment of New Issue Shares will be void:**

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

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

### **PUBLICATION OF RESULTS**

The Company expects to release an announcement on the results of applications and basis of allotment of New Issue Shares under the New Issue on or before 12th November, 2002 in English in The Standard and in Chinese in the Hong Kong Economic Times.

### **DESPATCH AND COLLECTION 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.

**YELLOW** application form:

If you have applied for 1,000,000 New Issue Shares or above and have indicated on your application form that you wish to collect your refund cheque, if any, please follow the procedures as set out under the paragraph “**WHITE** application form” below.

If you have not indicated on your application form that you will collect your refund cheque (if any) in person, then your refund cheque will be sent to the address on your application form on the date of despatch, by ordinary post and at your own risk.

Your share certificates will be issued in the name of HKSCC Nominees Limited and deposited into CCASS for credit to your investor participant stock account or the stock account of your designated CCASS participant as instructed by you at the close of business on 12th November, 2002 or, under contingent situation, any other date as shall be determined by HKSCC or HKSCC Nominees Limited.

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

- for New Issue Shares credited to the stock account of your designated CCASS participant (other than a CCASS investor participant), you can check the number of New Issue Shares allotted to you with that CCASS participant on 12th November, 2002.



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If you are applying as a CCASS investor participant:

- the Company will publish the results of investor participants' applications together with the results of the New Issue in the newspaper on 12th November, 2002. You should check against the announcement published by the Company and report any discrepancies to HKSCC before **5:00 p.m.** on 12th November, 2002 or such other date as shall be determined by HKSCC or HKSCC Nominees Limited. On 13th November, 2002 (the next day following the credit of the New Issue 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 New Issue Shares credited to your stock account.

**PINK** application forms:

The share certificates will be sent to the address on your application form shortly after the date of despatch (which is expected to be 12th November, 2002), by ordinary post and at your own risk.

**WHITE** application forms:

If you have applied for 1,000,000 New Issue Shares or above and have indicated on your application form that you wish to collect your share certificates, you may collect them in person from:

**Secretaries Limited**  
5th Floor, Wing On Centre  
111 Connaught Road  
Central  
Hong Kong

between **9:00 a.m.** and **1:00 p.m.** on the date notified by the Company in the newspaper as the date of despatch of share certificates. This is expected to be on or before 12th November, 2002.

You must show your identification documents to collect your share certificates.

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, you must attend by your authorised representative bearing a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives, if applicable, must produce, at the time of collection, evidence of identity acceptable to Secretaries Limited.

## **HOW TO APPLY FOR THE NEW ISSUE SHARES**

If you do not collect your share certificates and/or refund cheque, if any, in person within the time specified for collection, they will be sent to the address on your application form shortly after the date of despatch, by ordinary post and at your own risk.

If you have not indicated on your application form that you will collect your share certificates and/or refund cheque, if any in person, then your share certificates will be sent to the address on your application form on the date of despatch, by ordinary post and at your own risk.

The Company will not issue temporary documents of title.

### **COMMENCEMENT OF DEALINGS IN THE SHARES**

Dealings in the Shares on the Stock Exchange is expected to commence on 13th November, 2002.

Shares will be traded in board lots of 10,000 Shares each.

### **SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS**

Subject to the granting of listing of, and permission to deal in, the Shares on the Stock Exchange as well as the compliance 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, under contingent situation, on any other date HKSCC chooses. Settlement of transactions 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.