

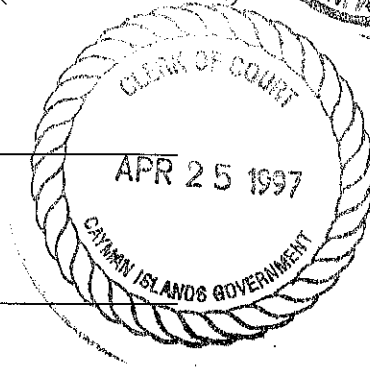
IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 276 OF 1997

IN THE MATTER OF CDW INTERNATIONAL LIMITED

AND IN THE MATTER OF THE COMPANIES LAW (1995 REVISION)

PETITION



To: The Grand Court

The Humble Petition of CDW INTERNATIONAL LIMITED (hereinafter called the "Company") shows that:

1. The object of this Petition is to seek the sanction of the Court under Section 85 of the Companies Law (1995 Revision) to the Scheme of Arrangement dated the 19th day of March, 1997 (hereinafter called the "Scheme") between the Company and the holders of the Scheme Shares, as defined in the Scheme, a copy of which is annexed to this Petition by way of Schedule.
2. The Company was incorporated as an exempted company under the Companies Law Cap 22 on 17th October, 1991. The principal activity of the Company is to act as a holding company for a group of subsidiaries engaged, inter alia, in the business of dyeing and printing textiles. The registered office of the Company is situated at the offices of Maples and Calder, Ugland House, South Church Street, P.O. Box 309, George Town, Grand Cayman, Cayman Islands.

3. The authorised share capital of the Company is HK\$30 million divided into 300,000,000 ordinary shares of HK10 cents each ("Shares") of which 205,455,004 have been issued and are fully paid or credited as fully paid. Currently, there are not outstanding any options or warrants to subscribe for Shares or any securities convertible into new Shares to be issued by the Company. The issued Shares are listed and traded on The Stock Exchange of Hong Kong Limited ("the HK Stock Exchange").
4. CDW Holdings Limited ("CDW Holdings"), a company incorporated under the Companies Law Cap 22 on 8th January, 1988, is the registered holder of 137,164,661 Shares, representing approximately 66.76 per cent of the issued share capital of the Company.
5. A majority of the issued share capital of CDW Holdings is held by corporations beneficially owned by Mr. Cha Chi Ming, the chairman of the board of directors of the Company, and his wife, Madam Liu Bie Ju or on trusts in respect of which they are beneficiaries. In addition to the Shares held by CDW Holdings, 1,396,101 Shares are held by Bie Ju Enterprises Limited, a company incorporated in the Cayman Islands with limited liability which is beneficially owned by Madam Liu Bie Ju; and 15,353,739 shares are held by LBJ Regents Limited, a company incorporated in the British Virgin Islands, in its capacity as trustee of various discretionary trusts in respect of which Mr. Cha Chi Ming and Madam Liu Bie Ju are discretionary beneficiaries. CDW Holdings, Bie Ju Enterprises Limited and LBJ Regents Limited in its capacity as trustee of various discretionary trusts in respect of which Mr. Cha Chi Ming and Madam Liu Bie Ju are discretionary beneficiaries are hereinafter collectively referred to as the "Controlling Shareholders". The Controlling Shareholders collectively hold an aggregate of 153,914,501 Shares, representing approximately 74.91 per cent of the issue share capital of the Company.
6. The object of the Scheme of Arrangement is for the Company to become wholly owned by the Controlling Shareholders by:

- reducing the share capital of the Company by cancelling and extinguishing all of the shares ("Scheme Shares") held by those Shareholders other than the Controlling Shareholders;
 - forthwith upon such reduction of capital taking effect, increasing the authorised share capital of the Company to its former amount of HK\$30,000,000 by the creation of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished; and
 - the Company applying the credit which will arise in its books of accounts as a result of the cancellation of Scheme Shares in paying up in full at par the new Shares to be created as referred to above, which Shares shall be allotted and issued, credited as fully paid, to CDW Holdings or its nominees or as CDW Holdings may direct.
7. In consideration for the cancellation and extinguishment of the Scheme Shares, CDW Holdings will pay to holders of Scheme Shares HK\$1.20 in cash for each Scheme Share held at the record date for determining entitlements under the Scheme of Arrangement. If the Scheme of Arrangement becomes effective, the Company will apply to the HK Stock Exchange for the withdrawal of the listing of the Company's Shares.
8. The Shares held by the Controlling Shareholders will not be cancelled under the Scheme of Arrangement and do not form part of the class of Scheme Shares. If the Scheme of Arrangement becomes effective, the Company will be wholly owned by the Controlling Shareholders.
9. By an Order made in the above matter on the 17th day of March, 1997 it was ordered that the Company should convene in a manner therein mentioned a meeting of the holders of the Scheme Shares for the purpose of considering and if thought fit approving (with or without modification) the Scheme and the Court appointed Wong May Lung, Madeline, or failing her, Wu Shao Ching, Veronica, or failing them Zao Sing Fong to

act as Chairman of the said meeting and directed that the Chairman should report the result of such meeting to the Court.

10. The said meeting was duly convened as directed by the said Order (a copy of the Scheme and of an explanatory statement relating to the Scheme and appropriate forms of Proxy having been enclosed with each notice convening the said meetings sent to the registered holders as provided by the said Order) and was held on the 11th day of April, 1997 and the said Wong May Lung, Madeline acted as Chairman thereof.
11. At the said meeting the resolution submitted was:-

"THAT this Court Meeting approves without modification the Scheme of Arrangement dated 19th March, 1997 a print of which has been submitted to this Court Meeting and for the purpose of identification signed by the Chairman of this Court Meeting."

The said resolution was duly passed by the majority prescribed by Section 85 of the Companies Law (1995 Revision) and, in addition, by the majority prescribed by the Hong Kong Code on Takeovers and Mergers. The Scheme was therefore approved accordingly.

12. The number of holders of the Scheme Shares present and voting in person or by proxy, respectively, at the said meeting and the aggregate number of Scheme Shares held or represented by them, respectively, and the votes given by such holders of Scheme Shares at the said meeting "for" and "against" the said resolution were as stated in the following table:-

PRESENT & VOTING			FOR		AGAINST	
How Present	No.	No. of Shares Represented	No.	No. of Shares Represented	No.	No. of Shares Represented
In Person	14	31,558,460	14	31,558,460	-	
By Proxy	57	2,119,450	55	2,105,220	2	14,230
TOTAL	71	33,677,910	69	33,663,680	2	14,230

13. By her report dated the 11th day of April, 1997 the said Wong May Lung, Madeline reported to the Court the result of the said meeting as directed by the said Order. By the Affirmations of Wong Pui Cheong and Wu Shao Ching, Veronica filed in Cause No. 112 of 1997 this report was amended to correct an error in apportioning between votes in person and by proxy.
14. By the Company's Articles of Association it is provided that the Company may, by special resolution, reduce (inter alia) its share capital in any manner authorised and subject to any conditions prescribed by the Companies Law of the Cayman Islands.
15. At an Extraordinary General Meeting of the Company duly convened and held on the 11th day of April, 1997 the following resolution was duly passed as a special resolution:-

"THAT:-

- (A) the Scheme of Arrangement dated 19th March, 1997 (the "Scheme") between the Company and the holders of Scheme Shares (as defined in the Scheme) in the form of the print thereof which has been produced to this Meeting and for the purpose of identification signed by the Chairman hereof, with any modification(s) thereof or addition(s) thereto or subject to any condition(s) approved or imposed by the Grand Court of the Cayman Islands, be and the same is hereby approved; and
- (B) for the purpose of giving effect to the Scheme:-
 - (i) the share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme);
 - (ii) subject to and forthwith upon such reduction of capital taking effect the authorised share capital of the Company be increased to its former amount of HK\$30,000,000 by the creation of such number of Scheme Shares cancelled; and
 - (iii) on the Effective Date (as defined in the Scheme) the Company shall apply the credit which will arise in its books of account as a result of such reduction of capital, in paying up in full at par the new ordinary shares of

HK\$0.10 each to be created as aforesaid, which shares shall be allotted and issued, credited as fully paid, to CDW Holdings Limited (a company incorporated in the Cayman Islands) or its nominee(s) or as it may direct and the directors be and they are hereby unconditionally authorised to allot and issue the same accordingly."

16. The proposed reduction of capital does not involve either the diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid up share capital.
17. The form of Minute proposed to be registered is as follows:-

"The Capital of CDW International Limited was by virtue of a Special Resolution and with the Sanction of the Grand Court dated 28th April, 1997 reduced from HK\$30 million divided into 300 million ordinary shares of HK10 cents each to HK\$24,845,749.70 divided into 248,459,497 ordinary shares of HK10 cents each.

By virtue of a Scheme of Arrangement sanctioned by the same order of the Grand Court, the capital of the Company was forthwith upon reduction by cancellation of scheme shares as defined in the said Scheme increased and is on the registration of this Minute again HK\$30 million divided into 300 million ordinary shares of HK10 cents each all of which are issued and deemed fully paid."

YOUR PETITIONER THEREFORE HUMBL Y PRAYS as follows:

- (1) That the Scheme may be sanctioned by the Court so as to be binding on the Company and its shareholders.
- (2) That the reduction of the capital of the Company proposed to be effected by the Special Resolution set forth in paragraph 15 of this Petition pursuant to the Scheme may be confirmed and that the above-mentioned Minute may be approved by the Court.
- (3) That to this end all inquiries and directions as the Court shall think fit may be made and given.

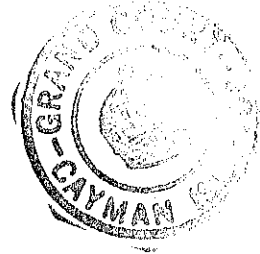
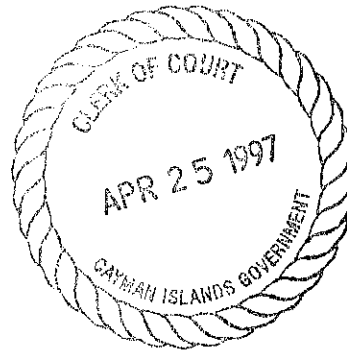
(4) That such other Order may be made in the premises as the Court shall think fit.

AND your Petitioner will ever pray, etc.

DATED this 25th day of April, 1997


MAPLES AND CALDER

TO: The Clerk of the Grand Court



This Petition is filed by Maples and Calder, P.O. Box 309, Uglan House, George Town, Grand Cayman, attorneys-at-law for the Petitioner.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. OF 1997

IN THE MATTER OF CDW INTERNATIONAL LIMITED

AND IN THE MATTER OF THE COMPANIES LAW (1995 REVISION)

SCHEDULE

SCHEME OF ARRANGEMENT

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 112 of 1997

IN THE MATTER OF CDW INTERNATIONAL LIMITED

and

IN THE MATTER of the Companies Law (1995 Revision)

PRELIMINARY

(A) In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the following meanings:—

"Bie Ju Enterprises"	Bie Ju Enterprises Limited, a company incorporated in the Cayman Islands with limited liability which is beneficially owned by Madam Liu Bie Ju, the wife of Mr. Cha;
"CDW Holdings"	CDW Holdings Limited, a company incorporated in the Cayman Islands with limited liability, being the Company's holding company;
"Company"	CDW International Limited, a company incorporated in the Cayman Islands with limited liability;
"Controlling Shareholders"	CDW Holdings, LBJ Regents in its capacity as trustee of various discretionary trusts in respect of which Mr. Cha and his wife, Madam Liu Bie Ju, are discretionary beneficiaries and Bie Ju Enterprises;
"Court"	the Grand Court of the Cayman Islands;
"Effective Date"	the date (Hong Kong time) on which this Scheme becomes effective as contemplated by clause 5 of this Scheme;
"Excluded Persons"	Mingly, Mr. Cha, Mr. Fong Suk, Laurence, a director and the secretary of the company, Mr. Inn Sou Yung, Teddy, a director of the company, Mr. Wong Yue Shing, a director of the company and LBJ Regents in its capacity as trustee of various trusts in respect of which individuals related to Mr. Cha are amongst the beneficiaries;
"holder"	a registered holder of Shares including a person entitled by transmission to be registered as such;

SCHEME OF ARRANGEMENT

"LBJ Regents"	LBJ Regents Limited, a company incorporated in the British Virgin Islands with limited liability, which is a Controlling Shareholder in its capacity as trustee of various discretionary trusts in respect of which Mr. Cha and his wife, Madam Liu Bie Ju, are discretionary beneficiaries and an Excluded Person in its capacity as trustee of various trusts in respect of which individuals related to Mr. Cha are amongst the beneficiaries;
"Mingly"	The Mingly Corporation Limited, a company incorporated in the Cayman Islands with limited liability in respect of which the Controlling Shareholders collectively hold more than 50% of the issued share capital as at the date of this Scheme;
"Mr. Cha"	Mr. Cha Chi Ming, the chairman of the company;
"Record Date"	the business day (being any day on which banks are open for business in Hong Kong, other than Saturday) in Hong Kong immediately preceding the Effective Date;
"this Scheme"	this Scheme of Arrangement in its present form or with or subject to any modification thereof or addition thereto or condition approved or imposed by the Court;
"Scheme Shares"	the 51,540,503 Shares in issue on the Record Date which are not held by the Controlling Shareholders;
"Shares"	the ordinary shares of HK\$0.10 each in the capital of the Company; and
"HK\$"	Hong Kong dollars.

(B) The share capital of the Company at the date of this Scheme is:—

Authorised:

HK\$30,000,000 divided into 300,000,000 Shares

Issued and fully paid:

HK\$20,545,500.40 divided into 205,455,004 Shares

(C) The purpose of this Scheme is that all the Scheme Shares should be cancelled and that the Company should become wholly-owned by the Controlling Shareholders.

SCHEME OF ARRANGEMENT

- (D) At the date of this Scheme, CDW Holdings is the registered and beneficial owner of 137,164,661 Shares; Bie Ju Enterprises is the registered and beneficial owner of 1,396,101 Shares and LBJ Regents is the registered owner of 15,353,739 Shares in its capacity as trustee of various discretionary trusts in respect of which Mr. Cha and his wife, Madam Liu Bie Ju, are discretionary beneficiaries. A majority of the issued share capital of CDW Holdings is held by corporations beneficially owned by Mr. Cha and his wife or on trusts in respect of which they are beneficiaries.
- (E) The Excluded Persons hold an aggregate of 3,181,534 Shares. In view of the connection of the Excluded Persons with the Controlling Shareholders, the Company or Mr. Cha, as the case may be, each of the Excluded Persons has undertaken in relation to the Scheme Shares respectively held by each of them that such Scheme Shares will not be represented or voted on the resolution to approve this Scheme at the meeting convened at the direction of the Court for the purpose of approving this Scheme. They have, however, each agreed to be bound by this Scheme and to the cancellation under the terms of this Scheme of the Scheme Shares held by each of them.
- (F) CDW Holdings and each of the other Controlling Shareholders have agreed to appear by Counsel on the hearing of the petition to sanction this Scheme and to undertake to the Court to be bound thereby and 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 each of them respectively for the purpose of giving effect to this Scheme.

THE SCHEME

PART I

Cancellation of the Scheme Shares

1. (a) The share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares.
- (b) Subject to and forthwith upon such reduction of capital taking effect, the authorised share capital of the Company shall be increased to its former amount of HK\$30,000,000 by the creation of such number of new Shares as is equal to the number of the cancelled Scheme Shares.
- (c) On the Effective Date, the Company shall apply the credit which will arise in its books of account as a result of the cancellation of the Scheme Shares, in paying up in full at par the new Shares to be created in accordance with clause 1(b), which Shares shall be allotted and issued, credited as fully paid, to CDW Holdings or its nominee(s) or as CDW Holdings may direct.

PART II

Consideration for cancellation of the Scheme Shares

2. In consideration of the cancellation and extinguishment of the Scheme Shares, CDW Holdings shall pay or procure that there shall be paid to the holders of the Scheme Shares (as appearing in the register of members of the Company at 4:00 p.m. on the Record Date) the sum of HK\$1.20 in cash for each Scheme Share held.

SCHEME OF ARRANGEMENT

PART III

General

3. (a) Not later than fourteen days after the Effective Date, CDW Holdings shall send or procure to be sent to the holders of the Scheme Shares (as appearing in the register of members of the Company at 4:00 p.m. on the Record Date) cheques in respect of the sums payable to such holders pursuant to clause 2 of this Scheme.
- (b) Cheques shall be sent through the post in pre-paid envelopes addressed to the persons entitled thereto:—
- (i) in the case of sole holders, to the respective registered addresses of such holders as appearing in the register of members of the Company at 4:00 p.m. on the Record Date; and
- (ii) in the case of joint holders, to the registered address of that one of the joint holders whose name then stands first in such register of members of the Company in respect of the joint holding.
- (c) Cheques shall be posted at the risk of the addressees and the Company and CDW Holdings shall not be responsible for any loss or delay in transmission.
- (d) Each such cheque shall be payable to the order of the person to whom in accordance with the provisions of paragraph (b) of this clause 3 the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to CDW Holdings for the monies represented thereby.
- (e) On the day being six calendar months after the posting of the said cheques pursuant to paragraph (b) of this clause 3, CDW Holdings shall have the right to cancel or cause the cancellation of any such cheque which has not then been encashed or has been returned uncashed and shall place all monies represented thereby in a deposit account in the Company's name with a licensed bank in Hong Kong selected by the Company. The Company shall hold such monies until the expiration of six years from the Effective Date and shall prior to such date make payments thereout of the sums payable pursuant to clause 2 of this Scheme to persons who satisfy the Company that they are respectively entitled thereto and who have not cashed the cheques referred to in paragraph (b) of this clause 3. Any payments made by the Company hereunder shall include any interest accrued on the sums to which the respective persons are entitled pursuant to clause 2 of this Scheme, calculated at the annual rate prevailing from time to time at the licensed bank with which the monies are deposited, from the date which falls six months after the posting of the said cheques pursuant to paragraph (b) of this clause 3 down to the date of payment of such sum, subject, if applicable, to deduction of interest tax or any other deduction or withholding tax required by law. The Company shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Company to the effect that any particular person is so entitled or is not so entitled shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

SCHEME OF ARRANGEMENT

4. As from the Effective Date, all certificates representing the Scheme Shares shall cease to have effect as documents or evidence of title to the Shares comprised therein and every holder thereof shall be bound, on the request of the Company, to deliver up to the Company such certificate(s).

5. This Scheme shall become effective upon (a) an office copy of the Order of the Court sanctioning this Scheme under section 85 of the Companies Law (1995 Revision) and confirming under section 16 of the said Companies Law (1995 Revision) the reduction of share capital provided for by this Scheme having been delivered to the Registrar of Companies in the Cayman Islands for registration and (b) such Order confirming such reduction of share capital, together with a minute relating to the share capital of the Company and containing the particulars required by section 16 of the said Companies Law (1995 Revision), being duly registered by the Registrar of Companies in the Cayman Islands.

6. Unless this Scheme shall have become effective on or before 30th June, 1997 or such later date, if any, as the Court may allow, this Scheme shall lapse.

7. The Company and CDW Holdings may jointly consent for and on behalf of all concerned to any modification of or addition to this Scheme or to any condition which the Court may see fit to approve or impose.

Dated the 19th day of March, 1997.