
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China New Energy Limited, you should at once pass this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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China New Energy Limited

(Incorporated in Jersey, Channel Islands with limited liability and carrying on business in Hong Kong as "Zhongke Tianyuan New Energy Limited")

(Stock Code: 1156)

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
PROPOSED AMENDMENTS TO
THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND
ADOPTION OF THE NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of China New Energy Limited to be held at 8/F, Zone B, Energy Saving and Environmental Protection Building, Guangzhou Institute of Energy Conversion, No. 2, Nengyuan Road, Tianhe District, Guangzhou, PRC on Tuesday, 27 June 2023 at 4:30 p.m. is set out on pages 68 to 73 of this circular. Whether or not you are able to attend the annual general meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

2 June 2023

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 8/F, Zone B, Energy Saving and Environmental Protection Building, Guangzhou Institute of Energy Conversion, No. 2, Nengyuan Road, Tianhe District, Guangzhou, PRC on Tuesday, 27 June 2023 at 4:30 p.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force, as amended from time to time
“associated corporation(s)”	has the same meaning as defined in the SFO
“Board”	the board of Directors
“close associate(s)”	has the same meaning as defined in the Listing Rules
“Company”	China New Energy Limited (carrying on business in Hong Kong as “Zhongke Tianyuan New Energy Limited”), a company incorporated in Jersey, Channel Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“controlling shareholder(s)”	has the same meaning as defined in the Listing Rules
“core connected person(s)”	has the same meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jersey Companies Law”	Companies (Jersey) Law 1991, as amended, supplemented or otherwise modified from time to time
“Latest Practicable Date”	30 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular

DEFINITIONS

“Listing Date”	15 July 2020, being the date on which dealings in the Shares commenced on the main board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Memorandum”	the memorandum of association of the Company currently in force, as amended from time to time
“PRC” or “China”	the People’s Republic of China
“Proposed Amendments”	the proposed amendments to the Memorandum and Articles of Association set out in Appendix III to this circular by way of the adoption of the new Memorandum and Articles of Association
“Proposed Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of passing of the relevant special resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amend, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of £0.00025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
“£”	Great British Pound, the lawful currency of the United Kingdom
“%”	per cent.

LETTER FROM THE BOARD



China New Energy Limited

(Incorporated in Jersey, Channel Islands with limited liability and carrying on business in Hong Kong as "Zhongke Tianyuan New Energy Limited")
(Stock Code: 1156)

Executive Directors:

Mr. Yu Weijun (*Chairman*)
Mr. Tang Zhaoxing (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Richard Antony Bennett
Mr. Chan Shing Fat Heron
Ms. Wong Mei Ling

Registered Office:

13 Castle Street, St Helier
Jersey, Channel Islands
JE1 1ES

*Headquarters and Principal Place of
Business in China:*

Unit 210, 2/F
Comprehensive Service Building Science &
Technology Innovation Base
No. 80, Lanyue Road, Science City
Guangzhou High-tech Industrial
Development Zone
Guangzhou, PRC

Principal Place of Business in Hong Kong:

Unit 2406, 24/F., Strand 50
50 Bonham Strand
Sheung Wan
Hong Kong

2 June 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
PROPOSED AMENDMENTS TO
THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND
ADOPTION OF THE NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION,
AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with the notice of AGM and the information regarding the resolutions to be proposed at the AGM relating to, among others, (i) the re-election of retiring Directors, (ii) the granting to the Directors of general mandates to issue and repurchase Shares, and (iii) the Proposed Amendments to the Memorandum and Articles of Association and adoption of new Memorandum and Articles of Association.

2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 19.2 of the Articles, Ms. Wong Mei Ling shall hold office until the AGM and shall be eligible for re-election.

Pursuant to Article 19.6 of the Articles, Mr. Yu Weijun and Mr. Tang Zhaoxing will retire by rotation at the AGM and shall be eligible for re-election.

The nomination committee of the Company (the “**Nomination Committee**”), having reviewed the Board’s composition, nominated Ms. Wong Mei Ling, Mr. Yu Weijun and Mr. Tang Zhaoxing to the Board for it to recommend to the Shareholders for re-election at the AGM.

The nominations were made in accordance with the policy of nominating Directors and the diversity aspects (including without limitation, professional experience, skills, knowledge, gender, age, cultural background, education, ethnicity, length of service, personal integrity and time commitments) as set out under the board diversity policy of the Company. The Nomination Committee and the Board had also taken into account their respective contributions to the Board and their commitment to their roles. The Nomination Committee has assessed the independence of Ms. Wong Mei Ling based on reviewing her written confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules and confirmed that she remains independent. The Company has considered that, in view of the diverse and different educational backgrounds, professional knowledge and experience of Ms. Wong Mei Ling, Mr. Yu Weijun and Mr. Tang Zhaoxing, the retiring Directors proposed to be re-elected, will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and their re-appointments will contribute to the diversity of the Board appropriate to the requirements of the Group’s business.

Information relating to each of the above retiring Directors proposed to be re-elected at the AGM as required to be disclosed under the Listing Rules is set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. GENERAL MANDATE TO ISSUE SHARES

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for a general mandate to issue Shares. A special resolution no. 4 will be proposed at the AGM to grant a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares up to 20% of the total number of issued Shares as at the date of passing of the special resolution in relation to such general mandate.

As at the Latest Practicable Date, there were 589,758,898 Shares in issue. Subject to the passing of the above special resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to issue a maximum of 117,951,779 Shares. In addition, subject to a separate approval to be conferred by special resolution no. 6, any Shares purchased by the Company under special resolution no. 5 will also be added to the 20% general mandate as mentioned in the special resolution no. 4. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to such general mandate.

4. GENERAL MANDATE TO REPURCHASE SHARES

A special resolution will be proposed at the AGM to grant the Proposed Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares not more than 10% of the total number of issued Shares as at the date of passing of the special resolution in relation to the Proposed Repurchase Mandate.

As at the Latest Practicable Date, there were 589,758,898 Shares in issue. Subject to the passing of the above special resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to repurchase a maximum of 58,975,889 Shares pursuant to the Proposed Repurchase Mandate. An explanatory statement, as required by the Listing Rules in connection with the Proposed Repurchase Mandate, is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant special resolution at the AGM.

LETTER FROM THE BOARD

5. PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

The Listing Rules had been amended, among others, to require all listed issuers to adopt a uniform set of 14 core shareholder protection standards as set out in Appendix 3 to the Listing Rules, which took effect on 1 January 2022. The Board proposes to make the Proposed Amendments to (i) conform to the core shareholder protection standards; (ii) bring the Memorandum and Articles of Association in line with amendments made to the Listing Rules and the applicable law and procedures in Jersey; and (iii) incorporate certain housekeeping changes. For the purposes of the Proposed Amendments, the Board proposes to adopt the new Memorandum and Articles of Association in substitution for, and to the exclusion of, the Memorandum and Articles of Association.

The full text of the proposed new Memorandum and Articles of Association incorporating the Proposed Amendments is set out in Appendix III to this circular. A special resolution will be proposed at the AGM to approve the Proposed Amendments and the adoption of the new Memorandum and Articles of Association.

The Company has been advised by its legal advisers that the Proposed Amendments are not inconsistent with the requirements of the Listing Rules and the laws of Jersey respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed in Hong Kong.

6. ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 68 to 73 of this circular.

A form of proxy is enclosed for use at the AGM. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zkty.com.cn). Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof (as the case may be) if they so wish, and in such event, the form of proxy will be deemed to be revoked.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the AGM shall therefore demand voting on all resolutions set out in the notice of AGM be taken by way of poll pursuant to Article 11.10 of the Articles of Association.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

8. RECOMMENDATION

The Directors consider that the proposed resolutions as set out in the notice of the AGM are in the best interests of the Company and the Shareholders as a whole, and therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
China New Energy Limited
Yu Weijun
Chairman

The following are the particulars of the retiring Directors (as required by the Listing Rules) proposed to be re-elected at the AGM.

Ms. WONG Mei Ling (“Ms. Wong”)

Ms. Wong, aged 62, was appointed as an independent non-executive Director in March 2023. She is also the chairman of the audit committee and a member of the risk management committee of the Company.

Ms. Wong obtained a master degree of Finance of the Curtin University. She is a member of Hong Kong Institute of Certified Public Accountants and has over 20 years of experience in accounting field. Ms. Wong was an independent non-executive director of Global Token Limited (the shares of which were delisted from the Growth Enterprise Market (GEM) of the Stock Exchange with effect from 20 April 2021) from December 2016 to April 2021. She was also the chief financial officer of Sun Television Cybernetworks Enterprise Limited from July 2011 to January 2016, and the financial controller of Up Energy Development Group Limited (the shares of which were delisted from the Main Board of the Stock Exchange with effect from 5 January 2022) from September 2006 to July 2011.

As at the Latest Practicable Date, Ms. Wong did not have any interest in the Shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Ms. Wong entered into an appointment letter with the Company for an initial term of three years commencing from 15 March 2023 subject to termination provisions contained therein. She is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. Ms. Wong is entitled to receive a Director’s fee of HK\$120,000 per annum (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits).

Mr. YU Weijun (“Mr. Yu”)

Mr. Yu, aged 58, is an executive Director and chairman of the Board. He joined the Group in August 2006. Mr. Yu is primarily responsible for the overall strategic planning and corporate development of the Group. He is also a member of the remuneration committee, the chairman of each of the nomination committee and the risk management committee of the Company. Mr. Yu is a director of Guangdong Zhongke Tianyuan New Energy Science and Technology Co. Ltd.* (廣東中科天元新能源科技有限公司), Guangdong Boluo Zhongke Tianyuan High and New Technology Engineering Co., Ltd.* (廣東省博羅中科天元高新技術工程有限公司) and Guangzhou Hydrogen Power Technology Co., Ltd.* (廣州氫動科技有限公司).

* For identification purpose only

Mr. Yu has over 34 years of experience in the technology sector. From June 2014 to October 2018, he was appointed as the supervisor of Tiandi Science & Technology Co., Ltd* (天地科技股份有限公司)(a listed company on the Shanghai Stock Exchange, stock code: 600582). From September 2015 to December 2018, Mr. Yu was the director of Hubei Jin Zhuang Renewable Resources of Science and Technology Co., Ltd.* (湖北金莊科技再生資源有限公司). From January 2016 to January 2022, he acted as an independent non-executive director of Guangzhou Startec Science and Technology Co., Ltd.* (廣州星業科技股份有限公司)(a listed company on the Shenzhen Stock Exchange, stock code: 430429).

Mr. Yu obtained a bachelor's degree in Economics from Jilin University of Finance and Economics (吉林財經大學) (previously known as Jilin Institute of Finance and Economics* (吉林財貿學院)) in Changchun, China. He also obtained an Executive Master of Business Administration from Sun Yat-Sen University (also known as Zhongshan University*) (中山大學) in Guangzhou, China. Mr. Yu is a member of The Chinese Institute of Certified Public Accountants* (中國註冊會計師協會) and a member of the Guangdong Institute of Certified Public Accountants* (廣東省註冊會計師協會).

As at the Latest Practicable Date, Mr. Yu holds a personal interest of 3,070,352 Shares and a corporate interest of 99,012,168 Shares. Save as disclosed above, Mr. Yu did not have any interest in the Shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Yu entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date subject to termination provisions contained therein. He is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. Mr. Yu is entitled to receive a salary of HK\$635,000 per annum (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits).

Mr. Yu was also the supervisor of Dapu Nanyuewang Natural and Cultural Heritage Co., Ltd.* (大埔南越王生態文化資源有限公司) immediately before the revocation of its business license. This company was established in the PRC and engaged in among others, investment holding and hotel management. Due to the failure to conduct annual inspection as required, its business license was revoked without cancellation by the relevant authority on 9 December 2013. Mr. Yu confirmed that he was not involved in the actual operation of the company and has not assumed any contingent liabilities nor has he been subject to any relevant claims as a result of the revocation of the business license of the aforesaid company.

* For identification purpose only

APPENDIX I**DETAILS OF THE RETIRING DIRECTORS
PROPOSED FOR RE-ELECTION**

In addition, Mr. Yu was previously a shareholder, supervisor or director of the following solvent companies incorporated in the PRC prior to their deregistration:

<u>Name of company</u>	<u>Principal business activity</u>	<u>Date of deregistration</u>
Guangzhou Tonglehui Clothing Co., Ltd.* (廣州市童樂匯服裝有限公司)	Sale of clothing	4 April 2014
Guangzhou Luyi Environmental Protection Technology Co., Ltd.* (廣州綠億環保科技有限公司)	Research and development of air purification, energy saving and environmental protection technologies	24 August 2011
Guangdong West Environmental Protection Engineering Co., Ltd.* (廣東威斯特環保工程有限公司)	Technological research and development and application of new energy	1 July 2014
Zhenjiang Zhongke Huadian New Energy Co., Ltd.* (鎮江中科華電新能源有限公司)	Design of biomass gasification equipment and environmental protection equipment	30 December 2004
Tai Po Chengqing Property Management Co., Ltd.* (大埔誠慶物業管理有限公司)	Development and management of tourism projects	31 December 2014
Jiangyang Zhongke Technology Co., Ltd.* (江陽中科能能源高科技有限公司)	Production and sale of water source heat pumps and high end solar water heaters	24 March 2011

As confirmed by Mr. Yu, to the best of his knowledge and belief, the above companies were solvent at the time of their revocation or deregistration. Mr. Yu confirmed that there is no fraudulent act or misfeasance on his part leading to the revocation or deregistration of the abovementioned companies and he is not aware of any actual or potential claim which has been or will be made against him as a result of the revocation or deregistration of such companies.

Mr. TANG Zhaoxing (“Mr. Tang”)

Mr. Tang, aged 53, is an executive Director and chief executive officer of the Company. He joined the Group in August 2006. Mr. Tang is primarily responsible for overseeing the overall operation, sales and project design and management of the Group.

From June 2002 to August 2006, Mr. Tang was a general manager of Guangdong Zhongke Tianyuan Regeneration Resources Engineering Co., Ltd.* (廣東中科天元再生資源工程有限公司). He is the director and deputy chief executive officer of Guangdong Zhongke Tianyuan New Energy Science and Technology Co. Ltd.* (廣東中科天元新能源科技有限公司) and the director of Guangdong Boluo Zhongke Tianyuan High and New Technology Engineering Co., Ltd.* (廣東省博羅中科天元高新技術工程有限公司) and Guangzhou Hydrogen Power Technology Co., Ltd.* (廣州氫動科技有限公司).

* For identification purpose only

Mr. Tang has over 32 years of experience in the engineering and technology sectors. Prior to joining the Group, he has held various management and engineer positions in the sectors of operation and sales; process and equipment installation design; process planning and design; and technology and project management.

Mr. Tang obtained a bachelor's degree in engineering from South China University of Technology (華南理工大學) in Guangdong, China and an Executive Master of Business Administration degree from Peking University (北京大學) in Beijing, China.

As at the Latest Practicable Date, Mr. Tang holds a personal interest of 3,070,352 Shares and a corporate interest of 48,000,000 Shares. Save as disclosed above, Mr. Tang did not have any interest in the Shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Tang entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date subject to termination provisions contained therein. He is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. Mr. Tang is entitled to receive a salary of HK\$575,000 per annum (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits).

Mr. Tang was the legal representative of Guangzhou Sixin Biochemical Technology Co., Ltd.* (廣州思新生化科技有限公司) immediately before the revocation of its business license. This company was established in the PRC and engaged in, among others, research and development in biological and chemical products. Due to the failure to conduct annual inspection as required, its business license was revoked without cancellation by the relevant authority on 14 October 2004. Mr. Tang was also the shareholder and supervisor of Guangzhou Junxing Technology Development Co., Ltd.* (廣州市駿興科技開發有限公司) immediately before the revocation of its business license. This company was established in the PRC and engaged in, among others, research and development in biological and chemical products and computer software and hardware. Due to the failure to conduct annual inspection as required, its business license was revoked without cancellation by the relevant authority on 30 December 2002.

* *For identification purpose only*

In addition, Mr. Tang was the legal representative and executive director of Guangzhou Baojie Electromechanical Co., Ltd.* (廣州保捷機電有限公司) immediately before its deregistration. This company was established in the PRC and engaged in the sale of electromechanical products. The business license of the company was cancelled on 1 November 2011 as the company has ceased to conduct business. Mr. Tang was also the supervisor of Guangzhou Zhengxing Chemical Engineering Co., Ltd.* (廣州正興化工科技有限公司) immediately before its deregistration. This company was established in the PRC and engaged in the wholesale and trading business. The business license of the company was cancelled on 18 July 2007 as the company has ceased to conduct business.

As confirmed by Mr. Tang, to the best of his knowledge and belief, the above companies were solvent at the time of their revocation or deregistration. Mr. Tang has confirmed that there is no fraudulent act or misfeasance on his part leading to the revocation or deregistration of the abovementioned companies and he is not aware of any actual or potential claim which has been or will be made against him as a result of the revocation or deregistration of such companies.

GENERAL INFORMATION

Save as disclosed above, each of the abovementioned Directors (i) did not hold any directorship in public companies, the securities of which are listed on any securities market in Hong Kong and overseas in the last three years; (ii) does not have any relationship with any Directors, senior management or substantial or controlling Shareholders; (iii) does not hold any other positions with the Company or other members of the Group; and (iv) has confirmed that there is no information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters that need to be brought to the attention of the Shareholders in connection with his/her re-election.

* *For identification purpose only*

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the special resolution to be proposed at the AGM in relation to the Proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 589,758,898 Shares of nominal value of £0.00025 each. Subject to the passing of the special resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 58,975,889 Shares, which represent 10% of the issued share capital of the Company as at the date of passing of the relevant special resolution.

RELEVANT LEGAL AND REGULATORY REQUIREMENTS

The Listing Rules permit our Shareholders to grant to our Directors a general mandate to repurchase our Shares that are listed on the Stock Exchange. The mandate is required to be given by way of special resolution passed by our Shareholders at a general meeting.

Pursuant to Article 57(4) of the Jersey Companies Law, if our Shares are to be purchased on a stock exchange, the resolution authorising the purchase shall specify (a) the maximum number of Shares to be purchased; (b) the maximum and minimum prices which may be paid; and (c) a date, not being later than 5 years after the passing of the resolution, on which the authority to purchase is to expire. Under the Jersey Companies Law, our Company may only purchase our Shares if our Shares are fully paid and our Directors authorising the purchase make a prior solvency statement in the statutory form set out in the Jersey Companies Law.

SOURCE OF FUNDS

Under Jersey law, a repurchase may be funded from any source, including the nominal capital account and the share premium account of the Company subject to the Articles of Association.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. The repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where the Directors believe that the repurchases will benefit the Company and the Shareholders.

IMPACT OF REPURCHASES

On the basis of the financial position of the Company as at 31 December 2022 (as disclosed in the audited consolidated financial statements of the Company as at 31 December 2022), the Directors consider that, if the Proposed Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company. However, the Directors do not propose to exercise the Proposed Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the Proposed Repurchase Mandate is granted by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of Jersey.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so if the Proposed Repurchase Mandate is exercised.

The Company is prohibited from knowingly purchasing securities on the Stock Exchange from a core connected person and such person is prohibited from knowingly selling the Shares owned by him/her/it to the Company.

If, as a result of a repurchase of Shares by the Company, a Shareholder's proportionate interest in our Company's voting rights is increased, the increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best of the knowledge and belief of the Directors, Mr. Yu Weijun, the Chairman and executive Director, was interested in 102,082,520 Shares representing 17.31% of the issued share capital of the Company as at the Latest Practicable Date, comprising 99,012,168 Shares held by Tewin Capital Holding Limited which is wholly and beneficially owned by Mr. Yu and 3,070,352 Shares beneficially held by himself. Ms. Tan Fengqiao is the spouse of Mr. Yu Weijun and was therefore deemed to be interested in all the Shares in which Mr. Yu Weijun was beneficially interested for the purpose of the SFO. In the event that the Directors should exercise in full the Proposed Repurchase Mandate, the shareholdings of Mr. Yu Weijun and Ms. Tan Fengqiao will be increased to approximately 19.23% of the issued share capital of the Company. The Directors are not aware of any consequences or implications which would give rise to an obligation to make a mandatory offer under the Takeovers Code as a result of exercising the power to repurchase Shares pursuant to the Proposed Repurchase Mandate. The Directors have no present intention of exercising the Proposed Repurchase Mandate.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company during the six months preceding the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of previous twelve months preceding the Latest Practicable Date were as follows:

Month	Trading price per Share	
	Highest HK\$	Lowest HK\$
May 2022*	–	–
June 2022*	–	–
July 2022*	–	–
August 2022*	–	–
September 2022*	–	–
October 2022*	0.360	0.110
November 2022	0.130	0.100
December 2022	0.148	0.108
January 2023	0.130	0.106
February 2023	0.220	0.107
March 2023	0.195	0.131
April 2023	0.175	0.135
May 2023 (up to the Latest Practicable Date)	0.176	0.145

* Trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 1 April 2021 and resumed at 9:00 a.m. on 12 October 2022.

The following is a marked-up version of the proposed new Memorandum and Articles of Association which shows the Proposed Amendments. The English version shall prevail in case of any discrepancy or inconsistency between the English version and its Chinese translation.

**COMPANIES (JERSEY) LAW 1991 (THE “LAW”)
MEMORANDUM OF ASSOCIATION OF
CHINA NEW ENERGY LIMITED**

(the “Company”)

a par value public limited company

Adopted by Special Resolution passed on [~~16 May 2011~~date]

1. The name of the Company is China New Energy Limited.
2. The Company shall have unrestricted corporate capacity.
3. The liability of each member is limited.
4. The Company is a public company.
5. The Company is a par value Company.
6. The capital of the Company is £10,000,000 divided into 40,000,000,000 ordinary of £0.00025 each and the liability of each member arising from his holding of a share shall be limited to the amount (if any) unpaid on it.

COMPANIES (JERSEY) LAW 1991
ARTICLES OF ASSOCIATION
of
CHINA NEW ENERGY LIMITED

Adopted by Special Resolution passed on [~~23 October 2019~~date]
and effective on the date on which the shares of the Company are listed on
~~The Stock Exchange of Hong Kong Limited~~

1. Definitions and Interpretations

1.1 In these articles:–

“**acting in concert**” means persons who, pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control (meaning a holding, or aggregate holding of shares carrying 30 per cent. or more of the voting rights of a company irrespective of whether such holding or aggregate holding give de facto control) of that company;

“**address**” means, in relation to electronic communications, any number or address used for the purposes of such communication;

“**alternate Director**” means any alternate Director of the Company appointed in accordance with these Articles;

“**Articles**” means the articles of association of the Company;

“**Auditors**” means the auditors for the time being of the Company or, in the case of joint auditors, any one of them;

“**Board**” means the board of Directors from time to time of the Company or the Directors present or deemed to be present at a duly convened meeting of the Directors at which a quorum is present;

“**business day**” means a day (not being a Saturday or Sunday) on which clearing banks are open for normal banking business in London;

“**certificated**” means, in relation to a Share, a Share which is not in uncertificated form;

“**clear days**” means, in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“**Clearing House**” means a clearing house recognised by the laws of Hong Kong, including in the case of the Company, the HKSCC;

“**Close Associate(s)**” shall have the meaning as defined in the Listing Rules;

“**Company**” means the Company incorporated under the Law in respect of which these Articles have been registered;

“**Director**” means any director for the time being of the Company appointed in accordance with these Articles;

“**electronic communication**” has the same meaning as in the Electronic Communications (Jersey) Law 2000 (as amended);

“**Employee Share Scheme**” means any employee and/or executive incentive plan or scheme established for the benefit of employees and/or executives and their relations (as determined in accordance with such plans or schemes) of the Company and/or any of its direct or indirect subsidiaries (whether or not such plan or scheme is open to all employees, executives or relations or not) and which is operated either by the Company or any of its direct or indirect subsidiaries or by a third party on their behalf and under the terms of which employees and/or executives and their relations may acquire and/or benefit from shares or any interest therein, whether directly or pursuant to any option over shares granted to them or otherwise;

“**entitled by transmission**” means, in relation to a Share, entitled as a consequence of the death or bankruptcy of a Member, or as a result of another event giving rise to a transmission of entitlement by operation of law;

“**executed**” includes, in relation to a document, execution under hand or under seal or by any other method permitted by law;

“**HKSCC**” shall have the meaning as defined in the Listing Rules;

“**HK Stock Exchange**” means The Stock Exchange of Hong Kong Limited;

“**Holder**” in relation to Shares means the Member whose name is entered in the Register as the holder of the Shares;

“**HK\$**” or “**Hong Kong dollars**”: means Hong Kong dollars, the lawful currency for the time being of Hong Kong;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Law**” means the Companies (Jersey) Law 1991 (as amended), every order, regulation or other subordinate legislation made under it (including the Uncertificated Securities Order and every other statute from time to time in force concerning companies and affecting the Company as a matter of Jersey law);

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

“**Member**” means any holder of legal title to a Share and any other member of the Company;

“**Newspapers**” means at least one English language daily newspaper and at least one Chinese language daily newspaper, in each case published and circulating generally in Hong Kong and specified or not excluded for this purpose by the HK Stock Exchange;

“**Office**” means the registered office of the Company;

“**operator**” means a person approved as an operator by the Jersey Financial Services Commission under the Uncertificated Securities Order;

“**Ordinary Resolution**” means a resolution of the Company in general meeting adopted by a simple majority of the votes cast at that meeting or in writing in accordance with these Articles;

“**paid**” and “**paid up**” mean paid or credited as paid;

“**Register**” means the register of Members of the Company to be kept pursuant to article 41 of the Law and/or the register of Members maintained pursuant to the Uncertificated Securities Order and, where the context requires, any register maintained by the Company or the approved operator of persons holding any renounceable right of allotment of a Share and cognate expressions shall be construed accordingly;

“**Seal**” means the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Law;

“**Secretary**” means the secretary of the Company or other person appointed to perform the duties of the secretary of the Company including a joint assistant or deputy secretary;

“**Share**” means a share of the Company;

“**Special Resolution**” means a ~~special resolution as defined in article 90 of the Law of the~~ Company passed by at least three-fourths of the total voting rights of the Members who (being entitled to do so) present and voting in person or by proxy at the general meetings of the Company or in writing in accordance with these Articles;

“**uncertificated proxy instruction**” means an instruction or notification sent by means of a relevant system and received by such participant in that system acting on behalf of the Company as the Board may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Board (subject always to the facilities and requirements of the relevant system concerned);

“**Uncertificated Securities Order**” means the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended from time to time, including any provisions of or under the Law which alter or replace such regulations;

“**uncertificated**” means, in relation to a Share, a Share title to which is recorded in the Register as being held in uncertificated form and title to which, by virtue of the Uncertificated Securities Order, may be transferred by means of a relevant system;

1.2 Unless the context otherwise requires words or expressions contained in these Articles bear the same meaning as in the Law but excluding any statutory modification thereof not in force when these ~~Articles~~ became binding on the Company.

1.3 The Standard Table prescribed pursuant to the Law shall not apply to the Company and is hereby expressly excluded in its entirety.

1.4 To the extent the same is permissible under Jersey law, a Special Resolution shall be required to alter the provisions of the Memorandum of Association of the Company, to approve any amendment of the Articles or to change the name of the Company.

2. Share Capital

2.1 Subject to the provisions of the Law and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ~~Ordinary~~ Resolution determine.

- 2.2 The Company may, subject to the provisions of ~~A~~article 40 of the Law, issue fractions of shares and any such fractional shares shall rank pari passu in all respects with the other shares issued by the Company.
- ~~App 3
Para 9~~ 2.3 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may (unless otherwise provided by the terms of the shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up:–
- ~~App 3
Para 15~~ (a) with the consent in writing of ~~seventy-five per cent~~three-fourths of the holders of the issued shares of the class; or
- ~~App 3
Para 9
App 13b
Para 2(+)~~ (b) with the sanction of a resolution passed by ~~seventy-five per cent~~ at least three-fourths of the votes cast by the holders of shares of that class present and voting in person or by proxy at a separate meeting of ~~such~~the holders of the shares of the class.
- ~~App 3
Para 6(2)~~ 2.4 To every such separate meeting, all the provisions of these ~~a~~Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply except that the necessary quorum shall be persons holding or representing by proxy at least one third ~~in nominal amount~~ of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Members who are present shall be a quorum).
- 2.5 The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by the creation or issue of further shares ranking pari passu therewith.
- 2.6 Subject to the provisions of these ~~a~~Articles, the Listing Rules and the Law, the unissued shares shall be at the disposal of the Directors and they may allot, grant options and/or warrants over or otherwise dispose of them to such persons, at such times and generally on such terms and conditions as they think fit. Subject to the provisions of article 36 of the Law, no shares may be issued by the Company at a discount.
- ~~2.7 The Directors shall not exercise any power of the Company to allot Relevant Securities, unless they are authorised to do so by the Company in general meeting in accordance with Article 2 or otherwise by these Articles.~~
- ~~2.8 For purposes of Articles 2.7 to 2.17 (inclusive), “Relevant Securities” means any right to subscribe for, or to convert any security into, Shares (other than Shares so allotted).~~

- ~~2.9 — A reference to the allotment of Relevant Securities pursuant to Article 2.7 includes the grant of such a right but (subject to Article 2.13 below) not the allotment of Shares pursuant to such a right.~~
- ~~2.10 — The authority under Article 2.7 may be given for a particular exercise of the power or for its exercise generally, and may be unconditional or subject to conditions.~~
- ~~2.11 — The authority under Article 2.7 must state:~~
- ~~(a) — the maximum amount of Relevant Securities that may be allotted or agreed to be allotted under it, which must not exceed the aggregate of twenty per cent. (20%) of the then existing issued share capital of the Company; and~~
 - ~~(a) — the date on which it will expire, which must be not later than the conclusion of the next annual general meeting of the Company following the passing of the resolution by virtue of which the authority is given, but such an authority may be previously revoked or varied by the Company in general meeting.~~
- ~~2.12 — The authority under Article 2.7 may be renewed or further renewed by the Company in general meeting, each renewal being for a further period which must expire no later than the conclusion of the annual general meeting of the Company following the passing of the resolution to renew the authority. The resolution to renew the authority must state (or restate) the amount of Relevant Securities which may be allotted or agreed to be allotted under the authority or, as the case may be, the amount remaining to be allotted under it, and must specify the date on which the renewed authority will expire.~~
- ~~2.13 — In relation to the authority under Article 2.7 for the grant of such rights as are mentioned in Article 2.8(b), the reference in Article 2.11 (as also the corresponding reference in Article 2.12) to the maximum amount of Relevant Securities that may be allotted or agreed to be allotted under the authority, is to the maximum amount of Shares which may be allotted pursuant to the rights.~~
- ~~2.14 — The Directors may allot Relevant Securities, notwithstanding that authority under Article 2.7 has expired, if they are allotted in pursuance of an offer or agreement made by the Company before the authority expired and the authority allowed it to make an offer or agreement which would or might require Relevant Securities to be allotted after the authority expired.~~
- ~~2.15 — The Company may at any time by way of Ordinary Resolution vary, restrict or revoke the authority of the Directors granted pursuant to Article 2.7.~~

~~2.16 Without prejudice to any resolution of the Company in general meeting made in accordance with Articles 2.7 to 2.15 (inclusive), effective from the date of listing of the issued share capital of the Company to HK Stock Exchange (the "Listing"), the Directors shall have the authority to issue and allot, or agree to issue and allot, before the second annual general meeting of the Company following Admission, such number of Shares as in aggregate is equivalent to but not exceeding twenty per cent. (20%) of the total number of issued Shares immediately following the Listing. Article 2.23 shall not apply to the allotment of Shares pursuant to the authority granted by this Article 2.16.~~

~~2.17 Nothing in Articles 2.7 to 2.16 (inclusive) affects the validity of any allotment.~~

~~2.18~~2.7 Subject to the provisions of ~~A~~articles 38 and 55 of the Law, the Company may issue Shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or at the option of the Holder holding such redeemable Shares and on such terms and in such manner as may be determined by Ordinary Resolution.

~~2.19~~2.8 The Company may exercise the powers of paying commissions conferred by the Law. Subject to the provisions of the Law any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

~~2.20~~2.9 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these ~~a~~Articles or by law) the Company shall not be bound by or recognise (even when having notice thereof) any interest in any share except an absolute right to the entirety thereof in the holder.

~~2.21~~2.10 The Company shall not be required to enter the names of more than four joint holders in the register of members of the Company.

2.10A Any Member may inspect during business hours any Register maintained in Hong Kong without charge.

2.10B Subject to applicable law, the Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of the HK Stock Exchange, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Directors may determine and either generally or in respect of any class of shares. The period of 30 days may be subsequently extended in respect of any year in relation to the Register by an Ordinary Resolution passed at a general meeting of the Company in that year, provided that the said period shall not be extended beyond 60 days in any year. The Company shall, on demand, furnish any person seeking to inspect the Register or part of the Register which is closed with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.

App 3
Para 1(3)

App 3
Para 20

App 3
Para 20

~~2.22.11~~ The Board may at any time after the allotment of a Share but before a person has been entered in the register as the Holder of the Share recognise a renunciation of the Share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on such terms and conditions as the Board thinks fit.

~~2.23~~ Subject to Articles 2.24, 2.25, 2.26 and 2.32, the Company, when proposing to allot Shares of any class:

(a) shall not allot any of them on any terms to a person unless it has made an offer to each person who is a Holder and who holds Shares of the relevant class on the same or more favourable terms a proportion of those Shares which is as nearly as practicable equal to the proportion in nominal value held by the Holder of the relevant class of Shares then in issue; and

(b) shall not allot any of those Shares to a person unless the period during which any such offer may be accepted by the relevant current Holders has expired or the Company has received a notice of the acceptance or refusal of every offer so made from such Holders.

~~2.24~~ Article 2.23 shall not apply to an allotment of Shares if such Shares are or are to be, wholly or partly paid otherwise than in cash.

~~2.25~~ Article 2.23 shall not apply to any Shares allotted or issued pursuant to the terms of an Employee Share Scheme.

~~2.26~~ Without prejudice to Article 2.16, Article 2.23 shall apply to the allotment of Shares subject to such exclusions or other arrangements as the Directors reasonably consider (having taken appropriate professional advice) to be necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or otherwise, provided that such exclusions or arrangements shall provide for such allotment to be made on terms that derogate to the minimum extent reasonably practicable from the principle that such allotment shall otherwise be made on a pre-emptive basis.

- ~~2.27—An offer under Article 2.23 shall be made to Holders in writing and shall be made to a Holder either personally or by sending it by post to that Holder or to his registered address or by leaving it at that address or by any other means authorised in writing by the Member concerned or to the address supplied by the Holder to the Company for the giving of notice to him or by means of electronic communication (in accordance with the Electronic Communications (Jersey) Law 2000 (as amended)). If sent by post the offer is deemed to be made at the date a posted document would be deemed to be delivered in accordance with Article 33.8. If sent by electronic communication, the offer is deemed received by the Holder within 24 hours of its dispatch.~~
- ~~2.28—Where Shares are held by two or more persons jointly, an offer under Article 2.23 may be made to the joint Holder first named in the register of Members in respect of the Shares.~~
- ~~2.29—In the case of a Holder's death or bankruptcy, the offer must be made:~~
- ~~(a)—by sending it by post in a prepaid letter addressed to the persons claiming to be entitled to the Shares in consequence of the death or bankruptcy by name, or by the title of the representatives of the deceased, or trustee of the bankruptcy, or by any like description, at the address supplied for the purpose by those claiming; or~~
 - ~~(b)—until any such address has been so supplied giving the notice in any manner in which it would have been given if the death or bankruptcy has not occurred.~~
- ~~2.30—If the relevant Holder in relation to an offer under Article 2.23 has no registered address for the services of notices on him or is the holder of a warrant for Shares, the offer may be made by causing it or a notice of where a copy may be obtained or inspected to be published in the London Gazette or the Financial Times.~~
- ~~2.31—An offer pursuant to Article 2.23 must state a period of not less than 14 days during which it may be accepted and the offer shall not be withdrawn before the end of that period.~~
- ~~2.32—Notwithstanding the provisions of Articles 2.23 to 2.31 (inclusive), the Directors may by virtue of an Ordinary a Special Resolution be given the power to allot Shares (whether directly, or by way of option or warrants for Shares convertible upon exercise of such options or warrants) either generally or in respect of a specific allotment such that:~~
- ~~(a)—Article 2.23 shall not apply to the allotment; or~~
 - ~~(b)—Article 2.23 shall apply to the allotment with such modifications as the Directors may determine; and~~

~~(e) — the authority granted by the Special Resolution may be granted for such period of time as the Special Resolution permits, which must be not later than the conclusion of the next annual general meeting of the Company following the passing of the Special Resolution by virtue of which the authority is given, and such authority may be revoked by a further Special Resolution.~~

~~2.33 — A Special Resolution under Article 2.32 shall not be proposed in respect of a specific allotment unless it is recommended by the Directors and there has been circulated, with the notice for the meeting at which the Special Resolution is to be decided, a proposal to the Holders entitled to have that notice a written statement by the Directors setting out:~~

~~(a) — their reasons for making the recommendations;~~

~~(b) — the amount to be paid to the Company in respect of the Shares to be allotted; and~~

~~(c) — the Director's justification of that amount.~~

3. Shares Certificates

3.1 Every member, upon becoming the holder of any shares, shall be entitled, without payment, to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class to a certificate for the balance of such holding) or several certificate each for one or more of his shares upon payment, for every certificate after the first, of such reasonable sum as the Directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

3.2 If a share certificate is defaced, worn out, lost or destroyed it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence, as the Directors may determine, but otherwise free of charge and (in the case of defacement or wearing out) on delivery up of the old certificate.

3.3 Every certificate shall be issued within one month after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) and shall be executed by the Company. A certificate for shares, warrants or debentures or representing any other form of securities of the Company shall be issued under the seal of the Company, which for this purpose, may be a duplicate seal.

3.4 A share certificate shall relate to only one class of Shares, and where the capital of the Company includes Shares with different voting rights, the designation of each class of Shares, other than those which carry the general right to vote at general meetings, must include the words “restricted voting” or “limited voting” or “non-voting” or some other appropriate designation which is commensurate with the rights attaching to the relevant class of Shares.

4. Lien

4.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this ~~a~~Article. The Company’s lien on a share shall extend to any amount payable in respect of it.

4.2 The Company may sell in such manner as the Directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

4.3 To give effect to a sale the Directors may authorise some person to execute an instrument of transfer of the shares sold to or in accordance with the directions of the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

4.4 The net proceeds of the sale after payment of the costs shall be applied in payment of so much of the sum for which the lien exists as is presently payable and any residue shall (upon surrender to the Company, for cancellation, of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

App 3
Para 1(2)

5. Calls on Shares and Forfeiture

- 5.1 Subject to the terms of allotment the Directors may make calls upon the Members in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each Member shall (subject to receiving at least 14 days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by installments. A call may before receipt by the Company of any sum due thereunder be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
- 5.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 5.3 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- 5.4 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or at such rate not exceeding ten per cent per annum as the Directors may determine but the Directors may waive payment of the interest wholly or in part.
- 5.5 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call. The Company may accept from a Member the whole or a part of the amount remaining unpaid on Shares held by him although no part of that amount has been called up.
- 5.6 Subject to the terms of allotment, the Directors may make arrangements on the issue of Shares for a difference between the holders in the amounts and times of payment of calls on their Shares.
- 5.7 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than 14 days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.

- 5.8 If the notice is not complied with any Share in respect of which it was given may before the payment required by the notice has been made be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 5.9 A forfeited Share may be sold re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the Directors may authorise some person to execute an instrument of transfer of the Share to that person.
- 5.10 A person any of whose Shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or at such rate not exceeding ten per cent per annum as the Directors may determine from the date of forfeiture until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 5.11 A declaration under oath by a Director or the Secretary that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.
- 5.12 The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any Shares held by him, and in respect of all or any of the moneys so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide but a payment in advance of a call shall not entitle the Member to receive any Dividend subsequently declared or to exercise any other rights or privileges as a Member in respect of the Share or the due portion of the Shares upon which payment has been advanced by such Member before it is called up. The Board may at any time repay the amount so advanced upon giving to such Member not less than one month's notice in writing of its intention on that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the Shares in respect of which it was advanced.

6. Transfer of Shares

- 6.1 Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by the HK Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.
- 6.2 A Member may transfer all or any of his uncertificated Shares in accordance with the Uncertificated Securities Order.
- 6.3 Subject to the provisions of the Uncertificated Securities Order the transferor of a Share is deemed to remain the Holder of the Share until the name of the transferee is entered in the Register in respect of it.
- 6.4 The Directors may refuse to recognise any instrument of transfer unless:–
- (a) a fee of such maximum as the HK Stock Exchange may from time to time determine to be payable (or such lesser sum as the Board may from time to time require) has been paid to the Company;
 - (b) the instrument of transfer is lodged at the office or at such other place as the Directors may appoint and is accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
 - (c) the instrument of transfer is in respect of only one class of Shares;
 - (d) the instrument of transfer is in favour of not more than four transferees;
 - (e) the Shares concerned are free of any lien in favour of the Company; and
 - (f) if applicable, the instrument of transfer is properly stamped.
- 6.5 If the Directors refuse to register a transfer of a Share they shall, within two months after the date on which the instrument of transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.

App-3
Para 1(1)

App-3
Para-1(f)

6.6 No fee shall be charged for the registration of any instrument of transfer or, subject as otherwise herein provided, any other document relating to or affecting the title to any share.

6.7 The Company shall be entitled to retain any instrument of transfer which is registered but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when the notice of the refusal is given.

7. Transmission of Shares

7.1 If a member dies, the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any Share which had been jointly held by him.

7.2 A person becoming entitled to a Share in consequence of the death, bankruptcy or incapacity of a Member may, upon such evidence being produced as the Directors may properly require, elect either to become the holder of the share or to make such transfer thereof as the deceased, bankrupt or incapacitated member could have made. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to transfer the Share he shall execute an instrument of transfer of the Share to the transferee. All of the ~~a~~Articles relating to the transfer of Shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the Member and the death, bankruptcy or incapacity of the Member had not occurred.

7.3 A person becoming entitled to a Share in consequence of the death, bankruptcy or incapacity of a Member shall have the rights to which he would be entitled if he were the holder of the Share except that he shall not before being registered as the holder of the Share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of Shares in the Company.

8. Alteration of Share capital

8.1 The Company may by Special Resolution:

- (a) increase its share capital by creating new Shares of such amount and in such currency or currencies as it thinks expedient;
- (b) consolidate and divide all or any of its Shares (whether issued or not) into Shares of a larger amount than its existing Shares;

- (c) convert all or any of its fully paid Shares into stock, and re-convert that stock into fully paid Shares of any denomination;
 - (d) sub-divide its Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum save that in a sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is divided;
 - (e) subject to Article 8.2 and the Law, convert any of its fully paid Shares the nominal value of which is expressed in one currency into fully paid Shares of a nominal value of another currency and denominate the nominal value of its issued or unissued Shares in units of the currency into which they have been converted; and
 - (f) cancel Shares which, at the date of the passing of the resolution to cancel them, have not been taken or agreed to be taken by a person, and diminish the amount of the Company's share capital by the amount of the Shares so cancelled.
- 8.2 A conversion under Article 8.1 shall be effected at the rate of exchange current at a time to be specified in the resolution, being a time within 40 days before the conversion takes effect.
- 8.3 Whenever as a result of a consolidation of Shares any Members would become entitled to fractions of a Share, the Directors may, in their absolute discretion, on behalf of those Members, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Law, the Company) and distribute the net proceeds of sale in due proportion among those Members, and the Directors may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 8.4 Subject to the provisions of the Law, the Company may issue Shares, or convert existing non-redeemable Shares (whether issued or not) into Shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or at the option of a Member holding such redeemable Shares and on such terms and in such manner as may be determined by Ordinary Resolution.
- 8.5 Subject to the Law and to any rights for the time being attached to any existing Shares, the Company may by Special Resolution reduce its share capital or any capital redemption reserve or any share premium account in any way.

App 3
Para 8

- 8.6 Subject to the Law and to any rights for the time being attached to any existing Shares, the Company may purchase, or agree to purchase in the future, any Shares of any class (including redeemable Shares) in its own capital in the following manners:
- (a) where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all Members alike;
 - (b) the purchase or redemption of any Share shall not be deemed to give rise to the purchase or redemption of any other Share; and
 - (c) the holder of the Shares being purchased or redeemed shall be bound to deliver up to the Company at the Office or such other place as the Board shall specify the certificate(s) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof.

9. General Meetings

App 3
Para 14(1)
App 13b
Para 3(3)

- 9.1 The Company ~~shall~~ must hold a general ~~n annual general~~ meeting as its annual general meeting in addition to any other general meeting in each financial year, and such annual general meeting shall be held within six (6) months after the end of each financial year (or such longer period as the HK Stock Exchange may authorise) and shall specify the meeting as such in the notice calling it. ~~once every year~~. Such meetings shall be convened by the Board at such time and place as it thinks fit ~~provided that there must not be a gap of more than 15 months between one annual general meeting and the next~~. A general meeting or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.
- 9.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.

App 3
Para 14(5)

9.3 The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Member(s) (including a recognised clearing house (or its nominee(s))) holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings, on a one vote per share basis in the share capital of the Company. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and the foregoing Member(s) shall be able to add resolutions to the meeting agenda. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

10. Notice of general meetings

App 3
Para 14(2)
App 13b
Para 3(1)

- 10.1 An annual general meeting or a general meeting called for the passing of a Special Resolution shall be called by at least 21 days' notice. All other meetings shall be called by at least 14 days' notice but a general meeting may be called by shorter notice if it is so agreed:–
- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the Shares giving that right.
- 10.2 The notice shall specify the day time and place of the meeting and the general nature of the business to be transacted and in the case of an annual general meeting, shall specify the meeting as such.
- 10.3 Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all Members, to all persons entitled to a Share in consequence of the death bankruptcy or incapacity of a Member and to the Directors and auditors (if any).
- 10.4 The accidental omission to give notice of a meeting to or the non- receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at the meeting.

- 10.5 The Board may determine that persons entitled to receive notices of meetings are those persons entered on the Register at the close of business on a day determined by the Board, provided that, if the Company is an issuer, the day determined by the Board may not be more than 5 days before the day that the relevant notice of meeting is being sent.
- 10.6 The notice of meeting may also specify a time (which, if the Company is an issuer, shall not be more than 48 hours before the time fixed for the meeting) by which a person must be entered on the Register in order to have the right to attend or vote at the meeting. Changes to entries on the Register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.
- 10.7 Where the notice of meeting is published on a web site in accordance with Article 334.3, it shall continue to be published in the same place on that web site ~~for~~from the date of the notification given under Article 334.2(b) until the conclusion of the meeting to which the notice relates.
- 10.8 Where a notice of meeting published on a web site in accordance with Article 334.3 is by accident published in different places on the web site or published for part only of the period from the date of the notification given under Article 334.2(b) until the conclusion of the meeting to which the notice relates, the proceedings at such meeting are not thereby invalidated.

11. Proceedings at general meetings

- 11.1 (1) No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a Member, or a proxy for a Member, shall be a quorum. One person actually present being a Member and acting as proxy for one or more other Members, or not himself being a Member but acting as proxy for two or more Members, shall for the purposes of these Articles be regarded as two persons when reckoning a quorum.
- (2) Subject to the rules of the HK Stock Exchange and the laws and regulations of Jersey, any Director may participate in a general meeting by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meeting.

- 11.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such day, time and place as the chairman may determine and if at such adjourned meeting a quorum is not present within five minutes from the time appointed for the holding of the meeting, those Members present in person or by proxy shall be a quorum.
- 11.3 The chairman, if any, of the Board of Directors or in his absence some other Director nominated by the Directors shall preside as chairman of the meeting, but if neither the chairman nor such other Director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be chairman.
- 11.4 If no Director is willing to act as chairman, or if no Director is present within 15 minutes after the time appointed for holding the meeting, the Members present and entitled to vote shall choose one of their number to be chairman.
- 11.5 (1) Each Member, each Director and any Auditor shall be entitled to attend and speak at any general meeting and at any separate meeting of the Holders of any class of Shares in the Company, and each Member must have the right to: (a) speak at general meetings of the Company; and (b) vote at general meetings except where a Member is required, by the rules of the HK Stock Exchange, to abstain from voting to approve the matter under consideration.
- (2) Each Director and any Auditor shall be entitled to attend and speak at any general meeting and at any separate meeting of the Holders of any class of Shares in the Company.
- 11.6 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven days' notice shall be given specifying the day, time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise, it shall not be necessary to give any such notice.

- 11.7 Without prejudice to any other power which he may have under the provisions of the Articles or at law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to:
- (a) secure the proper and orderly conduct of the meeting;
 - (b) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting; or
 - (c) ensure that the business of the meeting is properly disposed of.
- 11.8 If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all Members entitled and wishing to attend, the meeting shall be duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a Member who is unable to be accommodated is able to:
- (a) participate in the business for which the meeting has been convened;
 - (b) hear and see all persons present who speak (whether by the use of microphones, loud speakers, audio visual communications equipment or otherwise), whether in the meeting place or elsewhere; and
 - (c) be heard and seen by all other persons present in the same way.
- 11.9 The Board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a meeting including, without limitation, the searching of a person attending the meeting and the restriction of the terms of personal property that may be taken into the meeting place. The Board may authorise one or more persons, who shall include a Director or the Secretary or the chairman of the meeting to:
- (a) refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions; and
 - (b) eject from a meeting any person who causes the proceedings to become disorderly.

11.10 A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll is duly demanded. Subject to the provisions of the Law, a poll may be demanded:–

- (a) by the chairman or;
- (b) by at least two Members having the right to vote on the resolution; or
- (c) by a Member or Members representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution; or
- (d) by a Member or Members holding Shares conferring a right to vote on the resolution being Shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the Shares conferring that right;

and a demand by a person as proxy for a Member shall be the same as a demand by the Member.

11.11 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.12 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

11.13 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a day, time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

11.14 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

11.15 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such day time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

11.16 No notice need be given of a poll not taken forthwith if the day, time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven days' notice shall be given specifying the day, time and place at which the poll is to be taken.

12. Votes of Members

App 3
Para 6(1)

12.1 Subject to any rights or restrictions attached to any Shares, on a show of hands every Member who is present in person shall have one vote and on a poll every Member present in person or by proxy shall have one vote for every Share of which he is the Holder. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a Member which is a Clearing House (or its nominee(s)), each such proxy shall have one vote on a show of hands and on a poll, each proxy is under no obligation to cast all his votes in the same way.

App 3
Para 14(4)

12.2 Where the Company has knowledge that any Member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

App 3
Para 14

12.3 In the event that a registered Member fails to make the appropriate disclosures in accordance with this Article, the Directors may, by notice in writing and in their discretion, suspend voting and/or dividend rights, and/or refuse to register any transfers in respect of the relevant Shares, until such time as the appropriate disclosure are properly made. Any dividends declared and paid in such period shall be withheld by the Company and shall be payable without interest as soon as reasonably practicable upon compliance. For the purposes of these Articles, to the extent permissible by Law, Members whose voting rights have been suspended in accordance with this Article shall be entitled to receive notice of all general meetings of the Company but shall not be entitled to be present or to vote at the relevant general meetings. All resolutions passed at such general meetings shall be valid and binding, notwithstanding the suspension of voting rights.

- 12.4 In the case of joint Holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Holders, and seniority shall be determined by the order in which the names of the Holders stand in the Register.
- 12.5 A Member in respect of whom an order has been made by any court having jurisdiction (whether in Jersey or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator or other person authorised in that behalf appointed by the court, and any such receiver, curator or other person may, on a poll vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place within Jersey as is specified in accordance with the Articles for the deposit of instruments of proxy before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 12.6 No Member shall vote at any general meeting or at any separate meeting of the Holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all moneys presently payable by him in respect of that Share have been paid.
- 12.7 No objection shall be raised to the qualification of any person to vote except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 12.8 On a poll votes may be given either personally or by proxy. A Member may appoint more than one proxy to attend on the same occasion.
- 12.9 Subject to Article 12.10, an instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- 12.10 Subject to the Law and the Electronic Communications (Jersey) Law 2000 (as amended), the Board may accept the appointment of a proxy received in an electronic communication on such terms and subject to such conditions as it considers fit. The appointment of a proxy received in an electronic communication shall not be subject to the requirements of Article 12.9 above. The Board may require the production of any evidence it considers necessary to determine the validity of such an appointment.

App 3
Para 11

12.11 Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a Member for use by him for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the Member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

App 3
Para 18

12.12 (a) Any corporation which is a Member may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same rights and powers on behalf of the corporation which he represents as that corporation could exercise as if it were an individual Member of the Company. References in these Articles to a Member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a Member represented at the meeting by such duly authorised representative.

App 3
Para 19

(b) Where Member is a Clearing House (or its nominee(s)), it may (subject to Article 12.11) authorise such person or persons as it thinks fit to act as its representative or representatives or proxy or proxies at any meeting of the Company ~~(including but not limited to any general meeting and credi~~ or at any meeting of any class of Members (including but not limited to any general meeting and creditors meeting) provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such representative is so authorised. A person so authorised pursuant to the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents as that Clearing House (or its nominee(s)) could exercise as if such person were an individual Member, including the right to speak and vote, and where a show of hands is allowed, to vote individually on a show of hands.

12.13 Unless the Board agrees otherwise, an appointment of a corporate representative shall not be valid as against the Company unless:

- (a) in the case of such an appointment by a Member which is a Clearing House (or its nominee(s)), a written notification of the appointment issued by any director, the secretary or any authorised officer(s) of such Member shall have been delivered at such place or one of such places (if any) as is specified in the notice of meeting or in the form of notice issued by the Company, or handed to the chairman of the meeting at the meeting or, if no place is specified, at the principal place of business maintained by the Company in Hong Kong from time to time before the time of holding the meeting or adjourned meeting at which the person so authorised proposes to vote or handed to the chairman of the meeting at the meeting; and
- (b) in the case of such an appointment by any other corporate Member, a copy of the resolution of its directors or other governing body of the Member authorising the appointment of the corporate representative or a form of notice of appointment of corporate representative issued by the Company for such purpose or a copy of the relevant power of attorney, together with an up-to-date copy of the Member's constitutive documents and a list of directors or members of the governing body of the Member as at the date of such resolution, or, as the case may be, power of attorney, in each case certified by a director, secretary or a member of the governing body of that Member and notarised, or, in the case of a form of notice of appointment issued by the Company as aforesaid, completed and signed in accordance with the instructions thereon or in the case of a power of attorney a notarised copy of the relevant authority under which it was signed, shall have been deposited at such place or one of such places (if any) as is specified in the notice of meeting or in the form of notice issued by the Company as aforesaid (or, if no place is specified, at the Office) not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the corporate representative proposes to vote.

12.14 No appointment of a corporate representative shall be valid unless it names the person authorised to act as the appointor's representative and the appointor is also named. The Board may, unless it is satisfied that a person purporting to act as a corporate representative is the person named in the relevant instrument for his appointment, decline such person's admission to the relevant meeting and/or reject his vote or demand for a poll and no Member who may be affected by any exercise by the Board of its power in this connection shall have any claim against the Board or any of them nor may any such exercise by the Board of its powers invalidate the proceedings of the meeting in respect of which they were exercised or any resolution passed or defeated at such meeting.

- 12.15 Unless the contrary is stated in it, the appointment of a proxy shall be deemed to confer authority to the proxy to exercise the same powers on behalf of a Member who is an individual and for whom he acts as proxy as such Member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a Member which is a corporation and for which he acts as proxy as such Member could exercise if it were an individual Member, including the right to speak and vote.
- 12.16 Delivery or receipt of an appointment of proxy does not prevent a Member attending and voting in person at the meeting or an adjournment of the meeting or on a poll.
- 12.17 The appointment of a proxy shall (unless the contrary is stated in it) be valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. The appointment of a proxy shall be valid for 12 months from the date of execution or, in the case of an appointment of proxy delivered in an electronic communication, for the duration specified by the Board.
- 12.18 A vote cast or poll demanded by a proxy or authorised representative of a company is valid despite the previous death or insanity or revocation of the appointment of the proxy or of the authority under which the appointment was made unless notice of such prior death, insanity or revocation shall have been received by the Company at the Office or, in the case of a proxy, any other place specified for delivery or receipt of the form of appointment of proxy or, where the appointment of proxy was contained in an electronic communication, at the address at which the form of appointment was received, not later than the last time at which an appointment of proxy should have been delivered or received in order to be valid for use at the meeting or adjourned meeting at which the vote was cast or the poll demanded or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for use on the holding of the poll at which the vote is cast.
- 12.19 The form of appointment of a proxy, and (if required by the Board) a power of attorney or other authority under which it is executed or a copy of it notarially certified or certified in some other way approved by the Board, shall be:
- (a) in the case of an instrument in writing, delivered to the Office, or another place in Jersey specified in the notice convening the meeting or in the form of appointment of proxy or other accompanying document sent by the Company in relation to the meeting not less than ~~24~~48 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the form of appointment of proxy proposes to vote;

- (b) in the case of an appointment of a proxy contained in an electronic communication where an address has been specified for the purpose of receiving electronic communications:
 - (i) in the notice convening the meeting;
 - (ii) in any form of appointment of a proxy sent out by the Company in relation to the meeting; or
 - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting;
- (c) received at such address not less than 2448 hours before the time for holding the meeting at which the person named in the form of appointment of proxy proposes to vote;
- (d) in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, delivered or received as required by Articles 12.13(a) or 12.13(b) not less than 2448 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or
- (e) in the case of a meeting adjourned for not more than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the Secretary or to a Director.

An appointment of proxy not delivered or received in accordance with this Article 12 is invalid.

12.20 Notwithstanding the foregoing, in relation to any Shares which are held in uncertificated form, the Board may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an uncertificated proxy instruction and may in a similar manner permit supplements to, or amendments or revocations of, any such uncertificated proxy instruction to be made by like means. The Board may in addition prescribe the method of determining the time at which any such uncertificated proxy instruction (and/or other instruction or notification) is to be treated as received by the Company or a participant acting on its behalf. The Board may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a Holder as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that Holder.

12.21 No amendment to a resolution duly proposed as a Special Resolution ~~or an extraordinary resolution~~ (other than an amendment to correct a patent error) may be considered or voted on. No amendment to a resolution duly proposed as an Ordinary Resolution (other than an amendment to correct a patent error) may be considered or voted on unless either:

- (a) at least ~~24~~48 hours before the time appointed for holding the meeting or adjourned meeting at which the Ordinary Resolution is to be considered, notice of the terms of the amendment and intention to move it has been lodged at the office; or
- (b) the chairman in his absolute discretion decides that the amendment may be considered or voted on.

12.22 If an amendment proposed to a resolution under consideration is ruled out of order by the chairman the proceedings on the substantive resolution are not invalidated by an error in his ruling.

13. Corporations acting by representatives

13.1 Any corporation which is a Member of the Company may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise as if it were an individual Member of the Company. A corporation present at any meeting by such representative shall be deemed for the purpose of these Articles to be present in person.

14. Resolution in writing

14.1 Anything that may, in accordance with the provisions of the Law, be done by a resolution in writing signed by or on behalf of each Member, is authorised by these Articles without any restriction.

14.2 The Directors shall determine the manner in which resolutions shall be put to Members pursuant to the terms of this Article and without prejudice to their discretion, provision may be made in the form of any resolution in writing for each Member to indicate how many of the votes which he would have been entitled to cast at a meeting to consider the resolution he wishes to cast in favour of such resolution, and how many against such resolution or to be treated as abstentions and the result of any such resolution in writing shall be determined upon the same basis as on a poll.

15. Number of Directors

- 15.1 Unless and until otherwise determined by Ordinary Resolution the number of Directors shall not be subject to any maximum but shall not be less than two.

16. Alternate Directors

- 16.1 Any Director (other than an alternate Director) may appoint any other Director, or any other person, to be an alternate Director and may remove from office an alternate Director so appointed by him.
- 16.2 An alternate Director shall be entitled to attend, be counted towards a quorum and vote at any meeting of Directors and of any meeting of committees of Directors of which his appointor is a member at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director. It shall not be necessary to give notice of such a meeting to an alternate Director.
- 16.3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.
- 16.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 16.5 Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

17. Powers of Directors

- 17.1 Subject to the provisions of the Law, the Memorandum and the Articles and to any directions given by Special Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company in any part of the world. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors. If an Ordinary Resolution is passed reducing the minimum number of Directors to one, a Director who has been appointed to act as a sole Director shall have and may exercise all the powers and authorities in and over the affairs of the Company as by these Articles are conferred on the Directors.

17.2 The Directors may, by power of attorney or otherwise appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

18. Delegation of Directors' powers

The Directors may delegate any of their powers to any committee consisting of one or more Directors and (if thought fit) one or more other persons but a majority of the members of the committee shall be Directors. No resolution of the committee shall be effective unless a majority of those present when it is passed are Directors. They may also delegate to any managing director or any other Director (whether holding any other executive office or not) such of their powers as they consider desirable to be executed by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

19. Appointment and retirement of Directors

19.1 The first Directors shall be determined in writing by the subscribers to the Memorandum, or a majority of them.

19.2 The Directors shall have power at any time, and from time to time, without sanction of the Company in general meeting, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. A Director appointed ~~in this way~~ either to fill a casual vacancy or as an additional Director may hold office only until the ~~next~~ first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. ~~Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.~~ Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

App 3
Para 4(2)

- App 3
Para 4(3)
- 19.3 The ~~Members~~Company may at any general meeting convened and held in accordance with these Articles by Ordinary Resolution:
- (a) remove any person from office as a Director (including a managing director or other executive director) before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company)~~appoint any person as a Director; and~~
 - (b) appoint any person as a Director in his stead at the same meeting.~~remove any person from office as a Director.~~
- 19.4 No person other than a Director retiring (by rotation or otherwise) may be eligible for election to the office of Director at a general meeting unless:
- (a) he is recommended by the Board; or
 - (b) notice in writing by a Member (other than the person to be proposed) qualified to vote at the meeting of the intention to propose that person for appointment or reappointment has been lodged at the Office. The notice shall (i) state the particulars which would, if the proposed Director were appointed or reappointed, be required to be included in the Company's register of Directors, and (ii) be accompanied by notice given by the proposed Director of his willingness to be appointed or reappointed. The period for lodgement of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.
- 19.5 A Director may retire from office as a Director by giving notice in writing to that effect to the Company at the Office, which notice shall be effective upon such date as may be specified in the notice, failing which upon delivery, to the Office.
- 19.6 Subject to Article 19.7 below, at each annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not 3 or a multiple of 3, the number nearest to but not less than one third, shall retire from office provided that if there are fewer than 3 Directors who are subject to retirement by rotation, 1 shall retire from office.
- App 3
Para 4(4)
Para 4(5)

19.7 If any one or more Directors:

- (a) were last appointed or reappointed 3 years or more prior to the meeting;
- (b) were last appointed or reappointed at the third immediately preceding annual general meeting; or
- (c) at the time of the meeting will have served more than 9 years as a non-executive Director of the Company (excluding as the chairman of the Board),

he or they shall retire from office and shall be counted in obtaining the number required to retire at the meeting, provided that the number of Directors required to retire under Article 19.6 above shall be increased to the extent necessary to comply with this Article.

19.8 Subject to the Law and the Articles, the Directors to retire by rotation at an annual general meeting include, so far as necessary to obtain the number required, first, a Director who wishes to retire and not offer himself for reappointment, and, second, those Directors who have been longest in office since their last appointment or reappointment. As between two or more who have been in office an equal length of time, the Director to retire shall, in default of agreement between them, be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined on the basis of the composition of the Board at the start of business on the date of the notice convening the annual general meeting, disregarding a change in the number or identity of the Directors after that time but before the close of the meeting.

19.9 A Director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be reappointed. If he is not reappointed or deemed reappointed, he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

20. Disqualification and removal of Directors

20.1 The office of a Director shall be vacated if:

- (a) he ceases to be a Director by virtue of any provision of the Law or becomes prohibited by any other applicable law or the Exchange Rules from, or is disqualified from, being a Director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

- (c) he resigns his office by notice to the Company; or
- (d) the Company so resolves by Ordinary Resolution; or
- (e) all other Directors at such time request that the Director vacate his office.

~~App-13b~~
~~Para-5(1)~~

21. Remuneration of Directors and Expenses

21.1 The Directors shall be entitled to such remuneration as the Company may by Ordinary Resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

~~App-13b~~
~~Para-5(4)~~

21.2 The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of Shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

22. Notice of Directors' shareholdings

22.1 In this Article a reference to a Director includes a shadow Director. The Directors of the Company are obliged to notify the Company of their shareholdings in the Company upon becoming Directors. A Director who acquires Shares while acting as a Director is obliged to notify the Company of his shareholding or any increase in that shareholding as the case maybe. If a Director disposes of Shares while acting as a Director, he shall notify the Company of such change. All notifications under this Article must be made in writing in the form approved by the Company and notified to the Company on the day such acquisition, disposal or, in the case of new Directors, appointment takes place. For the purposes of this Article, a Director is deemed to have acquired or disposed of Shares if he has entered into any binding agreement in respect of such acquisition or disposal irrespective of whether such agreement constitutes an option, subscription right, derivative instrument, warrant or other right in respect of Shares (whether conditional or otherwise) and when completion of such acquisition or disposal (if at all) is to take place. References to the Company's Shares in this Article are also deemed to include those of its direct and indirect subsidiaries.

23. Directors' appointment and interests

- 23.1 Subject to the provisions of the Law, the Directors may appoint one or more of their number to the office of managing director or to any other executive office in the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may nominate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.
- 23.2 Subject to the provisions of the Law, and provided that he has disclosed to the Directors the nature and extent of any material interests of his, a Director notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any of its subsidiary undertakings or in which the Company or any of its subsidiary undertakings is otherwise interested;
 - (b) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
 - (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
 - (d) may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as though he were a Director of the Company.
- 23.3 For the purposes of clause 23.2
- (a) general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement with a specified person or class of persons shall be deemed to be sufficient disclosure of his interest in any such transaction or arrangement;

- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (c) a Director shall be treated as having been interested if:
 - (i) it is an interest of his spouse, child or step-child;
 - (ii) it is an interest of a body corporate in which he owns or is interested in at least one-fifth of the share capital or is entitled to exercise or control the exercise of one-fifth of the voting power at any general meeting; or
 - (iii) it is the interest of a person acting in his capacity as trustee of any trust the beneficiaries of which include the Director, his spouse, children or step-children of his or a body corporate in which the Director owns or is interested in at least one-fifth of the share capital or is entitled to exercise or control the exercise of one-fifth of the voting power at any general meeting.

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Para 4(1)

23.4 Save as otherwise provided in this Article 23, a Director may not vote on or be counted in the quorum in relation to a resolution of the Board or of a committee of the Board concerning a contract, arrangement, transaction or proposal to which the Company or any of its subsidiary undertakings is or is to be a party and in which he or any of his Close Associate(s) has/have a material interest and if he shall do so his vote shall not be counted (not shall he be counted in the quorum for that resolutions), but this prohibition does not apply to a resolution concerning any of the following matters:

- (a) the giving of a guarantee, security or indemnity either:
 - (i) to the Director or his Close Associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (ii) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his Close Associate(s) has himself/ themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (b) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his Close Associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (c) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which he or his Close Associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (d) a contract, arrangement, transaction or proposal for the benefit of the employees of the Company or any of its subsidiaries including:
 - (i) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his Close Associate(s) may benefit; or
 - (~~ii~~) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his Close Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his Close Associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; ~~and~~
- (e) a contract, arrangement, transaction or proposal in which the Director or his Close Associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

23.5 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of or terminating the appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not prohibited from voting under Article 23.4) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

23.6 If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his Close Associates or as to the entitlement of any Director (other than the chairman of the meeting) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his Close Associates concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting or his Close Associates such question shall be decided by a resolution of the Board (for which purpose such chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman or his Close Associates as known to him has not been fairly disclosed to the Board.

24. Directors' gratuities and pensions

24.1 The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or who was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

25. Proceedings of Directors

25.1 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equity of votes, the chairman shall have a second or casting vote. A Director who is also an alternate Director shall be entitled to a separate vote for each Director for whom he acts as alternate in addition to his own vote.

- 25.2 The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two. A person who is an alternate Director shall be counted in the quorum, any Director acting as an alternate Director shall also be counted as one for each of the Directors for whom he acts as alternate. Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all of the other Directors present at such meeting to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (in each case whether in person or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.
- 25.3 The continuing Directors or the only continuing Director may act notwithstanding any vacancies in their number but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filing vacancies or of calling a general meeting.
- 25.4 The Directors may appoint one of their number to be the chairman of the Board and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of Directors at which he is present. But if there is no Director holding that office or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.
- 25.5 All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- 25.6 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

25.7 A Director may vote in respect of any transaction, arrangement or proposed transaction or arrangement, in which he has an interest which he has disclosed in accordance with these Articles and if he does vote, his vote shall be counted, and he shall be counted towards a quorum at any meeting of the Directors at which any such transaction or arrangement or proposed transaction or arrangement, shall come before the Directors for consideration.

25.8 A Director may not vote on or be counted in the quorum in relation to a resolution of the Board or committee of the Board concerning his own appointment (including, without limitation, fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment of two or more Directors to officers or employment with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

26. Secretary

26.1 Subject to the provision of the Law, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them.

27. Minutes

27.1 The Secretary shall cause minutes to be made in books kept for the purpose in accordance with the Law.

28. The Seal

28.1 The common seal shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the common seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director.

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Para-2(+)

28.2 Subject to the provisions of the Law the Directors may determine to have:

- (a) an official seal for use in any country, territory or place outside the island of Jersey, which shall be a facsimile of the common seal of the Company. Any such official seal shall in addition bear either the name of the country in which it is to be used or the words “branch seal”;
- (b) an official seal for use only in connection with the sealing of securities issued by the Company and such official seal shall be a facsimile of the common seal of the Company but shall in addition bear the word “securities”.

29. Dividends

29.1 Subject to the provisions of the Law, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the Members, but no dividend shall exceed the amount recommended by the Directors.

29.2 Subject to the provisions of the Law, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may pay interim dividends on Shares which confer deferred or non-preferred rights with regard to dividends as well as on Shares which confer preferred rights with regard to dividends, but no interim dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith, they shall not incur any liability to the Holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares having deferred or non-preferred rights.

29.3 Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the amounts paid up on Shares on which the dividends is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid, but, if any Share is issued on terms providing that it shall rank for dividends as from a particular date, that Share shall rank for dividend accordingly.

29.4 A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any Member upon the footing of the value so fixed in order to adjust the rights of Members and may vest any assets in trustees.

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Para 13(1)

29.5 Any dividend or other moneys payable in respect of a Share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the Holders of the Share or are jointly entitled to it by reason of the death, or bankruptcy of the Holder, to the registered address of the one of those persons who is first named in the register or to such person and to such address as the person or persons entitled may in writing direct (and in default of which directions to that one of the persons jointly so entitled as the Directors shall in their absolute discretion determine). Every cheque shall be made payable to the order of the person or persons entitled or to such person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint Holder or other person jointly entitled to a Share as aforesaid may give receipts for any dividend or other moneys payable in respect of the Share.

29.6 The Directors may deduct from any dividend, or other moneys, payable to any Member on or in respect of, a Share, all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.

29.7 No dividend or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.

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Para 3(2)

29.8 Any dividend which has remained unclaimed for 10 years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

30. Minutes

30.1 Subject to the rules of the HK Stock Exchange, notwithstanding any other provision of these Articles the Company or the Directors may fix any date as the record date for:

- (a) determining the Members entitled to receive any dividend, distribution, allotment or issue and such record date may be on, or at any time not more than 30 days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made; or

- (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

App 3
Para 5

31. Accounts and audits

31.1 No ~~member~~Member shall (as such) have any right of inspecting any accounting records or other book or documents of the Company except as conferred by the Law or authorised by the Directors or by Ordinary Resolution.

31.2 The ~~Company~~Members shall at each annual general meeting by Ordinary Resolutions appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by the Members by Ordinary Resolutions in the annual general meeting, or on the authority of the Company in the annual general meeting except that unless prohibited by the Listing Rules, in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board.

App 3
Para 17

31.3 The Members shall, at any general meeting convened and held in accordance with these Articles, remove the Auditors by ~~Special~~Ordinary Resolutions at any time before the expiration of the term of office and shall, by Ordinary Resolution, at that meeting appoint new auditors in its place for the remainder of the term and fix the remuneration of such new auditors.

App 3
Para 17

31.4 The appointment, removal and remuneration of the Auditors must be approved by a simple majority of the Members in a general meeting or by other body that is independent of the Board.

32. Accounts to be sent to Members

32.1 The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting profit and loss accounts and balance sheets of the Company and such other reports and documents as may be required by law and the Listing Rules. The accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong, the International Accounting Standards, or such other standards as may be permitted by the HK Stock Exchange.

32.2 This Article 32 does not require copies of the documents to which it applies to be sent or delivered to:

(a) a Member or holder of debenture of whose address the Company is unaware; or

(b) more than one of the joint holders of Shares or debentures.

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32.3 Subject to Article 32.4 below, every balance sheet of the Company shall be signed on behalf of the Board by two of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors' report and a copy of the Auditors' report thereon, shall, not less than 21 days before the date of the meeting be delivered or sent by post together with the notice of annual general meeting to every Member of the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of these Articles, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any Shares, but any Member to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. If all or any of the Shares or other securities of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange or market, there shall be forwarded to such stock exchange or market such number of copies of such documents as may for the time being be required under its regulations or practice.

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32.4 Where permitted by the Law and the Listing Rules, the Company may send summarised financial statements to Members who have, in accordance with the Law and the Listing Rules, consented and elected to receive summarised financial statements instead of the full financial statements. The summarised financial statements must be accompanied by any other documents as may be required under the Law and the Listing Rules and must be sent to the Members not less than 21 days before the general meeting to those Members that have consented and elected to receive the summarised financial statements.

32.5 Any documents required or permitted to be sent by the Company to a person pursuant to this Article 32 shall be treated as sent if:

(a) sent by electronic communication in accordance with the Electronic Communications (Jersey) Order 2000 to an address for the time being notified to the Company by that person for that purpose; or

- (b) published on a web site, provided that the following conditions are met:
 - (i) the Company and that person have agreed that such documents may be accessed by him on a web site (instead of their being sent by post or otherwise delivered to him); and
 - (ii) that person is notified, in a manner for the time being agreed for the purpose between him and the Company, of:
 - (A) the publication of the documents on a web site;
 - (B) the address of that web site;
 - (C) the place on that web site where the documents may be accessed; and
 - (D) how they may be accessed.

32.6 Documents treated in accordance with Article 32.5(b) above as sent to any person are to be treated as sent to him not less than 21 days before the date of a meeting if, and only if:

- (a) the documents are published on the web site throughout a period beginning at least 21 days before the date of the meeting and ending with the conclusion of the meeting; and
- (b) the notification given for the purposes of Article 32.5(b)(ii) above is given not less than 21 days before the date of the meeting.

32.7 Nothing in Article 32.6(b) above shall invalidate the proceedings of a meeting where any documents that are required to be published as mentioned in Article 32.6(a) above are by accident published in different places on the web site or published for a part, but not all, of the period mentioned in that Article.

33. Capitalisation of profits

33.1 The Directors may with the authority of an Ordinary Resolution of the Company:

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;

- (b) appropriate the sum resolved to be capitalised to the Members in proportion to the nominal amounts of the Shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the Shares were fully paid and the sum were distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any Shares held by them respectively, or in paying up in full unissued Shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those Members, or as they may direct, in those proportions, or partly in one way and partly in the other, but the capital redemption reserve may for the purpose of this Article, only be applied in paying up unissued Shares to be allotted to Members credited as fully paid up;
- (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of Shares or debentures becoming distributable under this regulation in fractions; and
- (d) authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any Shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such Members.

34. Notices

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Para 7(2)

- 34.1 A notice to be given to or by a person pursuant to the Articles (other than a notice convening a meeting of the Board or of a committee of the Board) shall be in writing or in an electronic communication and sent or delivered in accordance with the Electronic Communications (Jersey) Order 2000 and the Listing Rules to an address for the time being notified for that purpose to the person giving the notice.
- 34.2 A notice or other document may be given to a Member by the Company:
 - (a) personally;
 - (b) by sending it by post in a pre-paid envelope addressed to the Member at his registered address;
 - (c) be leaving it at that address (or at another address notified for the purpose) in an envelope addressed to the Member;

- (d) by giving it by electronic communication to an address for the time being notified to the Company by the Members for that purpose;
- (e) by any other means authorised in writing by the Member concerned.

34.3 A notice of general meeting may, instead of being sent to the Member in any of the ways specified in Article 34.2 above, be given to a Member by the Company by publishing the notice on a web site, provided that the following conditions are met:

- (a) the Members have resolved by Ordinary Resolution that notices of general meetings may be accessed by a Member on a web site instead of being sent to the Members in one of the ways specified in Article 34.2 above; and
- (b) Members are given a notification, in the manner set out for the time being by Ordinary Resolution, containing the following information:
 - (i) the fact that the notice has been or will be published on the web site;
 - (ii) the address of the web site;
 - (iii) the place on the web site where the notice may be accessed and how it may be accessed;
 - (iv) a statement that it concerns a notice of general meeting served in accordance with the Law;
 - (v) the place, date and time of the general meeting; and
 - (vi) whether the general meeting is to be an annual or extraordinary general meeting.

A notice given under this Article 34.3 is deemed to be given at the time of the notification under Article 34.3(b).

34.4 A notice given by electronic communication under Article 34.2(d) above which fails to reach the Member at the Member's notified address shall be sent on two more occasions to the Member at the same address on the same day. If the notice does not reach the Member, the Company shall within two days dispatch to the Member by first class post the same notice which shall be deemed to be effective as of the date the electronic communications were sent.

34.5 In the case of joint Holders of a Share, a notice or other document shall be given to whichever of them is named first in the register in respect of the joint holding and notice given in this way is sufficient notice to all joint Holders.

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Para-7(2)

34.6 If a Member (or, in the case of joint Holders, the person first named in the Register) has a registered address outside Jersey and Hong Kong but has notified the Company of an address in Jersey or Hong Kong as the case may be at which notices or other documents may be given to him, or an address to which notices may be given by electronic communication, he is entitled to have notices given to him at that address, but otherwise no such Member or person is entitled to receive a notice or other document from the Company.

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Para-7(1)
Para-7(2)

34.7 If by reason of the suspension or curtailment of postal services in Hong Kong or Jersey the Company is unable effectively to convene a general meeting by notices sent by post to those Members who have not notified an address for electronic communications pursuant to Article 34.2(d), the Board may, in its absolute discretion and as an alternative to any other method of service permitted by the Articles, resolve to convene a general meeting by a notice advertised in the Newspapers. In this case, the Company shall send confirmatory copies of the notice to those Members by post if at least 7 clear days before the meeting the posting of notices to addresses throughout Hong Kong again becomes practicable.

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Para-7(2)

34.8 A notice or other document addressed to a Member at his registered address or address for service in Jersey or the Hong Kong is, if sent by post, deemed to have been given served or delivered at the expiration of 24 hours after it was put in the post ~~if pre-paid as first class post and at the expiration of 48 hours after it was put in the post if pre-paid as second class post~~, and in proving service it is sufficient to prove that the envelope containing the notice or document was properly addressed, pre-paid and posted and a certificate in writing signed by the share registrar or branch share registrar or a Director that the envelope or wrapper containing the notice or document was so addressed, pre-paid and posted shall be conclusive evidence thereof.

34.9 Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.

34.10 A notice contained in an electronic communication sent in accordance with the Articles other than a notice given under Article 34.3 (to which the provisions of that Article apply) is deemed to be given at the expiration of 24 hours after the time it was sent.

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Para-7(2)

34.11 A notice or document not sent by post but left at a registered address or address for service in Jersey or Hong Kong is deemed to be given on the day it is left.

- 34.12 Where notice is given by newspaper advertisement, the notice is deemed to be given to all Members and other persons entitled to receive it at noon on the day when the advertisement appears or, where notice is given by more than 1 advertisement and the advertisements appear on different days, at noon on the last of the days when the advertisements appear.
- 34.13 A notice or other document served or delivered by the Company by any other means authorised in writing by the Member concerned is deemed to be served when the Company has taken the action it has been authorised to take for that purpose.
- 34.14 A Member present in person or by proxy at a meeting of the Holders of a class of Shares is deemed to have received due notice of the meeting and, where required, of the purposes for which it was called.
- 34.15 A person who becomes entitled to a Share by transmission, transfer or otherwise is bound by a notice in respect of that Share which, before his name is entered in the Register, has been properly served on a person from whom he derives his title.
- 34.16 Where a person is entitled by transmission to a Share, the Company may give a notice or other document to that person as if he were the Holder of a Share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt Member (or by similar designation) at an address in Jersey or Hong Kong supplied for that purpose by the person claiming to be entitled by transmission. Until an address has been supplied, a notice or other document may be given in any manner in which it might have been given if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this Article is sufficient notice to any other person interested in the Share.

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Para 7(2)

35. Winding up

- 35.1 Subject to any additional requirements of the Law, a Special Resolution is required to wind up the Company summarily or voluntarily. If the Company is wound up, the Company may, with the sanction of a Special Resolution and any other sanction required by the Law, divide the whole or any part of the assets of the Company among the Members in specie and the liquidator or, where there is no liquidator, the Directors may, for that purpose, value any assets and determine how the division shall be carried out as between the Members or different classes of Members, and with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members as he with the like sanction determines, but no Member shall be compelled to accept any assets upon which there is a liability.

App 3
Para 21

36. Indemnity

36.1 In so far as the Law allows, every present or former officer or auditor, if any, of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been such an officer or auditor. The Directors may without sanction of the Company in general meeting, authorise the purchase or maintenance by the Company for any officer or former officer of the Company of any such insurance as is permitted by the Law in respect of any liability which would otherwise attach to such officer or former officer.

37. Warrants

37.1 The Company may issue a warrant (“**Share Warrant**”) stating that the registered holder of such Share Warrant is entitled to subscribe for the Shares specified in it. The Company shall ensure that a register of such Share Warrants and their respective holders (with names, addresses and contact details) is created and maintained on the Company’s statutory books in similar manner to the Register (such register being the “**Warrant Register**”).

37.2 The powers referred to in Article 37.1 may be executed by the Board which may determine and vary the conditions on which Share Warrants shall be issued, and in particular on which:

- (a) a new Share Warrant will be issued in the place of one damaged, defaced, worn out or lost (provided that no new Share Warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed); and
- (b) the holder of a Share Warrant (as entered on the Warrant Register) shall be entitled to receive notice of and to attend general meetings of the Company but will not have any right to vote at or to speak at any such general meeting.

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Para 2(2)

38. Untraceable members

38.1 The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

LR10.06(5)

38.2 The Company shall have the power to sell, in such manner as the Board thinks fit, any Shares of a Member who is untraceable, but no such sale shall be made unless:

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Para-13(2)

- (a) during the period of 12 years prior to the date of the advertisements referred to in sub-paragraph (ii) below (or, if published more than once, the first thereof) at least three dividends or other distributions in respect of the Shares in question have become payable or been made and no dividend or other distribution in respect of the Shares during that period has been claimed;
- (b) the Company has caused an advertisement to be inserted in the Newspapers of its intention to sell such Shares and a period of three months has elapsed since the date of such advertisement (or, if published more than once, the first thereof);
- (c) the Company has not at any time during the said periods of 12 years and three months received any indication of the existence of the holder of such Shares or of a person entitled to such Shares by death, bankruptcy or operation of law; and
- (d) the Company has notified the HK Stock Exchange of its intention of such sale.

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Para-13(2)

38.3 To give effect to any such sale the Board may authorise any person to transfer the said Shares and the instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such Shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. Notwithstanding any entries made by the Company in any of its books or otherwise howsoever, no trusts shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the Member holding the Shares sold is dead, bankrupt, wound up or otherwise under any legal disability or incapacity.

39. Financial Year

38.339.1 Unless otherwise determined by the Board, the financial year end of the Company shall be 31 December in each year.

NOTICE OF ANNUAL GENERAL MEETING



China New Energy Limited

(Incorporated in Jersey, Channel Islands with limited liability and carrying on business in Hong Kong as “Zhongke Tianyuan New Energy Limited”)

(Stock Code: 1156)

NOTICE IS HEREBY GIVEN that an annual general meeting (“AGM”) of China New Energy Limited (the “**Company**”) will be held at 8/F, Zone B, Energy Saving and Environmental Protection Building, Guangzhou Institute of Energy Conversion, No. 2, Nengyuan Road, Tianhe District, Guangzhou, PRC on Tuesday, 27 June 2023 at 4:30 p.m. to consider and, if thought fit, to pass the following resolutions, of which resolutions no. 1 to 3 will be proposed as ordinary resolutions and resolutions no. 4 to 7 will be proposed as special resolutions:

AS ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements and the Reports of the Directors and the Independent Auditor for the year ended 31 December 2022.
2.
 - (a) To re-elect Ms. Wong Mei Ling as an independent non-executive Director.
 - (b) To re-elect Mr. Yu Weijun as an executive Director.
 - (c) To re-elect Mr. Tang Zhaoxing as an executive Director.
 - (d) To authorise the board of Directors to fix the Directors’ remuneration.
3. To re-appoint KTC Partners CPA Limited as the Independent Auditor and to authorise the board of Directors to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL RESOLUTIONS

4. To consider and, if thought fit, pass the following resolution as a special resolution of the Company:

“**THAT** notwithstanding any provisions of the Company’s Articles of Association to the contrary (in particular, but without limitation to Articles 2.7 to 2.33 inclusive):

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers to issue shares of the Company after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the issue of shares under the option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) the issue of shares as scrip dividends in accordance with the articles of association of the Company from time to time; or (iv) the issue of shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of 20% of the total number of shares of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purpose of this resolution:
- (i) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of Jersey or the articles of association of the Company to be held; or
 - (3) the date upon which the authority set out in this resolution is revoked or varied by way of a resolution of the shareholders of the Company in general meeting; and
 - (ii) “**Rights Issue**” means an offer of shares in the capital of the Company open for a period fixed by the Directors to holders of shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of any jurisdiction, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”
5. To consider and, if thought fit, pass the following resolution as a special resolution of the Company:
- “**THAT:**
- (a) subject to paragraphs (c) to (e) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase (or agree to repurchase) shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange and, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (c) the aggregate number of shares of the Company to be repurchased or agreed to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (d) the minimum price, exclusive of any expenses, which may be paid for a share in the share capital of the Company pursuant to the approval in paragraph (a) above is £0.00025 each, being the nominal value of the shares;
- (e) the maximum price, exclusive of any expenses, which may be paid for an ordinary share of the Company pursuant to the approval in paragraph (a) above shall be the higher of:
 - (i) an amount equal to 110% of the average middle market quotation for ordinary shares of the Company taken from the Stock Exchange Daily Official List for five business days immediately preceding the day on which such shares are to be contracted to be purchased; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the Stock Exchange Daily Official List at the time the purchase is carried out; and
- (f) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of a resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass the following resolution as a special resolution of the Company:

“**THAT** conditional upon the passing of resolutions no. 4 and 5 set out in the notice convening this meeting, the general mandate granted to the Directors to allot, issue and otherwise deal with additional shares of the Company pursuant to the resolution 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto the number of shares of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 set out in the notice convening this meeting.”

7. To consider and, if thought fit, pass the following resolution as a special resolution of the Company:

“**THAT** the memorandum and articles of association of the Company be amended in the manner as set out in the circular of the Company dated 2 June 2023 (the “**Circular**”) and the amended and restated memorandum and articles of association of the Company in the form of the document marked “A” and produced to the AGM and for the purpose of identification initialed by the chairman of the AGM, which consolidates all the proposed amendments mentioned in the Circular, be approved and adopted as the amended and restated memorandum and articles of association of the Company in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with immediate effect and that the Directors be and are hereby authorised to do all things necessary to implement the adoption of the amended and restated memorandum and articles of association of the Company.”

By Order of the Board
China New Energy Limited
Yu Weijun
Chairman

Hong Kong, 2 June 2023

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) Any shareholder entitled to attend and vote at the above meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
- (ii) In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, shall be deposited at the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 24 hours before the time for holding the above meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person if he is subsequently able to be present.
- (iii) A form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either executed under seal or under the hand of an officer or attorney duly authorised to sign the same.
- (iv) In the case of joint holders of any shares, any one of such joint holders may vote at the above meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the meeting, either personally or by proxy, the joint holder whose name stands first in the Register of Shareholders will alone be entitled to vote in respect of such shares.
- (v) On a poll, every shareholder present at the meeting shall be entitled to one vote for every fully paid-up share of which he is the holder.
- (vi) In respect of the special resolution no. 4 above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company pursuant to such general mandate. Approval is being sought from the shareholders as a general mandate for the purposes of the Listing Rules.
- (vii) In respect of the special resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders.
- (viii) The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.
- (ix) As at the date of this notice, the executive Directors are Mr. Yu Weijun (*Chairman*) and Mr. Tang Zhaoxing (*Chief Executive Officer*); and the independent non-executive Directors are Mr. Richard Antony Bennett, Mr. Chan Shing Fat Heron and Ms. Wong Mei Ling.