

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. 179

OF 2009

In the matter of **China Resources Microelectronics Limited**

And in the matter of the Companies Law (2007 Revision)

And Grand Court Rules 1995 Order 102 rule 21

PETITION

TO: The Grand Court of the Cayman Islands

THE PETITION of China Resources Microelectronics Limited shows as follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 86 of the Companies Law (2007 Revision) (the "Companies Law") sanctioning a scheme of arrangement between the Petitioner, **China Resources Microelectronics Limited** (the "Company") and the Scheme Shareholders as defined in the Scheme of Arrangement referred to in paragraph 7 hereof.
2. The Company was incorporated under the Companies Law on 28 January 2003 and registered in the Cayman Islands as an exempted company with registration number CR-122824.
3. The registered office of the Company is situated at Scotia Centre 4th Floor, P.O. Box 2804, George Town, George Town, Grand Cayman KY1-1112, Cayman Islands.
4. As at the date of this petition, the authorised share capital of the Company is HK\$1,000,000,000 divided into 10,000,000,000 Shares of HK\$0.10 each and its issued share capital is HK\$585,522,711.4 divided into 5,855,227,114 Shares which have been fully paid-up or credited as fully paid-up.

5. The Shares are listed on the Main Board ("Main Board") of The Stock Exchange of Hong Kong Limited.
6. The objects for which the Company was established are unrestricted and include to carrying on business as an investment company and as an investment holding company and to acquire and hold shares, stocks, debenture stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wherever constituted or carrying on business, and shares, stock, debenture stock, bonds, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioner, trust, local authority or other public body, and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient any of the Company's investments for the time being.
7. The purpose of the Scheme of Arrangement is to privatise the Company by cancelling and extinguishing on the effective date of the Scheme of Arrangement, all of the Scheme Shares (as defined in the Scheme of Arrangement) that is to say all the issued shares in the capital of the Company other than the one share issued to CRM (BVI) Limited as part of the Scheme of Arrangement immediately prior to such cancellation and extinguishment, so that the Company shall, thereafter become a wholly-owned subsidiary of CRM (BVI) Limited (the "Offeror"). In consideration of such cancellation:
 - (i) the holders of such cancelled and extinguished Scheme Shares (other than the parent of the Offeror, China Resources (Holdings) Company Limited ("CRH") and its subsidiaries (other than the Company and its subsidiaries) ("CRH Group")) shall receive the Cash Alternative or the Share Alternative (each as defined in the Scheme of Arrangement) or a combination thereof, that is to say HK\$0.30 for each Scheme Share in cash or 1 share of US\$0.01 each in the capital of the Offeror for each Scheme Share (subject to Shares in respect of which Shareholders validly accept the Share Alternative representing not less than 5% of the issued share capital of the Company as at the date of the extraordinary general meeting of the Company referred to in paragraph 21 below); and

- (ii) the Offeror shall issue to CRH, or such member of the CRH Group as CRH may direct, the same number of shares of the Offeror, credited as fully paid, as the CRH Group previously held in the Company. In addition, the CRH Group shall subscribe for (and be issued) such further shares in the Offeror at HK\$0.30 per share as shall be necessary to fund the Cash Alternative (which requires the CRH Group to subscribe for (and be issued) the same number of additional shares in the Offeror as the number of Scheme Shares in respect of which the Cash Alternative is to be paid).
8. The Cash Alternative is in excess of the closing prices and the average closing prices of the Shares as detailed in the explanatory memorandum referred to in the Scheme of Arrangement. The Directors believe, under the current market conditions and based on the past performance of the Scheme Shares preceding the latest practicable date, the Cash Alternative is in excess of the price which the Scheme Shareholders (as defined in the Scheme of Arrangement) might receive for their Scheme Shares in the open market without the Scheme of Arrangement.
9. Since the members of the CRH Group are interested in aggregate in approximately 60.7% of the issued share capital of the Company as at the date hereof, the Directors believe that it is unlikely that the Scheme Shareholders will receive any other offer to acquire their Shares from a third party without the consent of the CRH Group.
10. The directors of the Company also believe the current market capitalisation of the Company may not be sufficient to retain public interest or interest from professional market researchers or analysts or from institutional investors. In addition, there has been a recent decline in the value of the Shares of the Company and, in the absence of being able to raise further equity at a price which would not dilute the shareholdings of the existing Shareholders substantially, the Company has had to place significant reliance on the CRH Group, as its controlling shareholder, to guarantee loans from its bankers and to provide funding for its major investments both through equity and loans. In these circumstances, the directors believe that it is more appropriate that the Company ceases to be a listed company on the Stock Exchange. This will enable there to be greater flexibility in the provision of financial support to the Company by the CRH Group as this will not be constrained by the requirements of The Rules Governing the

Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Scheme of Arrangement also offers the public Shareholders an opportunity to realise their investment for cash at a price which is at a substantial premium to the price at which the Shares have traded in recent months or which would be supported by its current trading performance and the immediate prospects of the semiconductor industry both in China and internationally, whilst providing those Shareholders with a longer term investment perspective, and who may wish to retain an interest in the Company, the ability, through the acceptance of the Share Alternative (subject to the satisfaction of the condition in respect of the Share Alternative outlined in paragraph 7(i) being fulfilled) to retain, indirectly, via the Offeror, their proportionate interest in the Company and, therefore, participate in the Company's future development.

11. Given the low liquidity of the Shares, the directors of the Company believe that the Company's ability to raise funds from the equity markets is currently limited and any significant improvement in this regard in the foreseeable future is unlikely. As the Company's listing status does not provide it with a viable fund-raising avenue for its business, the directors of the Company consider that the costs and management resources associated with the maintenance of the Company's listing on the Main Board and its publicly listed status are no longer warranted. The Scheme of Arrangement will also result in a leaner corporate structure and enhance operational efficiency and management accountability.
12. The proposed Scheme of Arrangement will not alter the underlying assets, trading operations or financial position of the Company nor will it affect the interests of its creditors.
13. The Company proposes to convene a court meeting in accordance with section 86 of the Companies Law to be held on or about 2 June 2009 (the "Court Meeting") at which the following resolution will be considered :

"THAT a scheme of arrangement (the "Scheme of Arrangement") dated [●] 2009 between the Company and the holders of the Scheme Shares (as defined in Scheme of Arrangement) in the form of the printed document contained in a composite document which has been submitted to this meeting marked "A" and, for the purpose of

identification, signed by the chairman of this meeting, with any modification thereof or addition thereto or subject to any conditions approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved."

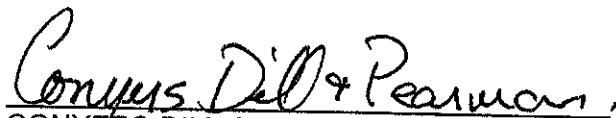
Each of the capitalised terms referred to in the resolution above are defined in the composite scheme document exhibited as exhibit "LNH-1" to the affidavit of Lai Ni Hium.

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Scheme of Arrangement of the Company to be approved at the Court Meeting to be convened at the direction of this Honourable Court as set forth in paragraph 13 of this Petition may be sanctioned by this Honourable Court.
- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

NOTE: It is intended to serve this Petition on China Resources Microelectronics Limited, at its registered office located at Scotia Centre, 4th Floor, P.O. Box 2804GT, George Town, Grand Cayman KY1-1112, Cayman Islands.

DATED THIS 15th DAY OF April 2009.


CONYERS DILL & PEARMAN
Attorneys-at-Law for the Petitioner herein

Notice of Hearing

This Petition, having been presented to the Court on the 15th day of April 2009, will be heard at the Law Courts, George Town, Grand Cayman on the 29th day of June 2009 at 10:00 am or as soon thereafter as the Petition can be heard.

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its said Attorneys-at-Law, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.