

**Strictly Private & Confidential**

17 December 2008

**Shaw Holdings Inc.**

1st Level / Civic Centre  
P.O. Box 300  
Aiwo, Nauru  
Central Pacific

**Macquarie Capital (Hong Kong) Limited**

Level 18  
One International Finance Centre 1 Harbour View Street  
Central  
Hong Kong

**Irrevocable undertaking**

We understand that Shaw Holdings Inc. (SHI) intends to request the board of directors of Shaw Brothers (Hong Kong) Limited (the Company) to put forward to the Company's shareholders a proposal to privatise the Company by way of a scheme of arrangement under Section 166 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the Proposed Scheme), pursuant to which the Company will become wholly-owned by SHI and parties acting in concert with it (as defined in the Hong Kong Code on Takeovers and Mergers (the Code)). A draft announcement setting out the major terms of the Proposed Scheme and other relevant information to be issued jointly by SHI and the Company in accordance with Rule 3.5 of the Code (the Draft Announcement) is enclosed. The Draft Announcement is subject to the approval of the board of directors of SHI, the Company, the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited.

We further understand it is currently contemplated by SHI that under the Proposed Scheme, shareholders of the Company other than SHI and parties acting in concert with it will receive HK\$13.35 in cash per share in the Company held by them (the Proposed Consideration) as the consideration for cancellation of those shares.

In consideration of the payment of the sum of US\$1 to us (receipt of which is hereby acknowledged) and of SHI and Macquarie Capital (Hong Kong) Limited (Macquarie) taking all steps reasonably necessary to pursue and implement the Proposed Scheme as promptly as possible, we hereby agree as follows:

## **1 Shareholding**

We represent and confirm that:

- 1.1 40,630,550 ordinary shares of HK\$0.25 each in the share capital of the Company are held by us in the capacity of an investment adviser with discretion to exercise voting powers attached to and transact purchases and sales of such shares in the Company on behalf of our clients (the **Undertaking Shares**); and
- 1.2 the **Undertaking Shares** include all the shares in the Company for which we have discretion to exercise voting powers attached to and transact purchases and sales in such shares on behalf of our clients.

## **2 Undertakings**

We hereby irrevocably and unconditionally agree and undertake with each of you:

- 2.1 to exercise or use commercially reasonable efforts to procure the exercise of the voting rights attached to the **Undertaking Shares** in favour of any resolution to be proposed for the purpose of approving or implementing the Proposed Scheme at any general meeting (including but not limited to (a) the meeting or meetings to be convened by order of the High Court of Hong Kong (the **Court**) and (b) the extraordinary general meeting to be held, in each case, in connection with the Proposed Scheme) of shareholders of the Company to be held during the period commencing from the date hereof and ending on the date on which the Proposed Scheme becomes effective or lapses or is withdrawn (the **Resolutions**) and to cast all the votes in relation to the **Undertaking Shares** against any resolution or proposal which may prevent or impede the passing of the **Resolutions**;
- 2.2 to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by us for the purposes of giving effect to the Proposed Scheme (subject as aforesaid);
- 2.3 not directly or indirectly to make or cause to be made any offer, invitation or solicitation for all or any part of the issued share capital of the Company or solicit any such offer, invitation or solicitation from any third party or negotiate, co-operate or enter into any agreement or arrangement whatsoever with or assist (whether by furnishing information or otherwise) any third party in relation to or in connection with any such offer, invitation or solicitation;
- 2.4 not to take any action or make any statement which is or may be prejudicial to the success of the Proposed Scheme and not to communicate with any person in relation to, nor discuss with any person, the terms of the Proposed Scheme or any matter relating to it without the prior consent of SHI (but this shall not apply to any communications or discussions with professional

advisers engaged by us for the purposes of advising us on this undertaking or the Proposed Scheme or with respect to any communications with our clients);

- 2.5 not to sell, transfer, assign or otherwise dispose of any interest in or right attached to any of the Undertaking Shares or enter into any agreement or arrangement to do so (except pursuant to the Proposed Scheme) until such time as the Proposed Scheme shall have become effective or the Proposed Scheme shall have lapsed or have been withdrawn; provided however that we may sell, transfer, assign or otherwise dispose of interests in or rights attached to any Undertaking Shares if such action is necessary for us to fulfil our fiduciary duty to our clients; and
- 2.6 not to acquire any interest in or right over shares of the Company after the date hereof.

### **3 Publicity and documentation**

- 3.1 We consent to the issue of any announcement or other public documents by the Company or by the Company and SHI jointly as is necessary under the Code, the Listing Rules or any other applicable law or regulation incorporating references to us and to this undertaking, provided that (where it is practically feasible within any time constraints prescribed for the issue of such announcement or other public documents by law, regulation or regulatory authorities) we shall have the right to review and comment on any such references to us and this undertaking prior to the issue of any announcement or document to the public.
- 3.2 We understand and agree that, in accordance with the Code, particulars of this undertaking will be contained in the Draft Announcement and the Scheme Document (and/or any related or ancillary document including any document required to comply with the Code, the Listing Rules or any applicable law or regulation) and that copy of this undertaking will be made available for inspection.
- 3.3 We will promptly (following receipt of written notice to us) supply all information in relation to the Proposed Scheme required (a) by the Court or (b) for the purposes of the Code, the Listing Rules or any other applicable law or regulation. We will promptly notify each of you in writing upon becoming aware of any change in the accuracy or import of any such information previously given.

### **4 Power of attorney**

In order to secure the performance of our obligations under this undertaking, in default of our performing our obligations under clauses 2.1 to 2.2 of this undertaking, we hereby appoint any director for the time being of SHI to be our attorney with full power in our name and on our behalf to execute and deliver any form of proxy required by SHI in respect of the Undertaking Shares appointing any person nominated by SHI to attend any general meeting of shareholders

of the Company and vote on any Resolutions (as referred to in clause 2.1 above) and/or to execute such other documents and to do such other acts and things as may be necessary to give effect to the terms of clauses 2.1 to 2.2 of this undertaking.

## **5 Specific performance**

We recognise and acknowledge that if we should be in breach of any of our obligations under this undertaking, damages would not be an adequate remedy and that SHI and/or Macquarie Capital (Hong Kong) Limited (**Macquarie**) shall be entitled to the remedies of injunction, specific performance and other equitable relief and that no proof of special damages shall be necessary for the enforcement of this undertaking.

## **6 Secrecy**

- 6.1 Save to the extent (if any) required to comply with the Code, the Listing Rules or any applicable law or regulation, we shall keep secret the possibility, terms and conditions of the Proposed Scheme and the existence and terms of this undertaking and details of our discussions, save to the extent that such matters have been made public through the issue of any announcement and other public documentation relating to the Proposed Scheme.
- 6.2 The obligations in this paragraph 6 shall survive termination of this undertaking.

## **7 Confirmations**

We represent and/or confirm that:

- 7.1 we have the full power and authority (and will at all times continue to have all relevant authority) to enter into and perform this undertaking in accordance with its terms, including but not limited to the discretion to exercise the voting rights attached to the Undertaking Shares;
- 7.2 in executing this undertaking we are not a client of Macquarie and that accordingly Macquarie is not responsible to us for providing protections afforded to its client or advising us on any matter relating to the Proposed Scheme;
- 7.3 we have been given an adequate opportunity to consider whether or not to give this undertaking and to obtain independent advice about the nature of this undertaking;
- 7.4 this undertaking contains the whole agreement between SHI, Macquarie and us relating to the subject matter of this undertaking at the date hereof, to the exclusion of any terms implied by law which may be excluded by contract; and
- 7.5 we have not been induced to execute this undertaking by any representation, warranty or undertaking not expressly incorporated into it.

## **8 Acknowledgements**

We acknowledge that:

- 8.1 the expression "**the Proposed Scheme**" shall extend to any revised scheme to privatise the Company such that the Company will become wholly-owned by SHI and parties acting in concert with it submitted by the Company at the request of SHI to the shareholders of the Company and other relevant persons which represents, on such basis as SHI may consider appropriate, no diminution in the value of the Proposed Consideration or any other material change to the terms of the Proposed Scheme (including any change in the form of Proposed Consideration but excluding any change in timing); and
- 8.2 nothing in this undertaking shall oblige SHI or Macquarie to announce or proceed with the Proposed Scheme and in the event that the Proposed Scheme lapses or is withdrawn by either the Company or SHI at any time before the Proposed Scheme becomes effective, none of SHI, Macquarie or any of their respective directors, employees or agents shall have any liability towards us; provided however, SHI and Macquarie agree to take all reasonable steps to pursue and implement the Proposed Scheme as promptly as possible.

## **9 Time of essence**

Any time, date or period mentioned in this undertaking may be extended by mutual agreement between us, SHI and Macquarie or otherwise as provided herein but as regards any time, date or period originally fixed or so extended as aforesaid time shall be of the essence.

## **10 Effect of this undertaking**

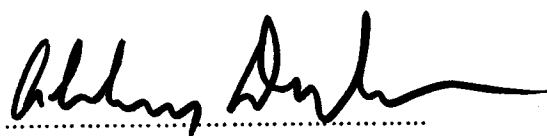
- 10.1 This undertaking shall come into effect upon the date hereof and shall terminate (except clauses 6, 8.2, 9, 11 and 12) on (a) 31 March 2009 or (b) the day after the date on which the Proposed Scheme (i) becomes effective, (ii) lapses or (iii) is withdrawn, whichever is the earliest, provided that such termination shall not affect any rights or liabilities under this undertaking in respect of prior breach of this undertaking and provided, further, that this undertaking shall terminate with respect to any Undertaking Shares in the event that the client account for which we exercise voting powers and the power to transact purchases and sales of such shares has terminated or in respect of which our authority to so act has been revoked.
- 10.2 This undertaking shall be binding on and enure for the benefit of the respective successors and assigns of each of us, SHI and Macquarie.

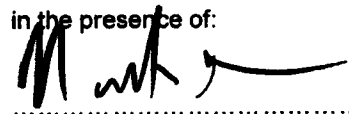
## **11 Governing law and jurisdiction**

- 11.1 This undertaking shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong).

11.2 We hereby submit to the exclusive jurisdiction of the courts of Hong Kong but this undertaking may be enforced in any court of competent jurisdiction.

**EXECUTED and DELIVERED** )  
as a **DEED** under the **SEAL** of )  
**ARNHOLD AND S. BLEICHROEDER** )  
**ADVISERS, LLC** )  
in the presence of: )

  
.....  
(Authorized Signatory)

  
.....  
Witness name: *Mark Gottstein*  
Address: