

## UNDERWRITERS

### Placing Underwriters

TIS Securities (HK) Limited  
Somerley Limited  
Daiwa Securities SMBC Hong Kong Limited  
Barits Securities (Hong Kong) Limited  
BCOM Securities Company Limited  
Core Pacific-Yamaichi International (H.K.) Limited  
First Shanghai Securities Limited  
Quam Securities Company Limited  
SinoPac Securities (Asia) Limited  
Taiwan Securities (Hong Kong) Company Limited

### Public Offer Underwriters

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Taiwan Securities (Hong Kong) Company Limited

## UNDERWRITING ARRANGEMENTS AND EXPENSES

### Underwriting Agreement

Pursuant to the Underwriting Agreement, the Company is offering (i) the Public Offer Shares for subscription on and subject to the terms and conditions of this prospectus and the application forms relating thereto; and (ii) the Placing Shares for subscription by way of the Placing.

Pursuant to the Underwriting Agreement and subject to, among other conditions, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned herein on or before 26th June, 2005 (or such later date as the Joint Sponsors on behalf of the Underwriters may agree in writing with the Company), (i) the Public Offer Underwriters have severally agreed to apply, or procure applications, on the terms and conditions of this prospectus and the application forms relating thereto, for the Public Offer Shares now being offered and which are not taken up under the Public Offer; and (ii) the Placing Underwriters have severally agreed to arrange for subscribers for the Placing Shares.

# UNDERWRITING

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## Grounds for termination

The Lead Manager on behalf of the Underwriters is entitled to terminate the Underwriting Agreement by notice in writing to the Company which may be given at any time up to 5:00 p.m. on the day immediately preceding the date of despatch of certificates of the Offer Shares upon occurrence of any of the following events at or prior to such time:

- (a) there develops, occurs or comes into force:
  - (i) any new law or government regulation or other occurrence of any nature whatsoever which in the absolute opinion of the Lead Manager on behalf of the Underwriters adversely affects or will adversely affect the business of the Group or any part thereof or is adverse in the context of the Share Offer in a material respect; or
  - (ii) any change in local, national, international, financial, political or economic conditions which in the absolute opinion of the Lead Manager on behalf of the Underwriters is adverse in the context of the Share Offer in a material respect; or
  - (iii) any adverse change in market conditions which in the absolute opinion of the Lead Manager on behalf of the Underwriters materially prejudicially affects the Share Offer and makes it inadvisable or inexpedient to proceed therewith;

or

- (b) there comes to the notice of any of the Underwriters any matter or event showing any of the representations, warranties and undertakings of the Company or any of Polestar or the executive Directors contained in the Underwriting Agreement to be untrue or inaccurate in any respects which in the absolute opinion of the Lead Manager on behalf of the Underwriters considers to be material.

## Undertakings

The Controlling Shareholders have undertaken with the Company, the Joint Sponsors and the Underwriters that they will not, and will procure the relevant registered holders will not, transfer or otherwise dispose of or enter into any agreement to do so or, create any options, rights, interests or encumbrances in respect of any of the Shares beneficially owned by them or their respective associates (as defined in the Listing Rules) or any interest therein, directly or indirectly held (including any of the shares of the companies controlled by them respectively, such companies being the beneficial owners of any of the Shares) immediately following completion of the Share Offer (or any other shares or other securities of the Company arising therefrom as a result of any capitalisation issue or scrip dividend or otherwise) within the period commencing on the date of this prospectus and ending on the date which is six months from the Listing Date (the

“First Six Month Period”), and that on any disposal of such Shares during the following six months (the “Second Six Month Period”), all reasonable steps will be taken to ensure that any such disposal will not create a disorderly or false market in the Shares.

The Controlling Shareholders have also undertaken to the Company, the Joint Sponsors and the Underwriters that they will not, and will procure the relevant registered holders will not, transfer or otherwise dispose of or enter into any agreement to do so or create any options, rights, interests or encumbrances in respect of any of the Shares beneficially owned by them or their respective associates (as defined in the Listing Rules) or any interest therein, directly or indirectly held (including any of the shares of the companies controlled by them respectively, such companies being the beneficial owners of any of the Shares) immediately following completion of the Share Offer, within the Second Six Month Period so as to result in any of the Controlling Shareholders either individually or taken together ceasing to be a controlling shareholder (as defined in the Listing Rules) of the Company.

Each of the Company, Polestar and the executive Directors has undertaken to the Joint Sponsors and the Underwriters that other than Shares to be issued pursuant to the Capitalisation Issue, the Offer Shares and Shares to be issued on the exercise of the Pre-IPO Options or options granted under the Share Option Scheme, neither the Company nor any of its subsidiaries will issue any shares or other securities or grant or agree to grant any options, warrants or other rights carrying the rights to subscribe for or otherwise acquire shares or other securities or repurchase any securities of the Company during the First Six Month Period without the prior written consent of the Joint Sponsors on behalf of the Underwriters, and that neither the Company nor any of its subsidiaries will issue any shares or other securities or grant or agree to grant any options, warrants or other rights to subscribe for or otherwise acquire shares or other securities or repurchase any securities of the Company during the Second Six Month Period so as to result in the Controlling Shareholders either individually or taken together ceasing to be a controlling shareholder (as defined in the Listing Rules) of the Company.

### **Commission and expenses**

The Underwriters will receive a commission of 2.5% of the aggregate Offer Price of all the Offer Shares, out of which they will pay any sub-underwriting commissions. In addition, the Joint Sponsors will receive a financial advisory and documentation fee. The underwriting commission, financial advisory and documentation fee, Stock Exchange listing fees, legal and other professional fees together with applicable printing and other expenses relating to the Share Offer are estimated to amount to approximately HK\$15.75 million in total, and are payable by the Company.

### **Underwriters' interest in the Company**

Save for their respective interests and obligations under the Underwriting Agreement, none of the Underwriters is interested in any shares in any member of the Group nor has any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.