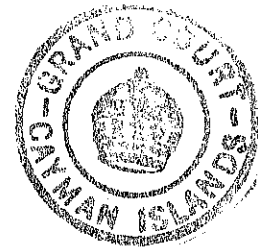
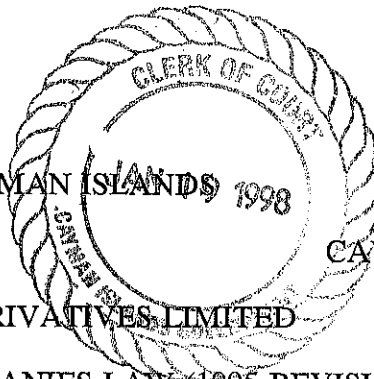


IN THE GRAND COURT OF THE CAYMAN ISLANDS



CAUSE NO. 18 OF 1998

IN THE MATTER OF PEREGRINE DERIVATIVES LIMITED

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

TO THE GRAND COURT OF THE CAYMAN ISLANDS

THE PETITION of Peregrine Management Limited, whose registered office is at 23rd Floor, New World Tower, 16-18 Queen's Road, Central, Hong Kong, shows as follows:

1. Peregrine Derivatives Limited (the "Company") was incorporated and registered (#42394) under the Companies Law (Revised) on 19th March, 1992. The Company's registered office is c/o Caledonian Bank and Trust Limited, P.O. Box 1043 George Town, Grand Cayman, Cayman Islands.
2. The authorised share capital of the Company is US\$900,000 divided into 900,000 ordinary shares of US\$1 each. The amount of the capital paid up or credited as paid up is US\$900,000.
3. The objects for which the Company was established are unrestricted and the Company has full power and authority to carry on any object not prohibited by any law as provided by Section 6(4) of the Companies Law (1995 Revision).
4. On or about 9th July, 1992, the Company commenced to carry on business in Hong Kong when the required particulars with regard to the Company pursuant to Section 333 of the Companies Ordinance (Cap. 32) of Hong Kong were filed with the Registrar of Companies in Hong Kong. The Company's principal place of business in Hong Kong is at 23rd Floor, New World Tower, 16-18 Queen's Road, Central, Hong Kong. In the course of its business, the Company incurred debts in Hong Kong and has assets which constitute property located in Hong Kong.
5. The Company is indebted to the Petitioner in the sum of HK\$2,077,782.67 in respect of salaries and other administrative expenses that the Petitioner paid on behalf of the Company. On 13th January, 1998, the Petitioner presented a winding-up petition against the Company to the High Court of the Hong Kong Special Administrative Region (C.W.U. No. 22 of 1998) in respect of such indebtedness and on the basis that the Company is insolvent and unable to pay its debts as they fall due.
6. A provisional winding up order was made on that Petition by the Honourable Mrs. Justice Le Pichon sitting in Chambers on the 13th January, 1998. Mr. David Richard

Hong Kong firm of Price Waterhouse, have been appointed provisional liquidators of the Company with power to act jointly and severally.

7. It is necessary for the Company to be wound up in the Cayman Islands under the Companies Law (1995 revision) by reason of the fact that an order made by the Hong Kong High Court may not be recognised under Cayman Islands' law insofar as it purports to give the Joint Provisional Liquidators authority to act on behalf of the company outside Hong Kong, whereas an order of this Honourable Court will have extra-territorial effect and will be recognised in Hong Kong and other countries where the Company has assets and has incurred debts.
8. The Company is insolvent and unable to pay its debts as they fall due.
9. It is just and equitable that the Company be wound up under the Companies Law (1995 Revision) on the grounds that the Company is unable to continue its business for the reasons set out in paragraphs 5 to 7 inclusive of the Affidavit of Russell Michael Leiman, exhibited at "PWWC1" of Peter Wong Wing Cheong's Affidavit.
10. The petitioner therefore prays as follows:
 - a) That Peregrine Derivatives Limited be wound up by the Court under the provisions of the Companies Law (1995 Revision);
 - b) That Richard William Harris of the Cayman Islands firm of Price Waterhouse and David Richard Hague, Stephen Cleveland Caswell and Donald Edward Osborn of the Hong Kong firm of Price Waterhouse be appointed Official Liquidators of the Company with power to act jointly and severally;
 - c) That the Court do dispense with any requirement that the Official Liquidators post security pursuant to Section 105 of the Companies Law (1995 Revision);
 - d) That the costs of this Petition be paid out of the assets of the Company as an expense of its liquidation;
 - e) Such further or other relief as the Court thinks fit.

DATED this 19th day of January, 1998.



MAPLES AND CALDER
Attorneys for the Petitioner

NOTE: It is not intended to serve this Petition on any other person.

INDORSEMENT

This Petition having been presented to the Grand Court of the Cayman Islands on the 19th Day of January, 1998 will be heard at the Grand Court of the Cayman Islands on 19th January 1998 at 2.30pm (or as soon thereafter as the Petition can be heard)

This Petition was presented by Maples and Calder, Uglan House, P.O. Box 309GT, George Town, Grand Cayman, attorneys for the Petitioner.